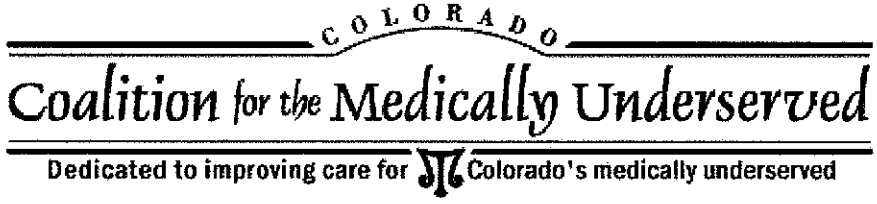
Attachment C



February 9, 2008

Senate Health and Human Services Committee
Colorado State Capitol
200 East Colfax
Denver CO 80203

Dear Senator:

The Colorado Coalition for the Medically Underserved (CCMU) enthusiastically endorses SB09-159 which would raise the age in which dependent children can be included on their parents health insurance.

CCMU believes that this bill will help Colorado's healthcare policy more accurately reflect the economic and social realities of modern society. SB-159 also provides economic benefits to the State by reducing the number of individuals who are uninsurable and could require indigent care.

We believe that it is important for the General Assembly to understand that it does not take a catastrophic or life-threatening illness for someone to be considered "uninsurable". Therefore, it is important to change public policy so that more Coloradans can find the health care coverage they so desperately need.

Once again, please join CCMU in supporting Senator Sandoval and SB09-159.

Sincerely,

Deborah J. Colburn

Deborah Colburn
Executive Director

PO Box 18877, Denver CO 80218
303-832-7727
www.ccmu.org

FAMILY VOICES
COLORADO

Support of Senate Bill 159

This is to express our support of the
Bill Concerning Mandatory Offer of Dependent Coverage to an Unmarried Child

As the age of marriage becomes later, completion of higher education takes longer, and many of our young adults, in CO, age 25 through 30 are uninsured, this bill opens a door to better Colorado. It is smart to find a way to provide coverage for this population. Often the cost of healthcare coverage for entry level positions creates a disincentive to pay for health coverage. The Lewin Group, during the 208 Commission, identified this population as one of Colorado's highest uninsured groups.

As the parent of two twenty-something's I have watched the struggle to manage the cost of premiums on a pay check. Enabling parents to have the option to continue to providing coverage for their young adults insures ongoing health coverage through initial employment. It allows continuity of care during school years, travel, volunteerism or other endeavors the twenty something's opt for in today's world.

I am well aware that this bill has come up due to a health incident and subsequent lack of employment for a young person. Any one of us is just one paycheck away from losing our valuable healthcare coverage.

The vast majority of young adults within this age bracket tend to be healthy and not a costly group to cover. Therefore, placing only a small burden on health plans to cover the same lives longer. By increasing the age for parents enrolled in a plan and thus providing coverage to these individuals is actually continuity of care!

Family Voices CO is in favor of all families providing health coverage for their children, children with and without disabilities. If the young adult has a significant disability at the age of 18 they would be eligible for public health coverage under SSI eligibility guidelines.

This is a positive option for those families like ours that have adult children with long-term healthcare needs. It would allow our family to continue to carry primary insurance for our daughter making Medicaid the secondary payer. By expanding coverage for those years, we could see a reduced cost to the state for a very small percentage of the population.

Sincerely,

Christy S Blakely, Director
Family Voices CO
450 Lincoln Street, Suite 100B
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303-733-3000 ext 101

Autism Society of Colorado
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720.274.2744 fax
office@autismcolorado.org
www.autismcolorado.org
Answering the Call

Support of Senate Bill 159

The Autism Society of Colorado supports SB09-159 - Concerning Mandatory Offer of Dependent Coverage to an Unmarried Child

A former perceived American "norm" was that once a child reached the age of emancipation, the parents were absolved of financial participation in their fundamental support.

Americans are now keenly aware that even college graduates can encounter lengthy difficulties securing employment with health care benefits. Additionally, employment opportunities might be available, but do not provide health care benefits. Without a job with benefits, the most practical way for many young people to secure insurance is through their families' plan as a dependent.

Securing health care benefits is a more profound problem for young adults with disabilities. In fact, only 5% of people with autism nationally are employed, even though it is known that many of them desire employment and could be meaningfully engaged in productive service.

Lack of employment typically foretells lack of health care in America.

My own son, age 20, is dually insured, meaning, he has both private health insurance as a primary payer of benefits through dependent coverage, and he has Medicaid, as a secondary payer. The longer I am allowed to provide health insurance coverage for him, the less of a draw he will be on taxpayer dollars. By expanding coverage for those years, we could see a reduced cost to the state for a very small percentage of the population.

Even though my son is training to be employed, the likely type of job he will have and the number of hours he will work in a week will prevent him from qualifying for private health insurance through his own employment.

It is my understanding that this bill has come up due to a health incident and subsequent lack of employment for a young person, which highlights the reality that many of are just one paycheck away from losing our valuable healthcare coverage.

A significant number of young adults within this age bracket tend to be healthy and not a costly group to cover. Therefore, placing only a small burden on health plans to cover the same lives longer. By increasing the age of dependent coverage for parents enrolled in a plan and thus providing coverage to these individuals is actually continuity of care! We all are aware that emergency room care is the most costly to our economy, yet many American youth receive their primary care via emergency rooms due not only to choice, but to lack of choice.

Sincerely,

Betty Lehman

Betty Lehman, executive director
Autism Society of Colorado

SB09-159
Endorsements
(Partial)

Colorado Consumer Health Initiative
Coalition for the Medically Underserved
Autism Society of Colorado
Family Voices
Teamsters Local #17
Evolve Communications

SB09-159
"CONCERNING THE MANDATORY OFFER OF DEPENDENT COVERAGE TO AN UNMARRIED CHILD"

Issue Overview:

- In 2005, changes were made to Colorado Revised Statues 10-16-104.3 (1) that expanded the age that unmarried, "Dependent", children could remain under their parent's health insurance from 24 to 25. This change came through HB05-1101.
- HB05-1011 also removed the qualification that a child is a "full time student" in order to qualify as a "Dependent".
- HB05-1011 also added a residency requirement to the "Dependent" definition: "Whose legal residence is the same as the parent or" is financially dependent.
- The 2005 changes in law states that insurance companies may charge an additional fee if coverage is extended to dependents that fit into the expanded definition.

SB09-159 Changes:

- Changes the age until which an unmarried child may be claimed as a Dependent from 25 to 30.

Specifically:
SECTION 1. 10-16-104.3.

> (1) All individual in group sickness and accident insurance policies providing coverage within the state by an entity subject to the provisions of part 2 of this article and all group health service contracts issued by an entity subject to the provisions of part 3 or part 4 of this article that offer dependent coverage shall offer to the parent, for an additional premium if applicable, by rider or supplemental policy provision, the same dependent coverage for an unmarried child who is under **THIRTY** years of age and is not a dependent defined by section 10-16-102 if such child...

What SB09-159 Does NOT Change:

- Continues the prohibition that an insurer may not refuse to provide coverage for a dependent child under the health plan of the child's parent for the sole reason that the child is not enrolled in an educational institution.
- Continues requirement that the legal residence of said Dependent be the same as the Parent or financially dependent upon the parent or policy holder.
- The additional premium, if applicable, for a rider or supplemental policy provision offered pursuant to subsection (1) of this section, shall be paid by the parent or the policyholder, at the discretion of the policyholder.

Reasons Change is Necessary:

- ***Young adults ages 19-29 are the largest growing group at risk of being uninsured***
  - Many young adults don't have health insurance care coverage either because they are unemployed or are in a job with no benefits.
  - Over 13 million young adults, nation-wide, are without health insurance – about 30% of these are between 19-29
  - Post-high school education patterns have changed to reflect an increase in the numbers of kids remaining in the home and/or going to college part-time. Shoring up this gap is appropriate and reflects the modern-day realities of this extended economic dependence on parents.
  - In Colorado more than 790,000 (17 percent of the population) do not have health insurance, including 175,500 children.
  - In Colorado, four in ten of working-age adults are uninsured (aged 19-34)
- ***Eases financial burden on the State***
  - For the "uninsurable" this expansion of coverage can help minimize the numbers of citizens who will end up indigent and thereby costing the State increased monies at a time of extensive and ongoing budget shortfalls.
  - Lack of continuity and stability of insurance puts this population's health at risk. This bill helps mitigate this instability.
  - Turning 19 increases the uninsured rate nearly threefold; it rises from 11% among children age 18 and under to 30% among those ages 19 to 29.

- ***Minimal/No fiscal impact to the State or Industry***
  - As with the changes made by HB05-1101, SB09-159 will allow insurance companies to push the increased costs along to participating consumers in the form of expanded premium costs.
  - In New Jersey, which raised their age limit to 30 almost three years ago, there have been NO complaints from Industry, even though the state specifically requested that Industry come back with any concerns, complaints or additional information that the change negatively impacted them.
  - Improving access to health insurance for young adults could lower the average cost of group insurance, since young adults are generally healthier than older adults and have far lower per capita health expenditures.

Similar Changes in Other States:

- Colorado is among the 25 states that have extended care to young adults on their parents' insurance past the standard cut off of 19 years of age.
- In New Jersey, their program began in May of 2006. When last measured, enrollment was approximately 15,000 out of a total regulated commercial market in NJ of about 2.4 million. 5,000 have used this program for short term need and then have withdrawn leaving 10,000 remaining in the program.
- In Florida, they extended health coverage to adult children under their parent's policy through age 30, who are single, with no dependants, living in state. This legislation targeted the portion of their 45 million uninsured – ages 19-29 which is their fastest growing portion of their population with 59% uninsured.
- New York Governor Paterson has proposed legislation that would allow employees to claim dependents on their medical insurance up to age 29.

First Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 09-0679.02 Kristen Forrestal

SENATE BILL 09-159

SENATE SPONSORSHIP

Sandoval,

HOUSE SPONSORSHIP

(None),

Senate Committees
Health and Human Services

House Committees

A BILL FOR AN ACT

101 CONCERNING THE MANDATORY OFFER OF DEPENDENT COVERAGE TO
102 AN UNMARRIED CHILD.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Changes the age of an individual for which a carrier is required to offer dependent coverage for an additional premium from 25 to 30.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** The introductory portion to 10-16-104.3 (1),

Colorado Revised Statutes, is amended to read:

10-16-104.3. Dependent health coverage for persons under twenty-five years of age. (1) All individual and group sickness and accident insurance policies providing coverage within the state by an entity subject to the provisions of part 2 of this article and all group health service contracts issued by an entity subject to the provisions of part 3 or 4 of this article that offer dependent coverage shall offer to the parent, for an additional premium if applicable, by rider or supplemental policy provision, the same dependent coverage for an unmarried child who is under ~~twenty-five~~ THIRTY years of age, and is not a dependent as defined by section 10-16-102 if such child:

SECTION 2. Act subject to petition - effective date. (1) This act shall take effect January 1, 2010.

(2) However, if a referendum petition is filed against this act or an item, section, or part of this act during the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution, then the act, item, section, or part, shall not take effect unless approved by the people at a biennial regular general election and shall take effect on the date specified in subsection (1) or on the date of the official declaration of the vote thereon by proclamation of the governor, whichever is later.

Impact of Paterson's Health Care Plan May Be Limited

By CARA BUCKLEY
Published: January 18, 2009

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It is one of the biggest black holes in the nation's health care system: vast numbers of young adults between the ages of 19 and 29 with no health insurance.

Related

Paterson Would Insure Dependents Up to Age 29 (January 7, 2009)

To plug the gap, Gov. David A. Paterson is preparing a plan that will allow many more young adults to be claimed as dependents on their parents' health insurance plans, a move he described as a significant step toward achieving universal health care in New York.

The plan was praised by some health care experts as a major step forward, but early evidence from the roughly two dozen other states that have adopted similar programs suggests that their effectiveness in shrinking the ranks of the uninsured has been modest at best.

"We've reviewed the laws and regulations from all 25 states," said Joel C. Cantor, the director of the Center for State Healthy Policy at Rutgers University, who is studying the national impact of the state laws on insuring young adults. "This is about as incremental as incremental gets."

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Under Mr. Paterson's proposal, employees would be able to claim dependents up to age 29 as part of their health care coverage, up from the current limit of 19, or 22 for full-time students.

Young adults represent one of the largest groups in the country lacking insurance. According to the Commonwealth Fund, a nonprofit research group in New York, 13.7 million people between the ages of 19 and 29 across the country went without medical insurance in 2006, a number that represented nearly a third of the country's uninsured population that was not elderly.

In New York, 800,000 people in that age group have no insurance, according to the governor's office, or about 31 percent of the state's uninsured population. About 80,000 young people could be insured within the first year of the governor's plan, which is subject to approval by the Legislature. The estimate is based on enrollment rates in New Jersey, where a similar law was adopted in 2006.

It is unclear how much support the proposal will have in the Legislature, but Mr. Paterson said neither businesses nor the state would shoulder the extra cost, which instead would be absorbed by the families who opted for expanded coverage.

"The plan seems like a very legitimate step in the right direction toward improving access to health care," said Austin Shafran, a spokesman for the new Senate majority leader, Malcolm A. Smith. "We're really taking a look at it."

There are numerous reasons young adults tend to be uninsured. Public programs and parents' policies often set a cutoff for dependents at age 19 or at graduation from college. Young people often start their careers working part time or for employers who do not offer health coverage. Or they decide not to buy insurance because of the cost, or simply because they believe their youth makes them invincible.

In that age group, members of ethnic and racial minorities are more likely to be uninsured than whites — more than a third of African-Americans and half of Hispanics nationwide are uninsured, compared with roughly one in four whites.

The raising of the age limit mandated by numerous state laws was intended to bridge that age gap, at least for dependents whose parents have coverage. But gauging its impact has been difficult.

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Few states where the age gap now is higher have gathered data about how many young people obtain insurance. One exception is New Jersey, which allowed parents to claim adult children up to the age of 30 (the age was recently raised to 31) as long as their dependents were unmarried, had no children of their own and were living in the state or enrolled full time in college.

About 15,000 young adults have been enrolled as dependents since the state increased the age limit in 2006, with 5,000 using it for a short time before dropping out and 10,000 still enrolled, said Marshall McKnight, a spokesman for New Jersey's Department of Banking and Insurance.

"It is considered a success intended to provide temporary coverage for those who needed it," Mr. McKnight said.

But Wardell Sanders, president of the New Jersey Association of Health Plans, said the impact of the age-limit extension had not been as great as state officials had envisioned because of the law's restrictions and because federal laws that limited the state program.

"I think the folks in New Jersey may have overestimated the number of folks potentially eligible," Mr. Sanders said.

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A version of this article appeared in print on January 19, 2009, on page A23 of the New York edition.

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Past Coverage

Paterson Would Insure Dependents Up to Age 29 (January 7, 2009)