

Written Testimony in Support of SB26-029

Income Tax Credit for Health Savings Account Contributions

Submitted by:

Thomas J. Martel

CEO

MotivHealth Insurance Company

Before the Senate State, Veterans, and Military Affairs Committee

February 3, 2026

Chair and Members of the Committee:

Thank you for the opportunity to submit testimony in support of Senate Bill 26-029.

MotivHealth Insurance Company strongly supports this legislation because it aligns with what we see every day: when individuals are given the tools, information, and incentives to engage in their health care decisions, costs go down and outcomes improve.

MotivHealth was founded with a clear purpose—to help employers offer quality health benefits while spending less, to help individuals become more engaged in their health care decisions, and to reward people for making smart choices that lower health care costs. Health Savings Accounts play a central role in achieving these goals and this legislation is exactly the incentive users need in Colorado.

We support individuals and families—many of them in Colorado—who rely on Health Savings Accounts to manage health care expenses today while preparing for future needs. We currently administer tens of thousands of HSAs. Over 75 percent of those are considered “active”, meaning people are regularly contributing to them or using them to pay for medical care. This level of engagement demonstrates that HSAs are not passive savings vehicles. They are working accounts that people depend on to pay for prescriptions, office visits, lab work, and other necessary care.

This bill acknowledges and incentivizes HSAs allowing more users in Colorado to take control of health care decisions – whether care is needed today or if they can use the accounts to save money for future expenses, including unexpected medical events or health care costs later in life.

This bill would also open a pathway to new users to become thoughtful consumers of their own health care. When individuals understand that their choices matter—and that they personally benefit from making high-value decisions—they are more likely to ask questions, compare options, and engage with their care in meaningful ways. This needs to be encouraged and rewarded.

This engagement is essential as health care costs continue to rise. Employers are facing some of the largest premium increases in over a decade, and simply shifting costs to employees is no longer sustainable. MotivHealth's approach focuses on actively guiding members to high-value care, improving transparency, and rewarding behaviors that reduce unnecessary spending. HSAs reinforce this approach by aligning financial incentives with informed decision-making.

Senate Bill 26-029 strengthens the effectiveness of HSAs in a practical and responsible way. By offering a modest, capped tax credit for HSA contributions, the bill lowers barriers to participation and encourages individuals to begin saving earlier and contribute more consistently. For many families, even a small incentive can make the difference between delaying contributions and actively preparing for health care expenses.

The bill also supports employers who are trying to balance affordability with access. HSAs, when paired with high-deductible health plans, allow employers to manage premium costs while still providing employees with meaningful tools to pay for care. Encouraging HSA participation helps employers maintain sustainable benefit offerings without sacrificing quality.

We appreciate how carefully SB26-029 is designed. The tax credit includes clear limits and a defined timeframe, ensuring that it provides meaningful support to consumers while remaining fiscally responsible for the state. It does not impose new mandates or administrative burdens on employers or insurers, but instead builds on an existing, widely used mechanism that already helps your constituents in Colorado manage health care costs.

From our experience, affordability in health care is not achieved through a single solution. It requires aligning incentives, increasing transparency, and empowering individuals to participate actively in their care. Health Savings Accounts are one of the most effective tools available to support that alignment, and Senate Bill 26-029 strengthens their impact.

For these reasons, MotivHealth respectfully urges the committee to support SB26-029. We appreciate Senator Carson's leadership and thank the committee for its time and thoughtful consideration.

Respectfully submitted,



Thomas J. Martel
CEO

Dave Gruber
7935 S Coolidge Way
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January 30, 2026

Senate State, Veterans, & Military Affairs Committee

Colorado General Assembly

Re: Support for SB 26-029 – Health Savings Account Tax Credit

Dear Members of the Committee,

My name is Dave Gruber, and I reside in Aurora, Colorado. As a retired U.S. Air Force Colonel and a former Aurora City Council member, I am writing to express my strong support for SB 26-029, the Health Savings Account Tax Credit.

Families across Colorado are being squeezed by rising prices, and health care is one of the biggest pressures on their monthly budgets. A 2024 survey found that nearly three in four Colorado adults experienced at least one health care affordability burden in the past year, and more than 80% worry about affording health care in the future. These are working families who are doing their best to be responsible, yet still find themselves delaying care or stretching prescription medications because of cost.

SB 26-029 is a practical, targeted way to help. The bill creates a Colorado income tax credit equal to 25% of a resident's contributions to a Health Savings Account that supports a high-deductible health plan. The credit is capped at \$500 for single filers, \$1,000 for joint filers, and \$1,500 for contributions to a family health plan, and is available for tax years 2027 through 2032. It is nonrefundable and cannot be carried forward, which means it provides relief only up to the amount of tax owed and helps keep the fiscal impact contained.

This policy rewards personal responsibility and savings rather than expanding a new government program. It gives Coloradans more control over their own health care dollars while helping them prepare for predictable and unexpected medical costs. For families

using high-deductible plans, this credit will make it a little easier to put money aside for doctor visits, prescriptions, and other necessary care.

Although my wife and I are on Medicare and would not personally qualify for this credit, our daughter and many other working-age Coloradans will. This is exactly the kind of policy I believe the state should advance: it is pro-family, pro-savings, and it offers meaningful help without raising taxes or creating a new bureaucracy.

For these reasons, I respectfully urge you to vote 'Yes' on SB 26-029. Thank you for your service and for your consideration of this important legislation.

Sincerely,

Dave Gruber

Aurora, Colorado