

Since the passage of the healthcare law, Small Business Majority has been committed to working with Colorado policymakers, local chambers of commerce, business organizations, insurance brokers and others to educate small business owners about the new health insurance marketplace and key provisions of the healthcare law. We're working continuously to get entrepreneurs the information they need to best take advantage of the law's small business provisions. Small business owners have been waiting for decades for something to rein in premium costs, and now is the time to help get them some relief.

Luckily for small business owners who are looking into their health insurance options, SHOP offers open enrollment year round. But in order to encourage more small businesses to utilize this new option, Colorado entrepreneurs need to be informed about what the marketplace can do for their business, and they need a fully-functioning online enrollment portal to help make it as easy as possible for them to enroll.

Small Business Majority's opinion polling found many small business owners are eager to take advantage of this new option. In fact, our polling shows that two-thirds of small business owners would use the marketplace or at least consider using it, compared to a mere eight percent who say they would not. Unfortunately though, many small employers we talk to in Colorado are woefully uninformed about the state's health insurance marketplace and important details of the healthcare law that impact small businesses. In order to help get them all the information they need, we need to encourage brokers and health coverage guides to start working together more on this front.

We know from our opinion polling just how much small business owners rely on their brokers. In fact, a vast 75% of small business owners already work with an insurance broker to purchase insurance policies for their businesses. To better educate the small business community about the new options available to them, small business groups and navigators need to utilize the help of brokers.

What's more, we need more education for brokers and the small business community on employee choice. We know from our polling that small business owners like the employee choice option when they hear more about it. However, this option requires a great deal more work on the part of brokers and small employers to implement this option for their staff.

Additionally, we need to simplify and expand the small business healthcare tax credit included in the healthcare law, which would help more small business owners afford to purchase small group plans through Connect for Health Colorado. We know from our research that many small business owners want to offer health insurance to their employees, but can't afford to do so. In fact, Small Business Majority's scientific [opinion polling](#) found 55% of small business owners provide insurance to at least some of their employees, but of those who don't offer it, 70% say it's because they can't afford it. What's more, according to a study by the President's Council of Economic Advisors, small businesses have paid [18% more](#) on average for health coverage than large companies in the past and usually received fewer comprehensive benefits.

For those who took advantage of this option, the small business tax credit has helped many small employers better afford health insurance, but it can do more. Expanding the credit and simplifying the process to claim it will help countless small businesses better afford health insurance for their employees. Small businesses have been asking that the credits be simplified and expanded for years. It has been our experience on the ground in Colorado that it was much easier for a small business with less than 49 employees to simply look at the individual financial assistance (APTC), rather than investigate the small business tax credit. This is unfortunate because group coverage has the possibility to offer many benefits to both the small business owner and their employees.

Technical difficulties with the website have also hindered small business owners from utilizing SHOP. Many small business owners who did check out SHOP had trouble completing applications for a small

business plan through the website. These technological challenges drove many SHOP opportunities to the outside market or to the individual/family market.

There's good news coming, though. SHOP has a potentially large wave of growth coming next year with employers with 50 to 99 employees joining the market in 2016. These firms have a higher incidence of both employer and employee familiarity with health insurance and many already offer health insurance benefits to their employees. These will be firms that have more time and human resources to engage in SHOP, as opposed to businesses with less than 50 employees. What's more, employee choice will be a valuable benefit to these larger employee-size firms, as their employees can choose among multiple, competitive choices that address their specific needs, rather than the previous "one size fits all" model.

Additionally, we'll see more broker involvement as firms of this size are more likely to utilize the help of agents. These firms mean more to a broker's book of business and their incomes.

Despite any problems along the way, Colorado's new health insurance marketplace has made many accomplishments (including a #5 ranking among state marketplaces), and is still the most important component of the healthcare law for small businesses. This is why having reliable access to it online is imperative. A properly implemented SHOP marketplace will relieve hard-working small business owners from spending countless hours trying to navigate the healthcare market.

We want all small businesses to be able to enjoy affordable and comprehensive health insurance coverage. It's imperative Connect for Health Colorado puts proper focus on the SHOP marketplace so it functions correctly and small businesses can reap its benefits.

Thank you for the opportunity to comment on this matter. I would be pleased to engage with anyone on the committee further, if need be.

Sincerely,

Tim Gaudette  
Colorado Outreach Manager  
Small Business Majority