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SB 09-244 / Business Affairs & Labor Committee

Summary of public testimony by:

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Thank you for your time and consideration. My name is Gregory Goodman. I'm a native of our great state of Colorado; I'm a proactive member of my community both politically and socially; I'm an attorney who was privileged to be mentored by the late Monte Pascoe, who left an indelible mark on our city and state; I'm also the father of a wonderful son, who brings everyone he touches unparalleled joy. He also happens to have autism.

As I followed the efforts of lawmakers and lobbyists on this bill, I wondered what value I could offer you, the legislature, as you weigh the merits of this bill. And I realized that I could leverage my professional skills to uncover some facts, not conjecture or opinion or broad statements, but hard and cold facts to help all of you decide whether there's any clear correlation between changes in mandates and subsequent increases in health insurance costs to Colorado employers.

I reviewed the Red Book going back 11 years, to 1998, and pulled out every change (other than non-substantive changes) made to § 10-16-104 (mandates) during that time. Those are summarized in the right hand column of the attached chart. I did some related research to uncover the changes in overall health insurance costs to Colorado employers during that same period. I started with data obtained from one of the largest benefit consulting firms in the state, and confirmed and supplemented it with publicly available data from, among others, the Colorado Division of Insurance and the Mountain States Employers Council. So what you see in the left hand column of the chart is the overall increase in health insurance costs to Colorado businesses for each year *following* the enactment of new mandates.

And I think it's easy to see from a layperson's perspective that there really isn't any clear correlation between the two columns. The fact is, for more than a decade health insurance and healthcare costs have been spiraling out of control, but it appears to have little, if indeed anything at all, to do with changes to mandated coverages. In 1998, some notable mandates were added, including extended maternity coverage and extended coverage for diabetics, yet the increase in costs for 1999, the following year, was only 5.3%, the smallest increase shown on this chart. From 2000 – 2002, only minor changes were made to the mandates, yet the increases in health insurance costs from 2001 – 2003 were over 10% *each* year.

I'd like to conclude with a thought regarding a public policy issue behind this bill. Concerns have been raised about the fairness of providing coverage for this special class, autistic children, while other admittedly deserving conditions or ailments aren't mandated. Yet the fact is, autism is one of the only major medical conditions *not* included in the mandates. This quote unquote "special class" includes kids, children who haven't done anything wrong other than be unlucky enough to be born with autism. They didn't smoke and induce emphysema; they didn't abuse alcohol and induce cirrhosis of the liver; they didn't make decades of poor lifestyle choices and induce adult-onset diabetes.

An article in last week's *Economist* highlights what appears to be a growing consensus among scientists about kids with autism. A recent study published by Great Britain's Royal Society suggests that *up to 30%* of autistic individuals possess either a genius-level IQ or genius-level savant capability in fields such as science, engineering or mathematics. It's widely speculated that Albert Einstein and Sir Isaac Newton, to name a few, were probably autistic. Our challenge is making sure we have the resources in place to help these kids unlock that *enormous* potential. Thank you so much for your consideration.

MARCH 19, 2009 / SB 09-244

SUMMARY OF CHANGES TO C.R.S § 10-16-104 AND CORRESPONDING INCREASES IN HEALTH INSURANCE COSTS FOR COLORADO EMPLOYERS, 1998-2009

YEAR	INCREASE (FOLLOWING YEAR) IN INSURANCE COSTS ¹	NEW SPECIFIC MANDATES ²
2008	10.2% - 11.7% (range of private industry estimates for 2009 increase)	Add benefits for early detection of colorectal cancer and adenomatous polyps; (ii) licensed addiction counselors must be reimbursed; and (iii) hearing aids for minor children.
2007	6.3% increase for 2008	Add (i) early childhood intervention services (Part C of federal Individuals With Disabilities Education Act); (ii) cervical cancer vaccinations; (iii) confirm obligations for qualified mental illnesses; and (iv) cannot deny based on military status.
2006	6.1% increase for 2007	None.
2005	6.1% increase for 2006	None.
2004	6.1% increase for 2005	None.
2003	9.0% increase for 2004 ³	<i>Reduced obligations of small employers to cover (i) low-dose mammography; (ii) mental illness; (iii) alcoholism; (iv) hospice care; (v) prostate cancer screening; and (vi) hospitalization and general anesthesia for dental procedures for children.</i>
2002	10.2% increase for 2003	None.
2001	11.5% increase for 2002	Add benefits for inherited enzymatic disorders caused by single gene defects.
2000	10.0% increase for 2001	Add benefits for prosthetic devices.
1999	6.0% increase for 2000	Add medically necessary physical, occupational, and speech therapy for care and treatment of congenital defects and birth abnormalities for children up to five years.
1998	5.3% increase for 1999	Add (i) maternity coverage and related hospital stays; (ii) anesthesia for dental procedures for children; (iii) general diabetes coverage; and (iv) expand approved mental health providers.

¹ Except where noted, figures are the aggregate for all sizes of employers in Colorado, and show the raw increase in overall employer health insurance costs for that year, without accounting for shifting more costs onto employees via higher deductibles or higher premiums. Sources: Colorado Division of Insurance; AHIP Center for Policy and Research; Mountain States Employers Council; Colorado Springs Business Journal; and Mercer National Survey of Employer-Sponsored Healthcare Plans.

² Source: Session Laws of Colorado (Red Book), 1998-2008.

³ This appears to be the only year where there was a significant difference in the rate of increase for small group employers (where the increase was only 5.5% for 2004) versus Colorado employers as whole.