PROYECTO de informe de la Opción de cobertura del estado de Colorado

7 de octubre de 2019

Presentado por
la División de Seguros de Colorado, parte del Departamento de Organismos Reguladores
y
el Departamento de Pólizas y Financiamiento de Atención Médica

Índice

Resumen ejecutivo

Con la promulgación del proyecto de ley 19-1004, el gobernador Jared Polis y la Asamblea General de Colorado le asignaron a la División de Seguros de Colorado (*Division of Insurance*, DOI) y al Departamento de Pólizas y Financiamiento de Atención Médica (*Health Care Policy and Financing*, HCPF) la tarea de desarrollar y presentar una propuesta al órgano legislativo para una Opción del estado que ofrezca un seguro de salud asequible para los residentes de Colorado.

Durante los últimos 4 meses, el HCPF, la DOI y el subgobernador han aceptado cartas y comentarios públicos, y celebraron 14 sesiones públicas para escuchar opiniones en todo el estado para recabar opiniones de miembros de la comunidad, expertos en seguros de salud, intermediarios, empleadores, proveedores, compañías de seguro y muchos otros. Los comentarios e ideas recibidos de las partes interesadas fueron reflexivos e interesantes; influyeron en gran medida en el diseño de las propuestas incluidas en este informe.

El siguiente informe analiza las características fundamentales que los organismos consideran que apoyarán una exitosa Opción del estado de Colorado; una que prioriza la asequibilidad y el acceso a la atención de alta calidad para todos los residentes de Colorado. Alcanzar esa meta requiere potenciar la fuerte infraestructura estatal de cobertura existente, y a la vez minimizar el riesgo financiero del estado.

En la Tabla 1 a continuación se resumen recomendaciones basadas en la carga legislativa, comentarios de las partes interesadas, investigación y análisis actuariales.

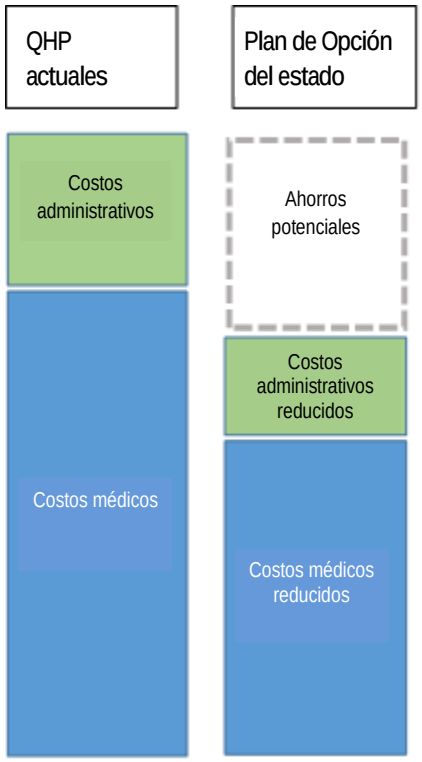
Tabla 1

Una Opción del estado de cobertura asequible: componentes clave	
¿Quién supervisará la Opción del estado?	● El Departamento de Pólizas y Financiamiento de Atención Médica y la División de Seguros supervisarán y fijarán las normas y los requisitos para la Opción del estado.
¿Quién administrará la Opción del estado?	● Aseguradoras autorizadas administrarán los planes de la Opción del estado, mantendrán los riesgos financieros y las reservas financieras y celebrarán contratos con proveedores de atención. ● A cada aseguradora en el estado que tenga un tamaño determinado se le exigirá que ofrezca esta opción, para difundir tanto la oportunidad como el riesgo.
¿Cuánto les ahorrará a los residentes de Colorado la Opción del estado?	● Los residentes de Colorado verán un ahorro de por lo menos el 9 al 18 % en las primas mensuales. ● Por medio de una exención federal se lograrán ahorros adicionales en gastos del propio bolsillo que pueden aportar un ahorro adicional de $69 a $133 millones a los usuarios. ● Este es el impacto del ajuste de reembolsos de 175 %-225 % de Medicare de la tasa actual de aproximadamente 289 % de Medicare que pagan las aseguradoras en el mercado individual.
¿Por qué la Opción del estado será más asequible?	● Las compañías de seguros deberán utilizar el 85 % del dinero que cobran en primas para pagar por la atención del paciente. ● Todos los descuentos de medicamentos de venta con receta y otras compensaciones

	que paguen los fabricantes a las compañías de seguros se deberán usar para reducir el precio de las pólizas individuales. ● A los proveedores se le reembolsará a una tasa de referencia con respecto a las tasas de Medicare que continúe permitiendo la prestación de servicios rentables y habrá un enfoque especial mediante este proceso para garantizar la sostenibilidad de hospitales rurales y pequeños hospitales comarcales de hospitalización breve y proveedores.
¿Quién puede comprar estos planes?	● Todos los residentes de Colorado que compren su propio seguro de salud individual pueden adquirir un plan de Opción del estado.
¿Dónde pueden comprar estos planes los residentes de Colorado?	● Los planes de Opción del estado se venderán a través de Connect for Health Colorado y en el mercado abierto tradicional individual . ● Los usuarios que reúnan las condiciones podrán usar los subsidios federales que actualmente tienen a su disposición por medio de Connect for Health Colorado para adquirir esta opción. ● Los agentes autorizados podrán orientar y apoyar a los usuarios en sus decisiones de compra.
¿Cómo se financiarán los planes?	● Los contribuyentes de Colorado no financiarán estos planes. ● Los planes estarán totalmente asegurados, en planes de mercado individuales ofrecidos por compañías de seguros de salud privados. ● Si el gobierno federal aprueba la solicitud de Colorado para una exención de innovación 1332, utilizaremos la aprobación de crédito fiscal para prima mediante financiación para hacer que los planes sean aún más asequibles o puedan ofrecer más beneficios (por ejemplo, cobertura dental) para los usuarios.
¿Qué beneficios cubrirán los planes de la Opción del estado?	● Todos los Beneficios de salud esenciales estarán cubiertos. ● Muchos servicios tendrán carácter prededucible, inclusive la atención preventiva, la atención primaria y la atención a la salud conductual. ● Otros servicios de alto valor como servicios dentales, dependen de los ahorros y la aprobación federal.
¿De qué forma mejorarán los planes la calidad de la atención médica?	● Las aseguradoras de la Opción del estado crearán redes de alto rendimiento y utilizarán pagos en función del valor para recompensar a los proveedores que alcancen metas de calidad.
¿Cuándo estarán disponibles los planes?	● El 1 de enero de 2022.
¿De qué forma las partes interesadas seguirán compartiendo sus opiniones?	● El HCPF y la DOI crearán una Junta Asesora de la Opción del Estado para garantizar que todas las opiniones de las partes interesadas puedan seguir sirviendo de apoyo al desarrollo y la implementación actuales de este plan.

La Opción del estado maximiza el uso de la infraestructura existente, aumenta la competencia, limita el riesgo financiero y los costos iniciales del estado, aumenta la calidad, mejora la estrategia de control de costos y puede brindar una opción asequible para todos los residentes de Colorado. Como se muestra en la imagen 1, la reducción de costos administrativos en combinación con la reducción de costos de atención dará como resultado ahorros tangibles que se trasladarán directamente a los usuarios. Como se analiza con mayor profundidad a lo largo del informe, tal como se recomienda actualmente, la Opción del estado le permitirá ahorrar a los residentes de Colorado del 9 al 18 % en sus primas mensuales.

Imagen 1.



NOTA PARA LOS LECTORES:
La DOI y el HCPF desean saber lo que piensan acerca de esta propuesta. Agradecemos sus comentarios sobre sus diferentes fortalezas y debilidades, y cualquier otra sugerencia seria que tengan sobre cómo permitir a los residentes de Colorado ahorrar dinero en la atención médica. Los comentarios se aceptarán hasta el 22 de octubre. Esperamos con gusto recibir sus opiniones.

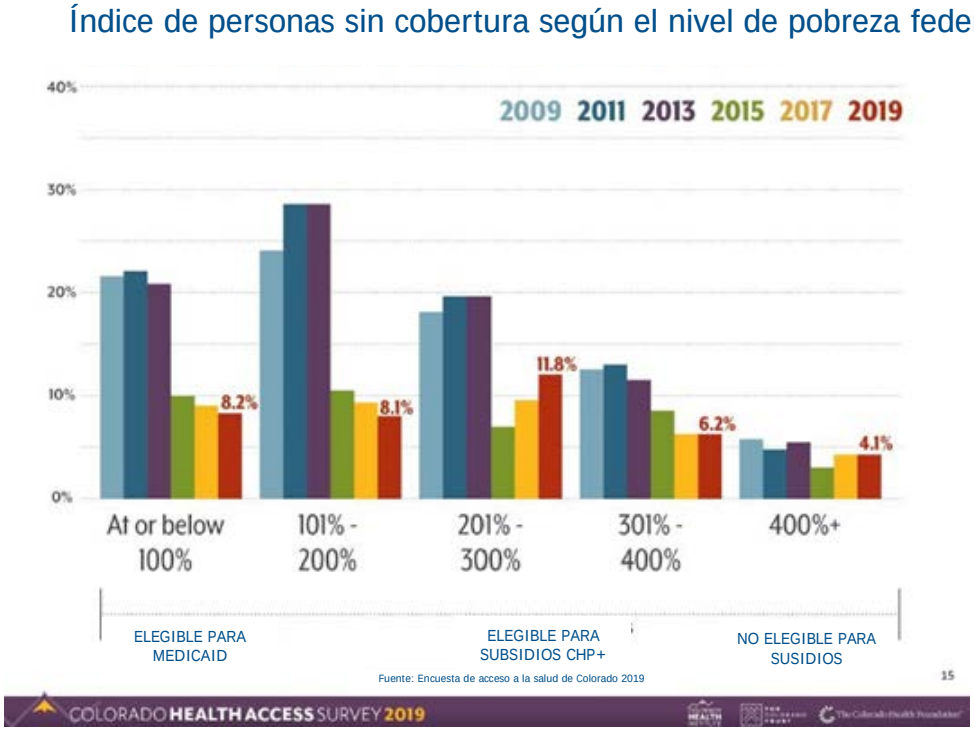
Introducción

Garantizar que las personas puedan acceder a una atención médica asequible es un desafío que ha exasperado a funcionarios públicos y expertos en políticas durante décadas, a pesar de los aparentes esfuerzos constantes por abordar los costos de cobertura y atención. La Ley de Atención Asequible logró grandes avances en el aumento de la cobertura, pero para muchos (en Colorado y en todo el país) incluso los subsidios que proporciona el gobierno federal no son suficientes para mantener el seguro asequible para las personas y las familias. Los nuevos datos de la Encuesta de acceso a la salud de

Colorado de 2019 muestran que el 90 % de los residentes de Colorado sin seguro citan el "costo" como el motivo por el que no están cubiertos[1]. También es fundamental reconocer que a aquellos con cobertura de seguro de salud también les preocupa la asequibilidad. Las partes interesadas en todas las reuniones que mantuvimos manifestaron preocupaciones importantes sobre su imposibilidad de costear los gastos de su propio bolsillo: sus deducibles, coaseguros y copagos.

Al reconocer que la asequibilidad es el mayor obstáculo para la cobertura, el gobernador Polis y la Asamblea General de Colorado han tomado una cantidad de medidas para mejorar la asequibilidad, que incluyen establecer la Oficina para ahorrarle dinero a las personas en la atención médica (*Office of Saving People Money on Health Care*), el pasaje de un programa de reaseguro, el apoyo de modelos de negociación cooperativa de la comunidad, el lanzamiento de un Mapa de asequibilidad de la atención médica en comunidades alrededor del estado, nuevos incentivos a hospitales para que transformen sus prácticas con el fin de atender mejor las necesidades de sus comunidades y este proceso para diseñar y recomendar una opción de cobertura del estado.

Imagen 2.



Históricamente Colorado ha estado a la vanguardia en cuanto al diseño y la implementación de estrategias para mejorar el acceso a la atención médica y su calidad. La Opción del estado, que se concentra en la asequibilidad, es el próximo paso trascendental para el estado. Esta recomendación alcanzará las metas de HB19-1004 al crear una opción de atención médica asequible que aumentará la competencia en el mercado individual. Esto se logrará mediante un enfoque de ahorros en los costos: con hospitales y aseguradoras junto con el requisito de que las compañías de seguro con una determinada participación del mercado que operan en Colorado participen en la Opción del estado.

[1] Encuesta de acceso a la salud de Colorado de 2019, Instituto de Salud de Colorado

Si bien esta recomendación se enfoca en el mercado individual, creemos que la Opción del estado es ampliable y en los años siguientes podremos expandirla al mercado de grupos pequeños. Los Departamentos además recomiendan evaluar, con el transcurso del tiempo, si la Opción del estado debe ponerse a disposición del mercado de grupos grandes, especialmente si encontramos alguna evidencia de cambios en los costos a los empleadores. La DOI vigilará el mercado de grupos grandes e informará al órgano legislativo sobre cualquier cambio en los costos que pudiera ocurrir. Confiamos en que la Opción del estado proporcionará un alivio a los usuarios de Colorado y reconocerá las necesidades de opciones de menor costo para la comunidad comercial.

Generalidades de la legislación HB 19-1004

La DOI y el HCPF están a cargo del desarrollo de una propuesta que identifique la implementación más eficaz de una Opción del estado que logre las metas de:

- Desarrollar un enfoque innovador y proactivo, específico para Colorado para aumentar el acceso de los usuarios a una cobertura de atención médica asequible y de alta calidad;
- Ofrecer una opción de cobertura de atención médica adicional para lo que viven en uno de los ahora veintidós condados del estado que tienen solo una aseguradora de salud;
- Aumentar la competencia en el estado entre las aseguradoras de salud para ejercer presión con respecto a la reducción de las primas de seguro de salud;
- Considerar la viabilidad y los costos de implementar una Opción del estado para cobertura médica que aproveche la infraestructura actual del estado;
- Utilizar la experiencia de la DOI y el HCPF, que administra Medicaid de Colorado, también conocido como Health First Colorado, y varios expertos en el campo de la atención médica y las pólizas de atención médica; y
- Crear una norma estatal para el seguro de salud asequible.

La DOI, el HCPF y las partes interesadas también deben considerar una cantidad de repercusiones posibles de la Opción del estado, que incluyen:

- la repercusión en los usuarios que reúnen las condiciones para recibir ayuda financiera federal (Créditos fiscales anticipados para primas [*Advance Premium Tax Credits* – APTC] o Créditos fiscales sobre primas [*Premium Tax Credits* - PTC]) a través de Connect for Health Colorado (el mercado de seguro de salud del estado);
- las repercusiones en el presupuesto del estado para la implementación de la Opción del estado; y
- las repercusiones sobre otros planes de cobertura médica del estado, como Health First Colorado (Medicaid) y el Children's Basic Health Plan (Plan de salud básico para niños).

También se les pidió a los organismos que analizaran la estructura financiera de una Opción del estado, posibles fuentes de financiación complementaria y si se podría necesitar alguna exención federal para la implementación. Además se consideró lo siguiente:

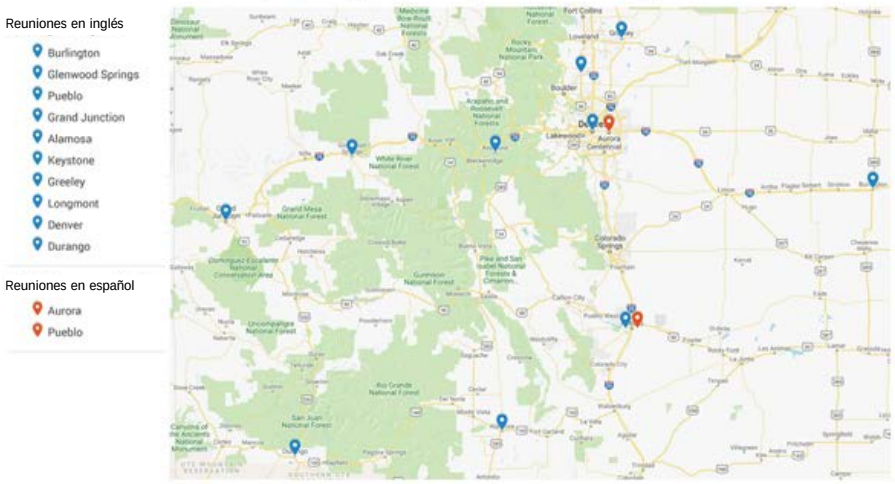
- Cómo garantizar la participación de las aseguradoras
- Cómo garantizar que participen suficientes proveedores
- Qué criterios de elegibilidad deberían usarse para determinar quién puede participar en el plan

Por último, la ley también exigirá una investigación actuarial para analizar el posible costo de las primas y la distribución de costos que sería necesaria para diversas opciones de cobertura médica, a la vez que también incluir la cobertura de los beneficios médicos esenciales que ofrecen los planes de beneficios de salud que cumplen con ACA.

Aporte y comentarios de partes interesadas

El HCPF y la DOI reunieron aportes cualitativos de partes interesadas para el desarrollo de esta Opción del estado de Colorado al aceptar cartas y comentarios públicos, dirigir grupos de enfoque y organizar catorce sesiones para escuchar opiniones en todo el estado. El gobernador Polis quiso que las sesiones de para escuchar opiniones fueran cómodas para la mayor cantidad de personas y por lo tanto se realizaron en diferentes puntos del estado y se ofrecieron en inglés y en español. Los materiales de estas reuniones están disponibles en el Apéndice V. Las reuniones de partes interesadas tuvieron lugar en los siguientes lugares:

Reuniones en todo el estado sobre la Opción de cobertura de salud asequible (HB 19-1004)



La participación de partes interesadas en Keystone consistió en dos sesiones. La primera fue una reunión tradicional de partes interesadas. La segunda fue una oportunidad para que las partes interesadas ofrecieran sus propuestas y recomendaciones para la Opción del estado. Los siguientes grupos ofrecieron presentaciones sobre sus propuestas. Las presentaciones están disponibles para su revisión en el Apéndice IV.

- Colorado Hospital Association
- Colorado Access
- Colorado Consumer Health Initiative
- Colorado Medical Society
- AJ Ehrle Health Insurance
- Young Invincibles

Las partes interesadas que participaron en las sesiones incluyeron, entre otros, a representantes de la comunidad, proveedores, hospitales, organismos de servicios humanos y de salud del condado, compañías de seguros, agentes de seguros, comercios, organizaciones sin fines de lucro y funcionarios electos. La DOI y el HCPF usaron los comentarios y opiniones de estas reuniones y de los grupos de enfoque para formular las recomendaciones que se incluyen en este informe. Las partes interesadas ofrecieron sus opiniones sobre las poblaciones a las que se les debe prestar servicio, las estrategias de contención de gastos, la asequibilidad, las necesidades, las brechas y las prioridades.

Algunos temas comunes identificados en estas reuniones de partes interesadas comprendieron:

- Abordar el tema de los costos subyacentes de la atención médica mediante el sistema de prestación de servicios;
- Simplificar los procesos y productos;
- Ofrecer la opción en todo el estado a todos quienes la deseen;
- Utilizar la infraestructura de Connect for Health Colorado;
- Pensar sobre los costos como algo más amplio y no solo las primas;
- Equilibrar el paquete de beneficios con cualquier posible aumento en los costos; e
- Incluir un beneficio dental.

La DOI y el HCPF también dirigieron tres grupos de enfoque formales con residentes de colorado sin cobertura de seguro y con infraseguro. Dos se ubicaron en Denver y uno fue de todo el estado. El Apéndice II detalla los resultados de los grupos de enfoque. Además, los organismos crearon una dirección de correo electrónico pública para aceptar comentarios, opiniones y recomendaciones que se han compartido públicamente. Todos los comentarios públicos están disponibles en el Apéndice III.

En septiembre se comenzó la redacción del proyecto de la propuesta para una Opción del estado. Este proyecto de informe se publicará en los sitios web de la DOI y el HCPF para revisión y comentarios públicos durante dos semanas, y la propuesta final se presentará al órgano legislativo antes del 15 de noviembre de 2019.

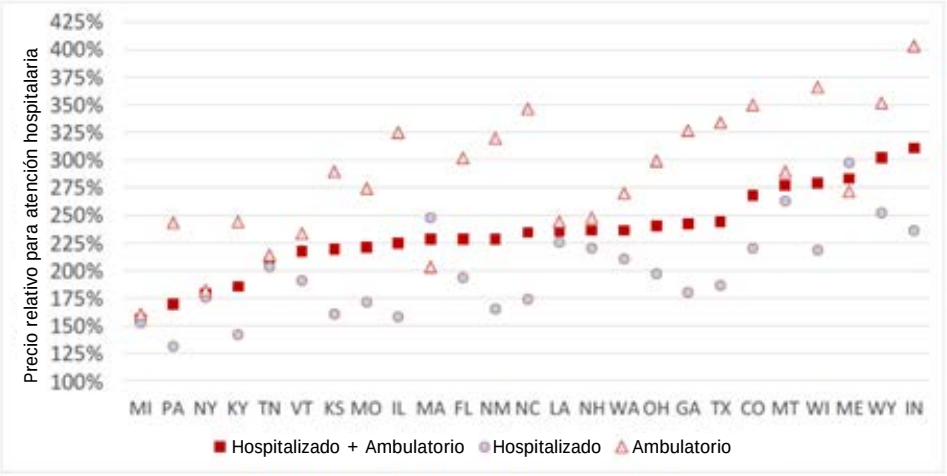
¿Por qué se está considerando la Opción del estado?

Esta recomendación de una Opción estatal responde en primer lugar y principalmente a las cargas económicas altas que enfrentan los residentes de Colorado como consecuencia del costo alto de los seguros de salud y la atención médica. Incluso con subsidios federales, los seguros de salud siguen siendo demasiado costosos para muchas personas y familias. Asimismo, muchos residentes de Colorado no pueden costear la atención incluso cuando tienen seguro como consecuencia de los deducibles altos y otros gastos del propio bolsillo.

Además, 22 condados de Colorado solo tienen la opción de una aseguradora en el mercado individual en 2020. Aún más, según un informe reciente realizado por la Corporación RAND y como se puede ver la Imagen 2 a continuación, Colorado es uno de los estados que tienen costos hospitalarios más altos de todo el país.[2] Muchos otros estados pagan a sus proveedores tarifas en el rango promedio bajo, lo que nos lleva a creer que para reducir los costos a los residentes de Colorado debemos alinear mejor nuestros pagos con las tarifas promedio de otros estados y de este modo, no nos arriesgamos a interrupciones importantes como escasez de proveedores, ya que otros estados reembolsan satisfactoriamente con tarifas en el rango promedio bajo.

[2] Corporación RAND, 2019: Los precios que los planes de salud privados pagan a hospitales son altos en relación con Medicare y varían ampliamente

Imagen 2.



La Opción del estado representa una oportunidad real de ofrecer a los residentes de Colorado una variedad más importante en sus opciones de cobertura y a la vez sentar las bases para afrontar los costos altos de la atención médica de una manera significativa y sostenible para todos los residentes de Colorado.

¿Cuál es la Opción del estado?

La Opción del estado es un plan de seguros nuevo concebido por Colorado, para Colorado. El plan lo venderán las compañías de seguro autorizadas e incluirá un conjunto de beneficios integral. Al establecer estándares sensatos en los precios y estandarizar los beneficios, la Opción del estado ofrecerá a los residentes de Colorado una cobertura de mayor valor y más asequible.

¿Quién puede inscribirse en la Opción del estado?

La Opción del estado estará disponible para todos los residentes de Colorado. Cualquier residente de Colorado puede comprar la Opción del estado. Cabe destacar, sin embargo, que las personas que reúnen las condiciones de Medicare, Medicaid, Tricare, VA y coberturas patrocinadas por el empleador pueden recibir una mejor atención si permanecen en esos programas.

La Opción del estado se ofrecerá en todo el estado. La Opción del estado estará disponible en todos los condados. El mecanismo principal para garantizar la disponibilidad en todo el estado será exigir a las aseguradoras que trabajan en un mercado mayor (individual, grupo pequeño o grupo grande), con una participación del mercado o cantidad de miembros a determinar, que también ofrezcan la Opción del estado. Nada impide que múltiples aseguradoras ofrezcan la Opción del estado en el mismo condado o área de clasificación. Además, las aseguradoras también podrían decidir ofrecer únicamente la Opción del estado. Al exigir que se ofrezca la Opción del estado y además incentivar el mercado para aumentar la cobertura en condados con una sola aseguradora, la Opción del estado aumentará la competencia entre los planes y dará más opciones a más residentes de Colorado.

La Opción del estado estará disponible para los residentes de Colorado que reciban subsidios federales. Dada la importancia de los subsidios de créditos fiscales federales para que las coberturas de miles de residentes de Colorado sean asequibles, la Opción del estado se ofrecerá como un plan de

salud calificado (*Qualified Health Plan*, QHP) a través de Connect for Health Colorado, el Mercado de seguros de salud del estado. Los residentes de Colorado que reúnan las condiciones para recibir créditos fiscales y otros subsidios podrán mantener sus créditos fiscales.

La Opción del estado estará disponible sin perjuicio de la elegibilidad para los subsidios. Todos los residentes de Colorado podrán inscribirse en la Opción del estado. Se ofrecerá dentro y fuera del Mercado, si bien alentaremos a las personas a que empiecen el proceso de solicitud en el Mercado para garantizar que reciban los subsidios que tienen disponibles.

La Opción del estado será una opción más, junto con las demás opciones del mercado. La compra de la Opción del estado no será un requisito. Se ofrecerá junto con otros planes que actualmente se ofrecen para la venta.

¿Qué beneficios habrá en la Opción del estado?

La Opción del estado cubrirá beneficios de salud esenciales. Como la Opción del estado se ofrecerá como un QHP, el plan incluirá todos los beneficios de salud esenciales cubiertos por los planes que comercializa Connect for Health Colorado. Estos beneficios comprenden atención hospitalaria, medicamentos de venta con receta, cobertura por maternidad, servicios de prevención y atención de salud mental. Al igual que otros planes en el mercado individual, se ofrecerán servicios preventivos, tales como controles anuales, controles pediátricos, estudios de detección del cáncer y opciones de anticoncepción sin costo adicional para los pacientes.

Los beneficios de salud esenciales están definidos por la ley federal en diez categorías amplias. Los estados pueden definir detalladamente esos beneficios para que reflejen las necesidades de sus residentes. La Opción del estado incluirá esos beneficios definidos como beneficios de salud esenciales en Colorado.

La Opción del estado definirá más beneficios que se pueden usar antes del deducible. Muchos interesados expresaron preocupaciones con respecto a las ofertas de planes actuales porque los deducibles altos dificultan que los residentes de Colorado accedan a sus beneficios. Si bien las coberturas de seguros siguen protegiendo a las familias contra pérdidas muy graves o incapacitantes en el caso de enfermedad o lesión graves, la atención de rutina puede verse retrasada debido a los requisitos de distribución de costos altos. La Opción del estado estará concebida para que ofrezca un conjunto más grande de servicios de atención primaria y preventivos de mayor valor con los que las personas y familias pueden contar sin necesidad de pagar el deducible. Colorado considerará la experiencia de otros estados que han establecido requisitos similares a los planes del mercado para elaborar los requisitos de la Opción del estado.

La Opción del estado mejorará la atención primaria en Colorado. Al mismo tiempo que se desarrolla la Opción del estado, Colorado ha emprendido un proceso para construir un sistema de atención primaria modernizado. El modelo de Colaboración de atención primaria (HB19-1233), creado por la legislatura en 2019, respaldará el desarrollo de prácticas de atención primaria avanzadas en Colorado al garantizar que la parte del sistema de atención médica que se centra en mantener sanas a las personas tenga los recursos que necesita. La Opción del estado respaldará el modelo de Colaboración de atención primaria, invirtiendo en un sistema de atención primaria que se encarga de las afecciones crónicas, coordina a los proveedores y apoya la salud emocional y física y el bienestar de los afiliados.

La Opción del estado tendrá diseños innovadores. Una manera nueva de pensar en el diseño de beneficios, conocida como Diseño de seguro en función del valor (*Value-Based Insurance Design*, VBID), crea incentivos para proveedores y pacientes con el fin de evitar la atención de poco valor y buscar atención valiosa. El VBID crea desincentivos económicos para pacientes o médicos que busquen atención de valor bajo mediante gastos del propio bolsillo altos y reembolsos bajos. La Opción del estado incorporará elementos del VBID con el fin de alcanzar el valor más alto para los pacientes.

La Opción del estado incorporará estrategias de contención de gastos a medida que se desarrollen y estén listas para su implementación. A modo de ejemplo, el estado está trabajando en un modelo de Centros de excelencia para promover la atención valiosa. Los Centros de excelencia son programas que se desarrollan dentro de las instituciones de atención médica que se centran en un diagnóstico o un modo de tratamiento específico. Los centros crean una concentración de conocimientos y experiencia y reúnen los recursos para ofrecer una atención interdisciplinaria consolidada.[3] En resumen, los costos bajan a la vez que la calidad se mantiene alta.

El HCPF y la DOI colaborarán con las aseguradoras y los proveedores para elaborar parámetros de objetivos de mejora de la calidad todos los años e incentivos en función del valor correspondientes que impulsen mejoras de calidad adecuadas y se centren en todo el estado. También se consultará a la Junta Asesora de la Opción del estado con respecto a las áreas en las que se desea hacer hincapié en la mejora de la calidad.

¿Cómo será más asequible la Opción del estado?

La Opción del estado creará una lista de tarifas de reembolso de proveedores razonable que garantice que el mercado funcione de manera más eficiente y que los proveedores tengan los incentivos adecuados para seguir creciendo. El motivo por el que los seguros de salud son tan costosos es porque la atención médica es costosa. Además, no hay precios estándares para la atención en nuestro estado. Un informe reciente publicado por el Centro para mejorar el valor de la atención médica (*Center for Improving Value in Health Care*, CIVHC) mostró una variación de más del 400 % en todo Colorado por los mismos servicios.[4] La Opción del estado reducirá esta variación estableciendo puntos de referencia de pagos con un nivel entre 175-225 % de Medicare. Los promedios actuales del mercado individual son el 289 % de Medicare[5]. El diseño del plan se centrará especialmente en atender y proteger el bienestar económico de nuestros hospitales rurales y pequeños hospitales comarcales de hospitalización breve y trabajar para garantizar el acceso a la atención de las comunidades que atienden.

Los comentarios de las partes interesadas destacaron que, si bien es importante ejercer presión para que baje el costo de la atención, también es importante garantizar que los proveedores reciban el reembolso adecuado por sus servicios y que se recompense la prestación de servicios de atención de mayor calidad y más rentable. Esta recomendación se alinea con este objetivo. Los puntos de referencia se alinearán con los estándares documentados que colocan a los proveedores bastante por encima del costo de la atención y están en concordancia con el costo de la atención en muchos otros estados. De

[3] Elrod, James K y John L Fortenberry Jr. "Centers of excellence in healthcare institutions: what they are and how to assemble them." *BMC health services research* vol. 17,Suppl 1 425. 11 jul. 2017, doi:10.1186/s12913-017-2340-y

[4] https://www.civhc.org/2019/09/05/regional-price-information-as-a-percent-of-medicare-now-available/

[5] Corporación RAND, 2019: Los precios que los planes de salud privados pagan a hospitales son altos en relación con Medicare y varían ampliamente

nuevo, se hará especial hincapié en garantizar que los hospitales rurales y pequeños hospitales comarcales de hospitalización breve sean reembolsados adecuadamente, reconociendo las diferencias en los costos que implica brindar atención de las distintas áreas geográficas.

Al crear una estructura de precios razonables para la atención, la Opción del estado podrá trasladar esos ahorros a los usuarios en forma de reducciones de la tasa de la prima de seguro y bajar los gastos del propio bolsillo, dos áreas de asequibilidad identificadas como muy importantes para las partes interesadas.

Además, con la publicación de estos reembolsos de referencia, los empleadores y sus representantes de cámaras y asociaciones pueden negociar directamente con los hospitales para garantizar este mismo nivel de reembolsos. La estructura de Peak Health Alliance, ya utilizada con éxito en el condado de Summit, permite a los empleadores y a sus representantes que hagan eso mismo.

La Opción del estado garantizará que más dinero de las primas se asignen a la atención. Las leyes federales actuales exigen que un mínimo de 80 centavos por dólar de las primas en el mercado individual se gaste en la atención del paciente. La Opción del estado aumentará ese requisito a 85 centavos para garantizar que más cantidad de dinero del usuario se asigne a su atención médica.

La Opción del estado garantizará que los descuentos de medicamentos de venta con receta beneficien directamente a los usuarios. En el caso de los medicamentos de venta con receta, el estado garantizará que los descuentos de medicamentos de venta con receta se trasladen a los usuarios, y que los usuarios puedan ver el beneficio total de los descuentos con primas de menor valor.

¿Cómo protegerá la Opción del estado el presupuesto estatal?

La Opción del estado no pondrá en riesgo el presupuesto estatal. Tal como funciona el mercado individual hoy en día, las compañías de seguro, no el estado, asumirán el riesgo de los gastos de salud. Las aseguradoras en Colorado deben mantener reservas económicas que garanticen que se puedan pagar todos los reclamos.

La Opción del estado requerirá un financiamiento mínimo del estado. La Opción del estado no exige que el estado de Colorado cubra ninguno de los costos de la atención, a menos que la legislatura elija específicamente financiar beneficios nuevos que estén significativamente por encima y superen los beneficios de salud esenciales requeridos. La única financiación estatal necesaria para la Opción del estado es una dotación de personal mínima para las agencias mientras implementan y supervisan las operaciones de la Opción del estado. Es posible que sea necesaria más financiación para completar la solicitud del estado de una exención 1332 relacionada con la Opción del estado.

La implementación de la Opción del estado se compartirá entre las agencias. Tres entidades compartirán la responsabilidad por la Opción del estado, el HCPF, la DOI y Connect for Health Colorado. Además, el estado creará una junta asesora para ayudar a comprender mejor y brindar conocimientos y experiencia con respecto a la implementación y funcionamiento de la Opción del estado.

¿Por qué no usar la Infraestructura de Medicaid?

Algunas partes interesadas sugirieron que la opción pública aprovechara la infraestructura de Medicaid. Específicamente, se sugirió que el HCPF ampliara y mejorara su infraestructura para administrar la

Opción del estado además de Medicaid, el programa Children's Health Plan Plus y otros programas de la red de asistencia. El HCPF y la DOI consideraron esta oportunidad, pero finalmente decidieron no hacerlo por los siguientes motivos.

- Medicaid, CHP+ y otros programas de la red de asistencia del HCPF atienden a las personas más vulnerables del estado, a las personas en transición o con dificultades temporales, las personas delicadas de salud y a las personas con discapacidades. Un resultado positivo para las personas atendidas por el HCPF y sus defensores es que se mantengan centrados en satisfacer sus necesidades únicas y complejas.
- Como Medicaid Colorado es un programa que presta servicios para personas de bajos ingresos, discapacitados y poblaciones de pocos recursos, sus capacidades operativas y ofertas se han adaptado con el fin de atender a estas poblaciones asociado en colaboración con el gobierno federal. Esos servicios y capacidades son únicos y diferentes a lo que se requiere para administrar la Opción del estado, que es una alternativa de seguro comercial. Crear y administrar un plan comercial requeriría inversiones importantes por parte del estado en funcionalidades administrativas nuevas del HCPF.
- Para que el HCPF administre el plan estatal, el estado tendría que financiar las reservas iniciales y crecientes asociadas a un plan de salud y asumir el riesgo financiero que conlleva la Opción del estado en desarrollo. Esto genera una responsabilidad legal desconocida, que podría representar un problema para el proceso de presupuestación de un año a otro.

Rol del Departamento de Pólizas y Financiamiento de Atención Médica

El HCPF y la DOI se asociarán para trazar los objetivos, los requisitos operativos, los diseños de los planes, los puntos de referencia para los reembolsos, para elaborar los informes y controlar la Opción del estado. Las aseguradoras comerciales podrán administrar la Opción del estado.

Además, el HCPF se puede asociar con la Opción del estado a efectos de aprovechar el volumen de afiliados para mejorar las buenas prácticas de Colorado en la estrategia de control de costos, la metodología de pago alternativo, la influencia de la prestación de servicios y las innovaciones tecnológicas. Esta asociación entre el HCPF, especialmente Medicaid, y la Opción del estado pretende beneficiar la Opción del estado, a los empleadores y a todos los residentes de Colorado.

Rol de la División de Seguros

La División de seguros mantendrá su rol actual de aprobación de las tarifas y los diseños de los planes de las aseguradoras y los planes y de protección a los usuarios en el mercado individual, inclusive en los planes de la Opción del estado. Como principal organismo responsable de regular el mercado de seguros de salud privados en Colorado, la DOI será responsable de garantizar que los planes de la Opción del estado cumplan con los requisitos de beneficios y tarifas que estipula la legislación y los reglamentos de Colorado.

De acuerdo con la Ley de Atención Asequible, la DOI es responsable de asignar el plan de seguro de salud de referencia que defina cómo deben incluir los 10 beneficios de salud esenciales los planes de seguro de salud individuales en Colorado. La DOI revisa los diseños de los planes y las coberturas para garantizar que todos los planes del mercado individual de Colorado cumplan con los requisitos de los beneficios de salud esenciales de la Ley de Atención Asequible.

Además, la DOI actualmente revisa las tarifas que los planes de seguros de salud desean cobrar en los mercados individuales para garantizar que se justifiquen en función de los costos de prestación de atención médica y otros factores. Con respecto a los planes de la Opción del estado, la DOI garantizará que las tarifas que presenten las compañías de seguro de salud para estos planes estén justificadas.

La DOI y el HCPF también recomiendan que los pagos a los proveedores de los planes de la Opción del estado no superen el 175-225 %. Por lo tanto, las agencias recomiendan que la DOI, como parte del proceso de revisión de tarifas tratado anteriormente, garantice que los planes de la Opción del estado cumplan con este punto de referencia de asequibilidad de los pagos de proveedores. Además, la DOI informará públicamente todos los años los cambios de costos de los proveedores en el proceso de revisión de tarifas, incluso los cambios de costos en el mercado de grupos grandes. Este comportamiento de los proveedores se puede abordar por lo tanto mediante el proceso de elaboración de normas de los estándares de asequibilidad como se define en HB 19-1233.

Rol de Connect for Health Colorado

Inscripción

Como la Opción del estado se venderá como un QHP en el mercado individual, Connect for Health Colorado tendrá un rol fundamental para conectar a los residentes de Colorado con la Opción del estado. Aprovechar Connect for Health Colorado para la elegibilidad y la inscripción hace mejor uso del mercado actual del estado, un canal de distribución conocido y consolidado para una cobertura de salud asequible en el estado. Al ofrecer la Opción del estado, Connect for Health Colorado impulsará el objetivo original de crear un mercado estatal que "se adecue a las necesidades singulares de Colorado, busque soluciones específicas para Colorado y explore la mayor cantidad de opciones disponibles para el estado de Colorado".[6]

Ofrecer la Opción del estado a través de Connect for Health Colorado permite al estado usar una plataforma de compras fácil de usar ya establecida. Además, Connect for Health Colorado puede adaptarse más fácil y rápidamente a apoyar el lanzamiento inicial de la Opción del estado y las mejoras futuras al programa. Principalmente, usar Connect for Health Colorado garantiza que los residentes de Colorado que reúnan las condiciones para obtener subsidios de impuestos federales y asistencia de distribución de costos puedan seguir accediendo a los programas asequibles.

Extensión y marketing

Connect for Health Colorado tiene una misión estatal y federal de llevar a cabo servicios de extensión y asistencia a los usuarios; esfuerzos que continúan durante todo el año. Connect for Health Colorado trabaja para alentar la compra activa a fin de asegurar que los usuarios encuentren las mejores opciones de cobertura disponibles para sus necesidades. Agregar la Opción del estado a los productos en el mercado le brindará al Mercado una nueva oportunidad de ofrecer a los usuarios un plan que es más asequible y que está diseñado pensando en ellos,

La extensión de Connect for Health Colorado se logra a través de varios canales. Connect for Health Colorado se asocia con organizaciones de confianza de la comunidad para crear consciencia, incentivar la inscripción y responder preguntas en un esfuerzo que incluye a 400 asistentes, 600 agentes y 176 organizaciones socias. Durante la Inscripción abierta, Connect for Health Colorado despliega un plan de

[6] C.R.S. § 10-22-102

medios pagados y ganados para intensificar estos mensajes en línea, en las noticias y en las redes sociales.

La Opción del estado será un elemento central del esfuerzo de extensión y *marketing*, y destacará tanto la asequibilidad como las nuevas opciones en los condados que tienen actualmente una sola aseguradora. Las personas que adquieran cobertura en Connect for Health podrán identificar los planes de la Opción del estado a través de la marca compartida que incluye tanto la marca de la Opción del estado como la marca de la aseguradora. Los agentes autorizados podrán recibir el pago por sus servicios en el marco de la Opción del estado, y ofrecer orientación valiosa a los usuarios por el proceso de compra.

Otras consideraciones de póliza de la Opción del estado

El desarrollo de la Opción del estado le exigió al estado revisar una cantidad de consideraciones de póliza y evaluar opciones que el estado pudiera materializar.

Participación de proveedores

Una preocupación importante en relación con todas las pólizas que se centran en la asequibilidad de la cobertura es garantizar una fuerte red de proveedores que estén dispuestos a participar. En determinadas zonas del estado hay una cantidad limitada de proveedores; si esos proveedores optaran por no participar en la Opción del estado, la aseguradora que administra la Opción del estado podría no estar en condiciones de ofrecer un producto.

Una Opción del estado exitosa requerirá que todas las partes interesadas se acerquen a cumplir sus roles para poder brindar atención médica asequible a los residentes de Colorado. Somos optimistas en pensar que los proveedores reconocerán su importante rol y se asociarán con las aseguradoras para asegurar redes adecuadas. Sin embargo, si hubiera zonas en las que las redes no fueran adecuadas, el estado podría implementar medidas para garantizar que los sistemas de salud participen y proporcionen atención de calidad y asequible a las personas cubiertas. El HCPF y la DOI buscan un diálogo abierto con los proveedores y aseguradoras para lograr esta meta.

Definición de asequibilidad

El estado reconoce la dificultad que tienen muchos residentes de Colorado para acceder a la cobertura de seguro médico asequible. Si bien la opción de cobertura del estado maximizará los subsidios federales disponibles, la legislación que faculta le ordena al estado determinar la definición de asequibilidad para guiar el desarrollo y la implementación de la opción.

Por lo tanto, la asequibilidad para la Opción del estado incluirá las siguientes consideraciones:

- Total de gastos del propio bolsillo, inclusive primas, copagos, coaseguros, deducibles y máximos de gastos del propio bolsillo en el producto.
- Capacidad de ser adquirido sin sacrificar otras prioridades presupuestarias necesarias para la autosuficiencia básica, independientemente del tamaño de la familia, la ubicación, el nivel de ingresos o el grado de enfermedad.

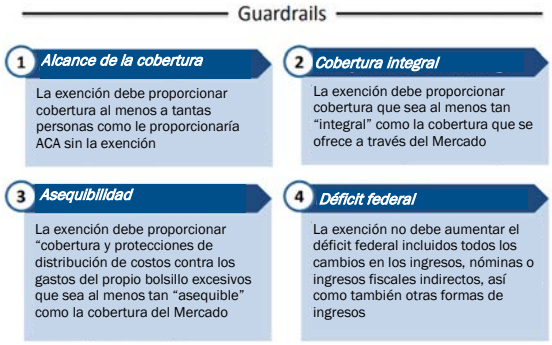
Si bien este estándar de asequibilidad reconoce las metas amplias de cobertura asequible para todos los residentes de Colorado, es importante destacar que cumplir con este estándar podría en última instancia depender de una variedad de nuevas fuentes de financiación, como por ejemplo dólares de

exención federal, fondos del estado, u otros apoyos para hacer realidad ahorros en los costos para los usuarios.

El estándar de asequibilidad anterior también se alineará con los estándares de asequibilidad de la División de Seguros según está descrito en el proyecto de ley 19-1233 y desarrollado mediante la formulación de normativas durante 2019-2020.

Ahorros en los costos: Exención federal 1332

Para maximizar la asequibilidad para los residentes de Colorado, la DOI y el HCPF recomiendan presentar una solicitud para una exención federal 1332 a fin de reducir ahorros federales que de otro modo se gastarían en créditos fiscales en QHP de primas más altas sin la Opción del estado de menor costo. La Opción del estado de menor costo hará que el gobierno federal gaste menos en créditos fiscales. Como hizo Colorado por medio del programa de reaseguro, un mecanismo que dé como resultado menor gasto federal se puede retirar del estado mediante la exención 1332.



Colorado entonces podría utilizar los dólares federales para diversas opciones que tendrán efectos directos sobre el acceso de los usuarios a una cobertura asequible y de calidad, que incluye:

- Aumentar los subsidios de primas disponibles para los usuarios
- Bajar los deducibles y los gastos de propio bolsillo
- Abordar el problema familiar (donde los familiares de los empleados que se considera que tienen una cobertura asequible en realidad no pueden pagar para participar en la cobertura)
- Financiar beneficios adicionales de valor alto del plan, como por ejemplo dental

Enfoque en poblaciones vulnerables

El mercado de seguros individual está estructurado para garantizar que todos aquellos que necesiten cobertura puedan adquirir un plan en el que puedan confiar y usar para acceder a la cobertura. Sin embargo, determinadas poblaciones aún tienen problemas para obtener la atención que necesitan. La Opción del estado apoyará a estos grupos cuando busquen inscribirse en una cobertura, inclusive los residentes de Colorado de bajos ingresos, las personas con enfermedades crónicas, las personas con limitado dominio del inglés y las familias con niños incluidos en el plan Child Health Plan Plus. El personal de asistencia al usuario de Connect for Health estará disponible para responder preguntas y ayudar a los residentes de colorado a explorar su cobertura. La Opción del estado tendrá beneficios integrales para ayudar a los pacientes con enfermedades crónicas a gestionar su atención, mediante el desarrollo de un sistema de atención primaria más integral para apoyar las necesidades de los pacientes La Opción del

estado también reconocerá que así como las circunstancias personales cambian, también cambian las opciones de cobertura. A medida que los residentes de Colorado se cambian de programas, la Opción del estado apoyará la continuidad de la atención y las necesidades de los residentes de Colorado mientras trabajan para lograr y conservar la buena salud.

Investigación adicional

Muchas partes interesadas presentaron asuntos importantes relacionados con la asequibilidad para las personas, las familias y las pequeñas empresas, como por ejemplo preocupaciones con respecto a la asequibilidad en el mercado de grupos pequeños y el abordaje del problema familiar. Estos problemas son importantes, pero no se pudieron investigar adecuadamente según el cronograma en el que trabajamos y por lo tanto no se tratan en esta propuesta. No obstante, los organismos están comprometidos a mejorar frente a la Opción del estado para que puedan ofrecer una cobertura de mayor calidad y más asequible para todos los residentes de Colorado.

Opciones de grupos pequeños

El costo del seguro de salud para las pequeñas empresas continúa aumentando a índices insostenibles, lo que crea una carga para las pequeñas empresas y sus empleados. Si bien creemos que la Opción del estado debería estar disponible para el mercado de grupos pequeños, también creemos que sería prudente expandir la Opción del estado en el mercado de grupos pequeños después de que se implemente en el mercado de seguros individuales. Nuestra intención es expandirla al mercado de grupos pequeños con toda la debida diligencia después de una implementación exitosa en el mercado de seguros individuales. Afortunadamente, los empleados de empresas de cualquier tamaño que no ofrecen seguro de salud podrán adquirir el plan de Opción del estado en el mercado de seguros individuales sin importar sus ingresos ni su ubicación geográfica.

Solución del problema familiar

Las partes interesadas presentaron el problema de usar la Opinión del estado para ayudar a solucionar el problema familiar. Según la Ley de Atención Asequible, las personas reúnen las condiciones para recibir créditos fiscales para ayudar a pagar sus primas de seguro de salud en Connect for Health Colorado si sus empleadores no les ofrecen un seguro de salud "asequible". Lamentablemente, para una familia, la cobertura a través de un empleador se considera asequible cuando la cobertura es asequible para el propio trabajador individual, incluso si la cobertura que se ofrece a su familia no es asequible.

Si bien Colorado actualmente no tiene los recursos para ofrecer subsidios a las familias que quedan incluidas en el problema familiar, una exención federal 1332 podría proporcionar al estado la capacidad de brindar ayuda a estas familias.

Cronograma para los próximos pasos

El estado reconoce la necesidad de una fuerte participación continua de las partes interesadas durante los próximos años para implementar la Opción del estado más eficaz y económica posible para los usuarios. Los próximos pasos previstos son los siguientes.

Otoño de 2019

- Aceptar comentarios escritos sobre este documento, del 7 al 21 de octubre de 2019.
- Finalizar el informe para su presentación antes del 15 de noviembre de 2019.

- Involucrar a los legisladores en los proyectos de ley necesarios para poner en práctica la Opción del estado.
- Iniciar el análisis actuarial necesario para el proceso de la exención 1322.

Invierno-Primavera 2020

- Preparación de la Exención 1332 para su presentación.
- Supervisar el progreso de cualquier legislación estatal pendiente.
- Participación de las partes interesadas en el proceso de diseño de beneficios.

Verano de 2020

- Presentar la exención federal 1332 al gobierno federal.
- Continuar con el proceso de diseño de beneficios.
- Establecer el Consejo Asesor de la Opción del Estado.

Otoño 2020-Invierno 2021

- Proceso de formulación de normas del estado para los diseños del plan y los enfoques de ahorros en los costos.
- Recibir opiniones y comentarios del gobierno federal sobre la aplicación de la exención 1332.
- Si corresponde, determinar el mejor uso de los dólares federales para la Opción del estado.

Primavera-Verano 2021

- Las aseguradoras presentan los planes y las tarifas de la Opción del estado a la DOI para su revisión.
- La DOI completa la revisión de los planes y las tarifas de la Opción del estado.

Otoño de 2021

- Se divulgan las tarifas de la Opción del estado.
- Comienza el período de Inscripción abierta en Connect for Health Colorado.

Enero de 2022

- Comienza la cobertura de los planes de la Opción del estado.

Conclusión

Un plan de Opción del estado para una cobertura asequible se puede lograr en Colorado por medio de un enfoque estratégico de reducción de costos, alineación de incentivos, diseño de planes de beneficios de alto valor y la garantía de acceso de calidad a la atención para los residentes de Colorado. Un plan de este tipo usará la infraestructura existente para la cobertura - Connect for Health Colorado - y no requerirá que el estado corra riesgos como una aseguradora de salud, sino que se apoyará en aseguradoras autorizadas para administrar los planes, mantener el riesgo financiero y administrar la contratación de proveedores. Para el plan serán fundamentales las numerosas medidas de ahorro en los costos que incluyen reembolsos a proveedores asociados a una métrica de fijación de precios basada en Medicare como referencia, y un aumento del monto de cada dólar de prima que se deba pagar para la atención del paciente, entre otras muchas estrategias, como por ejemplo diseños de beneficios convencionales. En general, el Departamento de Pólizas y Financiamiento de Atención Médica y la División de Seguros de Colorado trabajarán en conjunto para la administración del plan, creando un consejo asesor para recibir consejos de las partes interesadas.

Durante toda la implementación y administración del plan, el estado se compromete a trabajar con las comunidades de los proveedores, aseguradoras y partes interesadas de todo Colorado para avanzar con una opción que priorice la asequibilidad a la vez que asegure la calidad y en última instancia les ahorre dinero a los usuarios para la atención a la salud.

Appendices

Appendix I - Actuarial Analysis

Wakely: Modeling a State Coverage Option

www.wakely.com

State of Colorado

Modeling a State Coverage Option

October 4, 2019

Prepared by:
Wakely Consulting Group, LLC

Aree Bly, FSA, MAAA
Senior Consulting Actuary

Brittney Phillips, ASA, MAAA
Consulting Actuary

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Introduction

As required in House Bill 19-1004, the Colorado Insurance Commissioner, along with the Department of Health Care Policy and Financing (HCPF), is developing a report to be submitted to the General Assembly in November 2019 on potential options for a State Option for Colorado.[1] The Colorado Department of Regulatory Agencies (DORA) retained Wakely Consulting Group, LLC (Wakely) to analyze the potential effects of introducing a State Option in Colorado. The report will include an analysis of a State Option with estimated impacts to enrollment and premiums.

DORA requested that Wakely analyze how a State Option might impact the Colorado Affordable Care Act (ACA) individual market for the 2022 benefit year. In particular, Wakely focused on the potential impact to enrollment, premiums, impact to the Premium Tax Credits (PTC), and potential Federal pass-through savings. It is expected that a State Option would benefit the current individual market by offering additional plan choices and lower premiums. This may also encourage current uninsured individuals to enroll in a healthcare plan.

This document has been prepared for the sole use of DORA in conjunction with the policy proposal that is being developing to be released for public comment in October 2019. We will be developing a more comprehensive analysis to be included in the final policy proposal that will be delivered to the General Assembly in November. This document contains the results, data, assumptions, and methods used in our analyses and satisfies the Actuarial Standard of Practice (ASOP) 41 reporting requirements. Using the information in this report for other purposes may not be appropriate.

Summary

Colorado is considering a State Option that would provide health care options for individuals across the state at potentially lower premiums than currently offered, driven primarily by lower provider reimbursement levels for facility services. The goals of the State Option include increased choice in health insurance plans, improved affordability, and increased competition in the individual health insurance market. There are many aspects to the State Option that may be refined before the submission to the General Assembly. The following is the proposed structure of the State Option that was analyzed:

1. The issuers will offer the plans on and off the Exchange in the individual market.
2. The issuers will offer qualified health plans (QHPS) at Bronze, Silver, and Gold metal tiers.

[1] http://www.leg.colorado.gov/bills/hb19-1004

3. The premiums of the plans will reflect facility reimbursement levels between 175% and 225% of Medicare payment rates.
4. The plans will be offered beginning in calendar year 2022.
5. The state intends to apply for a 1332 waiver and use Federal pass-through savings for additional benefits or expanded coverage.[2]

The key findings of the analysis include:

1. The State Option may reduce average premiums by between 10% and 18%, depending on the reimbursement level required, compared to the expected rates in 2022 based on current policies and regulations.
2. Total enrollment in the Colorado individual market is estimated to increase by between 4,600 and 9,200 members in the first year. The new members are expected to be individuals that were previously uninsured. We are assuming that the new members will not be eligible for subsidies since those eligible for subsidies will not be significantly impacted by the premium change. Wakely further assumed no change in employer coverage as a result of the State Option.
3. If the state follows the current ACA premium and cost sharing subsidy structure, we estimate that the total reduction in Premium Tax Credits in 2022 as a result of the State Option, will be between $69.7M and $133.6M. These amounts reflect the potential Federal pass-through savings.

Results

The ultimate structure of the State Option will determine the impact that the program has on the individual market. Not all details are defined yet for the structure of the program. Changes to the structure of the program, Federal regulations, or the underlying market could alter the results. The assumptions underlying the analysis in this report include the following:

1. Issuers will offer plans that adhere to the State Option requirements using their current provider networks and infrastructure.

[2] Section 1332 of the Affordable Care Act allows states to waive key provisions of the ACA in order to pursue innovative health coverage models. 1332 waivers allow states to receive federal funds “pass-through amounts” if the Secretaries of HHS and Treasury both approve the waiver and estimate federal savings. This report assumes a successful 1332 waiver and should not be seen as commenting on the likelihood of a 1332 waiver being approved. There may be significant hurdles to approval under current Federal guidance on 1332 waivers.

2. Issuers will be required to offer State Options and these options will become the second lowest cost silver plan (SLCSP) in every service area in the state.

3. There will be limits to reimbursement for facility services. These are modeled at various levels ranging from 175% to 225% of Medicare. Professional and prescription drug reimbursement will not be impacted under the State Option.

4. The benefits and actuarial value of the plans will align with ACA individual market requirements (i.e., Essential Health Benefits, metallic actuarial values (AV)). The Silver State Option plan will reflect a target AV of 71.5%, while Gold and Bronze State Option plans will reflect AVs in line with current individual plans.

5. Wakely assumed the effects of the reinsurance program are unaffected by the introduction of the State Option, and that the reinsurance program will continue into 2022.

6. Wakely assumed that current Federal and state laws pertaining to the ACA are unchanged. Wakely assumed that the recent regulations impacting Association Health Plans and Health Reimbursement Accounts would not impact enrollment.

Premium Impact of State Option

To estimate the impact of a State Option, Wakely first estimated the enrollment and premiums in the individual market in 2022 under current state and Federal regulations. To develop the baseline, Wakely analyzed Colorado rate filings, publicly available information, rates submitted by issuers for 2019 and 2020, and the analysis performed by Lewis and Ellis for the reinsurance program that will be effective in 2020 in Colorado.[3] Once the baseline 2022 premiums were estimated and through discussions with DORA, Wakely adjusted the current individual market premiums for the State Option. The adjustments reflect various facility payment rates as a percentage of Medicare and also an expected increase in AV for Silver plans to reflect the targeted 71.5% AV[4] of the State Option.

A key result of the modeling is the premium difference between the baseline 2022 ACA products and the Colorado State Option in 2022. To the extent which provider behavior, individual market carrier behavior, or the State Option pricing differ from expected, the results may differ. Table 1 shows the weighted average premiums of the State Option based on the estimated distribution of members by age, rating area, and metal level. The premium changes are assumed to similarly impact the benchmark plans for calculation of the Premium Tax Credit.

[3] Colorado Reinsurance Program Analysis, March 2019, https://drive.google.com/file/d/1nREYicKQsB3zprlPLR9ztP_HSyFtIvEu/view

[4] As measured by the 2019 Actuarial Value Calculator

Table 1: Difference between 2022 Baseline Average ACA Premiums and the State Option by Reimbursement Scenario

	Baseline (~289% of Medicare)	State Option - 175% of Medicare	State Option - 200% of Medicare	State Option - 225% of Medicare
Estimated 2022 ACA Premium	$541.79	$443.22	$466.40	$489.64
Difference to Baseline		-18.2%	-13.9%	-9.6%

Additional Take-up of Unsubsidized Members

Wakely estimated take-up of the State Option product by currently uninsured and unsubsidized individuals. The estimate utilized the non-linear enrollment response function estimated by the Council of Economic Advisors (CEA take-up function).[5] We assumed that all of the growth in enrollment will come from uninsured individuals.

The population that are uninsured in the baseline but who are estimated to enroll due to lower premiums are assumed to be motivated primarily by price of the product. Thus, they are expected to have lower relative morbidity, as they are not driven to purchase coverage due to pressing health needs. Wakely estimates that the average cost of the unsubsidized individuals is 73% of the current average ACA market individual. To arrive at this factor we used data from a CEA study on the marginal costs of enrollees.[6]

[5]https://obamawhitehouse.archives.gov/sites/default/files/page/files/201701_individual_health_insurance_market_cea_issue_brief.pdf
[6]ibid

Final enrollment estimates can be seen in Table 2 below.

Table 2: Total Enrollment Estimates by Reimbursement Scenario

	Baseline (~289% of Medicare)	State Option - 175% of Medicare	State Option - 200% of Medicare	State Option - 225% of Medicare
Baseline Individual Enrollment	199,000	199,000	199,000	199,000
Unsubsidized Individuals - Previously Uninsured	0	9,200	6,800	4,600
Estimated Total Individual Enrollment	199,000	208,200	205,800	203,600
Morbidity Impact to Risk Pool	0.0%	-1.0%	-0.7%	-0.5%

Premium Tax Credit Pass-Through Savings of State Option Program

Premium tax credits are influenced by the cost of the benchmark, or second lowest cost silver plan. We are assuming that more than one State Option plan will be available in all regions, so the State Option plan will become the new benchmark plan for purposes of calculating the PTCs. Although the new enrollment will not be subsidized, the current subsidized population will be impacted by the new lower benchmark plan.

The Federal PTC costs associated with the subsidized population are essentially the difference between the unsubsidized premium and the required contribution level for subsidized individuals. Wakely assumed that the 2022 contribution rate would equal the 2019 contribution rate trended at 2% to 3% annually. The unsubsidized premiums PMPM are as reflected in Table 1. Federal costs under the baseline and State Option program are shown in Table 3 below.

Table 3: Total Subsidy Estimates after Introduction of a State Option by Reimbursement Scenario

	Baseline (~289% of Medicare)	State Option - 175% of Medicare	State Option - 200% of Medicare	State Option - 225% of Medicare
Total PTCs by Scenario	$615,900,000	$482,300,000	$514,300,000	$546,200,000
Pass-Through Savings		$133,600,000	$101,600,000	$69,700,000

Data and Methodology

2022 Baseline

The first component of the analysis was to create the 2022 baseline for the individual market's enrollment and premium estimates without consideration of a new State Option. Wakely completed the following steps:

1. Initial 2019 enrollment was estimated using publicly available data and data from Connect for Health Colorado and DORA.
    a. The number of enrollees with PTCs in 2019 was measured based on the reported number of enrollees with an Advanced Premium Tax Credit (APTC) provided by the Exchange, Connect for Health Colorado (C4HCO) as of April 2019. The number of enrollees with PTCs was assumed to be the same as the number of enrollees with APTC.
    b. On and off Exchange enrollment for 2019 was provided by DORA as of April 2019.
2. Overall enrollment in 2020 through 2022 was estimated based on a non-linear enrollment response function estimated by the Council of Economic Advisors (CEA take-up function)[7] based on estimated premium increases in 2020 through 2022. The function computes expected enrollment change based on premium rate increases and the portion of the market that is not receiving subsidies. The number of enrollees who have APTC is assumed to be constant, as the APTC subsidy structure insulates them from premium increases. The changes in enrollment were distributed pro rata between on Exchange unsubsidized and off Exchange by the share of unsubsidized enrollment that the on Exchange enrollees represent.
3. State-wide average premium: Wakely used the 2020 state average premium as identified from 2020 rate filings. This amount was then increased by 2021 and 2022 estimated rate increases of 6% based on Lewis and Ellis report[8] assumptions. The rate increases in 2021 and 2022 are driven by trend and the morbidity assumption.
4. APTC amounts per member per month for 2019 were provided by C4HCO as of June 2019. We assumed the average APTC and premium for the remainder of 2019 would not vary significantly from these values. To estimate 2020 through 2022 APTC PMPMs, we increased the required contribution (i.e., net premium) to conform to the indexing of the

[7] https://obamawhitehouse.archives.gov/sites/default/files/page/files/201701_individual_health_insurance_market_cea_issue_brief.pdf
[8] https://drive.google.com/open?id=1gWS-ovi7pCeccXQT1vOckti6_SVwdPbx

contribution rate. We increased it 3% annually from 2019 to 2020, and 2% annually from 2020 to 2022. We then trended gross premiums for APTC enrollees (the 2019 APTC amounts plus net premiums) by the 2020 through 2022 premium increases noted above. This new 2022 gross premium amount is then reduced by the 2022 contribution rate (since APTC enrollees share of premiums is capped based on their respective household income) to calculate the 2022 APTC PMPM amounts. We assumed that the distribution of subsidized members by FPL would be constant.

State Option Premiums

To create the 2022 State Option product rates, Wakely completed the following steps:

1. Started with 2020 Individual market rates – These rates were blended across the rating areas based on the total 2019 enrollment.

2. Adjusted Reimbursement Rates. We reviewed three scenarios for reimbursement rates. Each of these is expected to reduce the facility claims costs as the reimbursement rate scenarios of 175%, 200%, and 225% of Medicare are all below the assumed current facility reimbursement averages. Current facility reimbursement averages are estimated to be approximately 289% of Medicare rates. This average was estimated based on a summary of average reimbursement levels by facility using the Colorado All Payer Claims Database for claim payments from 2015-2017.[9]

3. Adjusted Silver plan AV. It is DORA's expectation that the Silver State Option plan will reflect richer benefits than that reflected by the current average Silver plan AV of 69.4%. The analysis reflects an increase to 71.5% AV. It is our understanding that this change in AV will be driven by reductions in member cost sharing relative to the current plan offerings and that there are no changes to the benefits considered EHB for purposes of calculating the APTCs.

4. Blended the metal level rates.

    a. Gold, Silver, and Bronze rates were then blended based on the 2019 distribution of individuals in the individual market. We are assuming that there will not be any material shifting of enrollment between metal levels.

    b. Administrative items were generally held constant from the 2020 blended individual market rates. These items were found in the 2020 rate filings, and include:

[9] https://www.civhc.org/get-data/public-data/interactive-data/reference-pricing/

i. Exchange fee – The State Option product is assumed to be offered by carriers on and off the Exchange for the individual market. We are assuming no change from the 2020 exchange fee as a percent of revenue.

ii. Commissions – Commissions will be paid at a comparable level to baseline average commissions as a percent of premium. No impact to premium is assumed for commission levels in the State Option relative to the current market average.

iii. Profit and Risk Load – State Option rate is estimated to include a load for profit or margin consistent with the margin included in current rate filings.

c. Additionally, 50% of the remaining administrative expenses in the rate filings was estimated to be variable. As rates decrease, the amount of variable administrative expenses included in the rates also decreases.

5. Trend 2020 final rates to 2022 – Wakely increased gross premium rates by 6%, annually, to account for the estimated changes in Colorado's market between 2020 and 2022.

6. Morbidity impact of the new enrollees was estimated using a Morbidity/Utilization factor calculated for Unsubsidized Individuals previously uninsured using data from a CEA study on the marginal costs of enrollees.

Final Pass-Through Savings Estimates

The pass-through savings estimate is calculated as the difference between the estimated PTC in 2022 under the baseline scenario without the State Option and the estimated PTC with the State Option in place. To calculate the estimated savings produced by the State Option product's premium subsidies, Wakely completed the following steps:

1. As discussed above, inherent in our baseline scenario development is an estimate of the APTC based on the 2019 individual market enrollment. The APTC and actual PTC are reconciled after the end of the year through enrollee's tax returns. The PTC has historically been slightly lower than the APTCs reported. The baseline total PTC was calculated by taking the average APTC multiplied by a ratio of 0.979. This ratio was developed based on a review of the difference between APTC and PTC in Colorado's total tax returns for 2016 as measured by data from the IRS.[10]

2. We are assuming that all carriers On-Exchange will be required to offer the State Option. Therefore the second-lowest cost silver (SLCS) plan, which is used to determine the APTC in each area will be based on the premium of the State Option as there will be at least two

[10] https://www.irs.gov/statistics/soi-tax-stats-historic-table-2

State Options available and are anticipated to have a lower premium than other non-State Option plans in the current market.

a. The estimated APTC was calculated as the difference between the projected gross premiums of the State Option plans less the projected contribution rate for 2022.

    i. The projected gross premiums with the State Option plans were calculated by taking the baseline scenario gross premium estimate for subsidy-eligible members in the 2022 baseline multiplied by the estimated premium reduction for the State Option plans in each reimbursement scenario. As the premium reductions vary by metal level, the estimated premium reduction was weighted based on the distribution of subsidy-eligible membership by metal level in 2019.

    ii. We assumed the contribution rate in 2022 would not be impacted by the State Option plans and is equal under the baseline and State Option scenarios.

b. Inherent in this calculation is the assumption that the subsidized member's metal level selection is not impacted by the State Option and there is not significant migration by metal level and net premium is similar between both scenarios. Similarly, Wakely assumes that there is no change in the income distribution of those currently subsidized as a result of the introduction of the State Option.

3. Total PTC payments are the product of the estimated PTC PMPM in each scenario (before and after introduction of the State Option) and the estimated membership below 400% FPL. The pass-through is the difference between the total subsidy estimates.

Assumptions

See below for additional relevant assumptions and methodologies used throughout Wakely's calculations.

- Calculation of the Change in Premiums: The impact of premium changes due to a change in claims has been calculated as the estimated change in claims times 90%. This is due to the presence of fixed administrative costs.
- Average morbidity: New enrollees coming from uninsured population are assumed to be at a 0.73 relative morbidity compared to the currently insured individual population. These healthier individuals have opted out of coverage prior to the availability of a lower cost plan such as the State Option.

- Percent of Claims in a Facility: Wakely used 2017 National Wakely Individual ACA data[11] to find the percentage of total paid claims in the individual market that are facility claims. Approximately 50% of total claims are facility. Wakely assumed that this ratio would be accurate in 2022.
- Percent of Admin that is Variable: Assuming 50% of administrative expenses are variable and 50% are fixed.
- Wakely assumed that the ratio of Medicare to Commercial Claims, as reflected currently data, is the same ratio in 2022. Wakely reviewed the Office of the Actuaries' National Health Expenditure Data projections and found that historically Medicare spending has grown slower than private insurance spending, and the projections reflect higher spending trends in Medicare.
- Wakely assumed that the impact of the state option on the second lowest cost silver plan is equal to the impact of the state option on the overall market. It is possible that issuers in 2022 that otherwise would have been the second lowest cost silver plan have cheaper cost structures than the market average. If this is true, the premium impact of the state option could be less than what is currently projected.
- State Option Average AV: Wakely has assumed that there will be no impact to the 2020 Average AVs for Bronze and Gold. Silver was set to 71.5% due to the impact of the State Option. We assume that other silver plans will maintain current AV levels.
- Change in Claim Cost due to VBID: The effects of VBID are estimated to be immaterial, with savings and costs offsetting to result in no impact.
- Commissions: The 2020 average commission rate is expected to be 1.4% according to rate filings. Wakely is assuming that the average commission's rate will not change for 2022.
- Change in MLR Requirement: Wakely is assuming immaterial impact since average MLRs for 2015 through 2017 are reported to be above the proposed 85% target.
- Start-up costs: We are not assuming any additional start-up costs to either the state or issuers that may incur in the initial years of the program. Additional advertising and outreach may be needed in the initial years beyond what a plan normally spends.
- Additional expenses: We assume that there will be no additional administrative expenses for the State Option plans for either the state or for issuers.
- Reinsurance program impact: We are assuming no material changes in the premiums due to either changes in the reinsurance program structure or impact in claims experience due to the State Option. We are also assuming that the reinsurance program remains in effect for 2022.

[11] https://www.wakely.com/services/product/wakely-aca-database-waca

- Enrollment by metal tier: We are assuming no material shifting of enrollment by metal tier, and that new enrollment will be at similar weighting by metal tier.
- We are assuming no material impact to the small group market or employer market more generally.
- Colorado is considering designing a 1332 waiver such that potential Federal pass-through funds would be used to be provide additional benefits or implement policies that improve affordability. Such policies may impact spending and/or enrollment and therefore impact the pass-through savings calculated. Wakely did not include in its estimates these additional potential policies.
- We are assuming that there are no material changes or expansion of the Peak Health Alliance initiative that was introduced in Summit County for 2020 plan year. This initiative resulted in lower negotiated reimbursement rates for providers and plan premiums that are 20-25% lower as a result. Should the Peak Health Alliance initiative be expanded to additional counties, the baseline scenario's benchmark premium of the SLCS plan may be lower than the estimate in this report and the pass-through savings may be lower than that reflected in this report.
- Finally, given the uniqueness of the plan and limited operational details at this point in the development, there is a significant level of uncertainty to the estimates. Small differences from the assumptions and data used in the analysis can produce changes to the estimates.

Reliances and Caveats

The following is a list of the data Wakely relied on for the analysis:

- The 2018, 2019 Open Enrollment Report PUF produced by HHS[12] [13]
- Effectuated Enrollment Reports released by CMS[14] [15]
- 2020 Rate Templates and Plan Benefit Templates

[12] https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/2018_Open_Enrollment.html

[13] https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/2019_Open_Enrollment.html

[14] https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/Downloads/2018-07-02-Trends-Report-1.pdf

[15] https://www.cms.gov/sites/default/files/2019-08/08-12-2019%20TABLE%20Early-2019-2018-Average-Effectuated-Enrollment.pdf

- Estimated March 2018, 2019 Enrollment[16] [17]
- 2019 Enrollment, Premium, and APTC data provided by Connect for Health Colorado
- Lewis and Ellis Colorado Reinsurance Program Analysis[18]
- 2020 Issuer Rate Filings
- 2017 Wakely ACA Data
- Colorado Hospitals Reimbursement Levels by County[19]

The following caveats in the analysis should be considered when relying on the results.

- **Data Limitations.** As discussed above, Wakely relied on high level data in Colorado. We reviewed the data for reasonability but did not perform an independent audit. Any errors in the data may materially impact the results of our analysis.

- **Political Uncertainty.** There is significant policy uncertainty. Future federal actions or requirements in regards to, income verification, silver-loading, reinsurance, or other administrative actions could dramatically change premiums and enrollment in 2022.

- **Enrollment Uncertainty**. At the time of producing this report, April 2019 enrollment data was available. To the extent 2019 attrition at the end of year varies significantly from historical rates, the estimates for 2022 will not be accurate. Individual enrollee responses to policy changes also has uncertainty. All of these factors result in uncertainty for the impacts of a 1332 waiver.

- **Premium Uncertainty**. There is uncertainty in 2022 ACA premiums and the enrollment and uncertainty on the number of uninsured. These uncertainties result in limitations in providing point estimates.

- **Medical Claim Cost Uncertainty**. Medical claims cost, especially with smaller populations, have an inherent level of unpredictability.

- **Further analysis**. We anticipate refining the analysis presented in this report to address issues raised during the public comment period as well as perform further review of the impact in specific regions within Colorado.

[16] https://www.markfarrah.com/mfa-briefs/a-brief-analysis-of-the-individual-health-insurance-market/
[17] https://www.markfarrah.com/mfa-briefs/current-trends-in-individual-segment-enrollment/
[18] https://drive.google.com/open?id=1gWS-ovi7pCeccXQT1vOckti6_SVwdPbx
[19] https://www.civhc.org/wp-content/uploads/2019/09/Colorado-Hospitals-with-county-and-DOI-estimated-reference-20190722.xlsx

Disclosures and Limitations

Responsible Actuaries. Aree Bly and Brittney Phillips are the actuaries responsible for this communication. They are Members of the American Academy of Actuaries. Aree is a Fellow of the Society of Actuaries and Brittney is an Associate of the Society of Actuaries. They meet the Qualification Standards of the American Academy of Actuaries to issue this report. Michael Cohen and Julie Peper are significant contributors to this report.

Scope of Services. Unless otherwise explicitly indicated, Wakely's work is limited to actuarial estimates and related consulting services. Wakely is not providing accounting or legal advice. The users of this report should retain its own experts in these areas. In addition, Colorado is responsible for successful administrative operations of all of its programs, including those which are the subject of Wakely's actuarial work. Further, Wakely strongly recommends that Colorado carefully monitor emerging experience in order to identify and address issues as quickly and completely as possible.

Intended Users. This information has been prepared for the sole use of DORA and cannot be distributed to or relied on by any third party without the prior written permission of Wakely. We do recognize and grant that the report can be used in the development of the broader proposal for State Option that will be submitted to the Colorado Legislature in November 2019. We also recognize that the report may be released as part of the initial report to gather feedback through the public comment period. This information is confidential and proprietary.

Risks and Uncertainties. The assumptions and resulting estimates included in this report and produced by the modeling are inherently uncertain. The uncertainty is amplified given that in most instances Colorado specific data was not available. Users of the results should be qualified to use it and understand the results and the inherent uncertainty. Actual results may vary, potentially materially, from our estimates. Wakely does not warrant or guarantee that Colorado will attain the estimated values included in the report. It is the responsibility of those receiving this output to review the assumptions carefully and notify Wakely of any potential concerns.

Conflict of Interest. The responsible actuaries are financially independent and free from conflict concerning all matters related to performing the actuarial services underlying these analyses. In addition, Wakely is organizationally and financially independent of the Colorado Department of Regulatory Agencies of the Division of Insurance.

Data and Reliance. We have relied on others for data and assumptions used in the assignment. We have reviewed the data for reasonableness, but have not performed any independent audit or otherwise verified the accuracy of the data/information. If the underlying information is incomplete or inaccurate, our estimates may be impacted, potentially significantly. The

information included in the 'Data and Methodology' and 'Reliances and Caveats' sections identifies the key data and reliances.

Subsequent Events. These analyses are based on the implicit assumption that the ACA will continue to be in effect in future years with no material change. Material changes in state or federal laws regarding health benefit plans may have a material impact on the results included in this report. Material changes as a result of federal or state regulations may also have a material impact on the results. Changes to current Colorado practice of loading CSR amounts to Silver plans only could also impact the results. There are no other known relevant events subsequent to the date of information received that would impact the results of this report.

Unanticipated events subsequent to the date of this report are beyond the scope of our work, including (but not limited to):

- Differences in risk or utilization of the enrolling population,
- Differences in the assumed contracts, and/or
- Differences in costs of the administration amounts.

Contents of Actuarial Report. This document (the report, including appendices) constitutes the entirety of actuarial report and supersede any previous communications on the project.

Deviations from ASOPs. Wakely completed the analyses using sound actuarial practice. To the best of our knowledge, the report and methods used in the analyses are in compliance with the appropriate ASOPs with no known deviations. A summary of ASOP compliance is listed below:

ASOP No. 23, Data Quality

ASOP No. 41, Actuarial Communication

Appendix II - Focus Group Research

Perry Undem

United States of Care

PERRYUNDEM
RESEARCH/COMMUNICATION

October 2019

Exploring the Colorado Public Option Plan
Findings from Focus Groups

In September 2019, PerryUndem Research/Communication conducted focus group research for the state of Colorado. This research was done as part of the state's ongoing discussions about creating a public option health insurance plan.

The goal of the research was to hear from state residents about how they approach health insurance, how uninsured and underinsured residents access health services, and to gauge their reactions to a potential public option plan.

The focus groups were conducted on 9/10 in Denver, CO.[1] Keep in mind, this research consisted of only two focus groups, so it should be viewed as purely qualitative.

Below are 11 findings from the research:

1. **Life is hard for these Coloradans.** Their finances are a struggle. Many do not feel economically stable or that they can get ahead, save or get out of debt.

2. **Health insurance is just not affordable.** That is how most of the uninsured in the focus groups feel. Almost all have looked into getting coverage in recent years, but they feel it doesn't make sense – or just isn't possible. A few have purchased Connect for Health CO plans.

3. **Some prefer to just pay as they go rather than get insurance.** Others feel insurance is not worth the costs – they don't use it enough to be worthwhile. Some really want coverage but just can't afford it.

[1] The research consisted of two groups – both 105 minutes long – with 17 total participants. Most participants are currently uninsured, while a few have plans through Connect for Health CO. All participants had incomes between at 138%-400% FPL. Participants had a mix of health statuses and needs. And, the groups had a mix of age, gender, marital status, and party ID.

4. **They are putting off care.** Many only go to the doctor if something is serious. They will not go if they are sick – they just ride it out. When they finally need services, they often go to urgent care, the ER, or a local clinic.

5. **Most have not heard about the public option.** However, after reading an initial description, most like it. They appreciate the state is trying to provide a more affordable health coverage option. They want to learn more.

6. **They have questions.** Many think the description is too vague and want more specifics – mostly around *costs*. A number are skeptical that it will actually be affordable. Some are also unsure how the benefits would compare to currently available plans, or if the public option would really be different enough to warrant shopping again.

7. **Most are <u>not</u> concerned about a government health insurance plan.** They like that the state is trying to make health care for affordable for its residents. However, a few worry the public option might offer lesser coverage or lower quality care. But most are open to considering a state run plan.

8. **They like that they may get access to more benefits than they have had before.** Comprehensive coverage is important, especially to those with chronic or specific health conditions. All appreciate that plans could cover dental care, mental health visits, or even vision. But they worry more benefits = higher costs.

9. **Most warn that costs will need to be significantly lower to consider a public option plan.** Many mention that they would consider monthly premiums of $100-$200, but not anything higher. And, they would like premiums to be at least 30% less than what is currently available or else coverage could still be out of reach.

10. **In the end, affordability is more valuable than expanded benefits.** While participants embrace including other benefits – especially dental and better mental health care – most feel these benefits are unhelpful if people cannot afford the plans. They are willing to sacrifice something on benefits if it means the plans are more affordable.

11. **Most feel "Colorado Health" is the best name for the public option.** It is seen as simple and straightforward and would best communicate what the state is offering. They are less supportive of names that make them think about the quality of coverage – like CO Basic or CO Advantage.

Based on the findings of this focus group research, here are some things to consider as this process moves forward.

- **There is a market for the public option plan.** These participants are living without insurance or trying not to use their coverage even when they have it. They want better coverage options. So, the general idea of a public option plan is appealing. They have questions about costs, and say a lot could change before coverage starts in 2022, but in general they appreciate that the state is trying to lower costs.

- **That it is a "government run plan" is not a problem for most.** But a few concerns are raised that you will need to address: will the benefits be as good, will doctors provide less care? Still, most agree Colorado is better positioned than the federal government to help residents. And, many trust the motivations of the state over those of insurance companies.

- **They want more expansive benefits…to a point.** Participants like that a public option plan could include more comprehensive benefits. A public option plan with dental and better mental health coverage is especially appealing. Some talk about urgent dental and mental health needs that often go underserved. But, they know that more benefits also means higher prices. In theory, the more benefits, the better. But, at what cost…
- **Overall, affordability remains the top priority.** At the end of the day, participants say these plans need to cost less. Many have been priced out of insurance over the past years. They have decided they can't make coverage work within their budgets. So, they warn that a public option plan that is similar in cost to other Connect for Health CO plans wouldn't help. Expanded benefits are welcome, but it won't mean anything if they can't afford it.

- **A straightforward name, like Colorado Health, is most appealing.** Of the potential names we tested, Colorado Health rose to the top. Participants feel this clearly describes the plan and the goals of the state. Using names that raise questions about the quality of coverage (i.e. basic, plus) could make some people wary. They don't want to feel like they are getting lesser or different health care.

UNITED STATES of CARE

October 3, 2019

Governor Jared Polis
State Capitol Bldg
200 E. Colfax Ave., Rm. 136,
Denver, CO 80203
CC: Kim Bimstefer, Executive Director of HCPF & Mike Conway, Commissioner of Insurance

RE: HB 1004: A proposal to create a Colorado Public Insurance Option
submitted electronically to HCPF_1004AffordableOption@state.co.us

Dear Governor Polis:

On behalf of United States of Care, we respectfully submit the following comments regarding the proposal to create a state option for health care coverage, as directed by HB 1004.

United States of Care is a nonprofit, nonpartisan organization founded in early 2018 with an ambitious mission, "to ensure that every single American has access to quality, affordable health care regardless of health status, social need or income." We are guided by three principles: First, everyone should have an affordable, regular source of care for themselves and their families. Second, all Americans should be protected from financial devastation due to illness or injury. Third, policies to achieve these goals must be fiscally responsible and win the support needed to ensure long-term stability.

It is our belief that effective policy must reflect meaningful engagement with everyday people and patients. To that end, in August of 2019, United States of Care conducted public opinion research to better understand the diverse and unique needs and challenges facing residents throughout the state of Colorado. We submit key findings from this research to your administration and hope that it is informative to the development of your proposal.

When we asked participants about what they would fix if they had a "magic wand," they identified the areas of lowering cost; creating transparency; and expanding access:

Finding 1: Costs are driving dissatisfaction among consumers and making them question the value of their insurance.
Across all demographics, Colorado consumers are very frustrated by both the cost of care and coverage (inclusive of premiums, out of pocket costs, and incidental costs related to travel, time off work, etc. to seek care), and the opacity of what they purchase. Fear of unknown costs or bills they did

not expect was a concern for individuals, even those with employer coverage. As a result, the perceived value of the care they receive and coverage they pay for is low. In addition, even when people like their provider or insurance company, cost creates a major obstacle to receiving care and paying for coverage.

Finding 2: Perceived access to care is influenced by geography; access to care manifests as an affordability issue.
Residents generally feel that they have reasonable access to primary care across the state, even if they need to drive long distances to access care. However, access to mental health and specialty services is challenging in rural communities. Similar to themes in Finding 1, rural Coloradans link challenges related to transportation, child care, or time off work to their accessibility for specialty care, which becomes an issue in cost and affordability.

Finding 3: The cost of health care exceeds what consumers believe is acceptable, and they are willing to consider a governmental role if other variables are understood or more transparent.
There is nearly universal agreement that people need to have coverage, as well as consensus that coverage needs to be affordable. In terms of affordability, consumers self-reported spending up to 20% of their income on health care but believe that not more than 10% is reasonable. As a matter of public policy, consumers expressed measured openness to the state playing a role to address this problem but say that it would be critical to know what any policy and budget trade-offs are.

Finding 4: Consumers are seeking more easily understood information about plan and benefit design.
Coloradans understand the need and desire to provide basic care, but the plan and benefit designs of insurance options today are not perceived to be consumer friendly. As mentioned, there was general anxiety about unexpected coverage and costs issues. There is a strong desire for better, more clear information about what services are covered, and importantly, what "covered" means for patients.

Finding 5: Although health care is a political lightning rod at the national level, Colorado residents are seeking a local champion and voice for every day consumers.
While the 2019 session included passage of other legislation in addition to HB 1004, many Colorado residents are not able to identify state solutions or policymakers working to address health care issues. Despite findings that the cost and affordability of health care is a top concern across Colorado, this disconnect presents lawmakers with an opportunity to engage with their constituents to better understand everyday challenges and represent their interests at the Capitol.

Conclusion
These findings are from a qualitative study of rural and urban Coloradans, and echo concerns we hear every day from people across the country who are seeking real relief for real challenges in accessing affordable health care. We applaud you for your interest in tackling these challenges, and look forward to seeing your proposal later this year.

Most sincerely,

Emily Barson
Executive Director, United States of Care

Appendix III - Public Comment Letters

A.J. Ehrle
Alex Ball
All Kids Covered
Arthritis Foundation
Boulder Emotional Wellness
Carol Pace
Chronic Care Collaborative
Coalition for Immigrant Health
Colorado Academy of Family Physicians, American Academy of Pediatrics, and American College of Physicians
Colorado Access
Colorado Advocacy Organizations – Joint Letter
Colorado Association of Health Plans
Colorado Center on Law and Policy
Colorado Community Health Network
Colorado Competitive Council
Colorado Consumer Health Initiative
Colorado Dental Association
Colorado Dental Organizations
Colorado Foundation for Universal Health Care
Colorado Medical Society
Colorado State Association of Health Underwriters
Debra Irvine
Delta Dental
Eagle Insurance Agency
Glenwood Insurance
Healthcare Business Strategies
JM Fay
Kyle Curley
Toni and Kreg Lyles
Miles Kessler
Northern Colorado Individual Practice Association
Robin Mills
Walt Geisel
Women's Reproductive Health

Ideas for an Affordable Health Coverage Option, HB19-1004

Submitted by AJ Ehrle, AJ Ehrle Health Insurance

Ideas I had for a state option. I would be happy to answer any questions about them.

-State option only available in counties serviced by less than 3 carriers

-To service a county a carrier must offer at least bronze and silver level plans

-premiums are capped or based on age bands (ex:0-18 $150; 19-35 $300;35-50 $450;51-65 $600

- Deductible is equivalent to 10% of income, based on last Federal income tax return filed or other form of income verification

-PPO/ Any provider practicing in Colorado must accept

-Administration of all provider bills to the state plan must be paid within 45 days

-Only available through C4; paid a fee of 2% of effectuated premium

-Brokers to be paid a flat $100 annual fee for obtaining the state plan for a consumer to be paid no later than 60 days from effective date

Leave Medicaid and Medicare programs alone. I mean you could change those programs, but not as part of this.

After my presentation, I had a few changes/answers to certain problems/questions. They are as follows:

Verifications for Out of Pocket

Self employed verification: Average of the most recent 3 Federal tax returns

Employeed verification: Average of one years tax return and current paystub

Combined verification: Average of two years tax returns and other qualifying documentation

Change the age bands to 0=25, 26-35, 36-45, 46-55, 56-64. Make the 56-64 age band available throughout entire state

Make the state option available for anyone identified as being in the "family glitch"

With the reinsurance pool, most consumers will already see a decline in individual rates, except in areas where there are less than three carriers.

Dear Kim Bimestefer and Mike Conway,

What is the point of spending millions on price transparency that is supposed to encourage competition thus driving down chargemasters' pricing?

Encouraging and increasing competition cannot be accomplished with the current rules that allow more than one geographic rating zone while insurance companies are allowed to provide quotes based on residents' physical address and exclude individual plans where they provide group and self insured plans. I can be the greatest shopper of healthcare services, but I will never be rewarded for being proactive according to the current state rules. CIVHC is spending millions to increase price transparency. but I will never be rewarded for utilizing their tools. Providers are required to be more price transparent. Colorado's practice of allowing multiple geographic rating zones prevents me from being rewarded for shopping and choosing the best price as long as insurance companies are allowed to judge me on my apartment's address versus my friend's address. Why does state government allow insurers to pit rating areas against each other without passing on savings created by individual choice to the greater community? Additionally, if one statewide rating zone was implemented, insurance companies would still be allowed to cherry pick where they underwrite in the state. I propose that all insurance companies, wanting to underwrite group and self insured policies in Colorado, should be required to underwrite individual policies in all zip codes. How can Colorado's statewide population health data analytics be relevant for statewide comparison if data varies from zone to zone and address to address?

As a Colorado resident who would like to be self employed with affordable health insurance, please accept this email for your consideration as my public comments for the Proposal for Affordable Health Coverage Option.

Sincere thanks,
Alex Ball

Commissioner Michael Conway
Director Kim Bimestefer
Department of Regulatory Agencies
1560 Broadway, Suite 110
Denver, CO 80202
Via email: dora_ins_website@state.co.us; hcpf_1004AffordableOption@state.co.us

Subject: A Public Health Care Option that's Good for Kids

Dear Commissioner Conway and Director Bimestefer:

We know the state is committed to developing the best possible public health care option for Coloradans and we appreciate the thoughtful deliberation and stakeholder process driving this work. The All Kids Covered Coalition (AKC) members are participating in the stakeholder meetings and would like to take this opportunity to advocate on behalf of Colorado kids as the state begins to design the public option pursuant to HB19-1004.

All Kids Covered is a non-partisan coalition of more than 20 organizations. We advocate for sound policy to reduce the number of uninsured children in Colorado, and improve access to affordable and quality health care for Colorado's kids. We want every child in Colorado to have access to affordable health coverage and quality care. Providing health coverage for kids is a key way to ensure our children have the opportunity to grow into healthy adults who live, work, and thrive in communities across Colorado. As you continue engaging stakeholders, please consider these two requests to ensure the public option meets the unique needs of Colorado's children:

1. **Make the option available to Coloradans who earn low to moderate incomes, to allow families without proper documentation and those who fall into the family glitch to gain access to affordable coverage.** Despite Colorado's success in reducing the child uninsured rate, 4 percent of Colorado kids still lack health insurance. In fact, progress in getting every Colorado child covered stagnated this year. We believe the public option can help remove barriers that keep families and children uninsured. This is of primary importance for families without proper documentation or families who fall into the family glitch.

2. **Make the benefit package at least as generous as Colorado's Child Health Plan *Plus* (CHP+), with similar cost sharing limits, and more first dollar coverage of primary care benefits.** We believe a public health care option should be designed to work well for families, children and pregnant people. As such, we believe the benefit package offered through the public option for

   children and pregnant people should be at least as generous as CHP+. Additionally, we believe the benefit package in the public option for children and pregnant people should have similar cost sharing limits to that of CHP+ and more first dollar coverage of primary care benefits before a deductible.

In closing, AKC appreciates the dedication that is going into this work to create a public health care option in Colorado and we thank you for taking the time to consider our comments. We believe these recommendations align with the state's goal to develop a quality, affordable health care option for Coloradans.

Sincerely,

Leadership Team of All Kids Covered

(Colorado Children's Campaign, Colorado Covering Kids and Families and Colorado Consumer Health Initiative)

August 30, 2019

Colorado Insurance Commissioner Mike Conway
Division of Insurance, Colorado Department of Regulatory Agencies
1560 Broadway #110
Denver, CO 80202

Executive Director Kim Bimestefer
Department of Health Care Policy and Financing
1570 Grant St,
Denver, CO 80203

Submitted electronically via HCPF_1004AffordableOption@state.co.us

RE: Comments on the implementation of The Proposal for Affordable Health Coverage Option (HB 19-1004)

Dear Commissioner Conway and Director Bimestefer,

On behalf of the more than 54 million Americans and 300,000 children in the United States with doctor diagnosed arthritis, the Arthritis Foundation appreciates the opportunity to comment on the implementation of The Proposal for Affordable Health Coverage Option (HB 19-1004). Our comments will address four areas that we would like to see addressed within any implementation of a public option in the state. The four areas include nondiscriminatory formulary design, copayment caps, coinsurance, and step therapy protocols. Addressing each of these four areas will improve the affordability and accessibility of the public option.

Nondiscriminatory Formulary Design

In response to affordability concerns, in 2014 the Division of Insurance issued a bulletin advising carriers that placement of all or most drugs for a particular condition on the highest tier would be considered discriminatory, in violation of Section 1557 of the Affordable Care Act. To achieve widespread compliance, on June 1, 2018, the Division promulgated Regulation 4-2-58. Section 5 of the Regulation prohibits plans from placing more than fifty percent (50%) of the drugs used to treat a specific condition on the health benefit plan's highest cost formulary tier. The Arthritis Foundation and many other patient groups applauded this regulation by the Division.

Recently, in an effort to see how well the regulation was working, the Arthritis Foundation participated in an analysis of the tiering of prescription medications by the health plans on the Colorado exchange with several other patient groups.

Methodology

The analysis looked at seven conditions: Arthritis, Bipolar, Epilepsy, Hemophilia (includes Hemophilia A, Hemophilia B, and Von Wilebrand's Disease), Multiple Sclerosis, HIV, and Psoriasis.

The results of the analysis were shared in a letter dated March 4th from the Colorado Chronic Care Collaborative, which the Arthritis Foundation is a proud member of, the Colorado Center on Law and Policy, and the Colorado Consumer Health Initiative.

Staff with disease-specific expertise compiled the list of drugs for each condition and their available generic equivalents. The top row of each condition-specific spreadsheet comprises these drugs.

We then searched the formularies for each of the seven individual-market plans for each drug. We indicate which tier (or tiers) each drug is listed on. If a drug was not listed on the formulary, we indicate N/A. We indicate generic drugs ("gen") and their tiers in the same cell as the namebrand drug.

To assess the percent of drugs for the particular condition in the highest-cost tier, we counted the number of drugs covered for the condition (counting generics separately from name-brand equivalents) (denominator), and the number of those drugs in the top tier (numerator). We counted drugs that appeared on multiple tiers depending on delivery systems or dosage as being listed in their lowest tier, in order to create the most conservative estimate of noncompliant plans (see questions as to how the Division handles these instances below). While we conducted this analysis carefully, this type of formulary analysis was new to those involved in the project and some errors are possible.

Preliminary Results

After analyzing formulary design for seven chronic conditions, the analysis by the coalition concluded that there is a significant level of noncompliance with the Regulation.

Condition	***Number of plans that comply with Regulation 4-2-58's 50% requirement***
Arthritis	0 of 7
Bipolar Disorder	7 of 7
Epilepsy	7 of 7
Hemophilia A and B	0 of 7
Hemophilia – Von Willebrand's Disease	1 of 7
Hepatitis C	0 of 7
HIV	6 of 7
Multiple Sclerosis	4 of 7
Psoriasis	2 of 7

Recommendations

As the Division moves forward with implementation of The Proposal for Affordable Health Coverage Option (HB 19-1004), the Arthritis Foundation requests that the nondiscriminatory formulary design is made a key focus. In addition, the Arthritis Foundation encourages the Division to carry over key regulations to ensure that the public option benefit design that will have the effect of discouraging individuals with significant prescription needs from enrolling.

Copayment Caps

High cost-sharing is a barrier to medication access for people with chronic, disabling, and life-threatening conditions like arthritis. Cost-sharing for prescription medications should not be so burdensome that it restricts or interferes with access to necessary medications, which can lead to negative health outcomes and additional costs to the health care system as patients instead seek hospital or emergency room care. Ensuring that people with arthritis have access to affordable quality treatments and medications is a guiding principle of the Arthritis Foundation.

Accordingly, the Arthritis Foundation encourages the Division to utilize the current regulation (4-2-58 Section 6) regarding co-payment caps in the implementation of a public option. That regulation states, "the highest allowable copayment for the highest cost drug tier(s) must be no greater than 1/12th of the plan's 'individual' annual out-of-pocket maximum" and "cost-sharing arrangements that utilize coinsurance up to a capped dollar amount maximum are not considered copayments and cannot be used to meet the all-copayment structure requirement." These regulations are initial steps in ensuring that patients enrolling in the public option will not have to pick between their crucial mediations and their mortgage payments, groceries, and other vital needs.

Coinsurance

A 2017 analysis by Avalere, indicated that nationally consumers selecting "silver" plans on the individual exchange market saw a significant increase in the amount of coinsurance for specialty drugs. In 2017, 84 percent of silver plans sold charged coinsurance, up from 74 percent in 2016. On average, coinsurance also increased from 34 percent in 2016 to 37 percent for silver plans in 2017. High coinsurance can be a significant barrier for those patients that require high cost prescription medications.

The same regulation previously cited (4-2-58) ensures that patients have the option to select a copayment plans rather than coinsurance plans. Specifically, the rule, in Section 6, states that "for each of a carrier's service areas, no fewer than twenty-five (25%) percent of the plans offered for each metal level (Platinum, Gold, Silver and Bronze) must contain a copayment-only payment structure for all drug tiers. Carriers shall not apply the deductible or any coinsurance amount for these plans." The Arthritis Foundation encourages the Division to support efforts, like this rule, to increase the availability of copayment plans on the exchange and in Colorado's public option. Since many people with arthritis also suffer with chronic diseases such as diabetes or heart disease, their monthly expenditures can include several types of medications. Copayments plans offer patients the ability to better plan for the cost of their medications

In addition, within this rule, the Division requires that carriers shall clearly and appropriately name all plans that have the copayment structure to aid in the consumer plan selection process. The Arthritis Foundation encourages the Division to continue this transparency for patients in the public option.

Step Therapy

Step therapy or "fail first" is a practice used by insurers that requires patients to try and fail insurer-preferred medications before providing coverage for the physician's recommendation. As a result, more expensive effective drugs can only be prescribed if the cheaper drugs prove ineffective. When a person changes insurers, or a drug they are currently taking is moved to a non-preferred status, the person may be put through the step therapy process again and again.

If the Division allows usage of step therapy protocols to be utilized for the state's public option, the Arthritis Foundation encourages the Division to use guardrails to ensure that these protocols work well for everyone in the process.

Specifically, if the Division were to allow step therapy protocols, the Arthritis Foundation recommends that the Division permit a physician to override the step therapy process when patients are stable on a prescribed medication. In addition, the Arthritis Foundation would recommend that the Division permit a physician to override the step therapy if the physician expects the treatment to be ineffective based on the known relevant medical characteristics of the patient and the known characteristics of the drug regimen; if patient comorbidities will cause, or will likely cause, an adverse reaction by, or physical harm to, the patient; or is not in the best interest of the patient, based on medical necessity. Lastly, the Arthritis Foundation would recommend that any approval or denial to a step therapy exception request be submitted within a reasonable timeframe, such as 72 hours or 24 hours in exigent circumstances.

Conclusion

The Arthritis Foundation appreciates the opportunity to comment on the proposed implementation of the public option and looks forward to continued discussions with the Division on solutions that make implementation as smooth as possible for patients. Please contact me at sschultz@arthritis.org or 916-690-0098 with questions or for more information.

Sincerely,

Steven Schultz
State Director, Advocacy & Access

Boulder Emotional Wellness
3434 47th Street Suite 130
Boulder CO 80301

August 15, 2019

Executive Director Kim Bimestefer
Department of Health Care Policy and Financing
1570 Grant St
Denver, CO 80203

Commissioner Michael Conway
Division of Insurance
1560 Broadway #110
Denver, CO 80202

Re: Recommendations on the development and implementation of a Colorado public insurance option

Dear Director Bimestefer and Commissioner Conway,

We provide behavioral health to the Boulder larger community and about 60% of our client base is enrolled in Medicaid. As behavioral health providers, we have concerns about the implementation of a public insurance option. We fully support the idea, and we've been impacted by the last large effort to support public health, the ACC Phase II Medicaid expansion.

1) The ACC Phase II process was difficult bureaucratically for behavioral health providers in that all of us had to be "revalidated" by HCPF. When building capacity, please allow current HCPF validated practitioners to participate without another round of "validation."

2) The ACC Phase II logic of enrolling members based on the physical address of their Primary Care Physician created a number of problems for the behavioral health providers. PCPs are to have a single contract with a single RAE. Behavioral health providers have to manage contracts with Beacon (RAE 2,4), Colorado Access (RAE 3,5), Rocky Mountain (RAE 1) and CCHA (RAE 6,7). If the RAE model is followed again, please allow the patient's address to determine enrollment rather than patient's physician's work address. For example to serve the Boulder area (including just over County Line Road to the East) we contract with RAE 2, RAE 1 (for Ft. Collins), RAE 3/5 (for Denver metro, and RAE 6 (Boulder).

3) "Slamming" occurs, where when a member visits a clinic, they are somehow disenrolled from their RAE and put into another RAE. This causes problems when they come back to our clinic for behavioral health, as their RAE has changed without them knowing it, and our claims are denied. We have seen RAE 6 members become RAE 3 members without knowing it simply by going to a Denver clinic for medical needs.

4) There is broad variability in fee schedules between the RAEs that seems unfair and undermines participation by providers. I am not at liberty to disclose these fees schedules. Some will pay $104 for 90837 (a therapy hour). Others pay as low as $75. Some are between those amounts. We manage extern psychotherapists who will not see clients except for those enrolled in the

higher paying RAEs. This variability is hard to understand. If one RAE can pay 100% of the schedule, why won't they all?

5) Couple therapy has improved in the last decade with advances in psychobiological approaches to couple therapy. Couple therapy is increasing in demand at our clinic and is an effective therapy for the identified patient (the enrollee) and has a large ripple effect for children, peers, the children's school environment, etc. Couple therapy is unseen by Medicaid and typically billed as "family therapy" at an astonishingly low rate. There needs to be a bonafide CPT code for Couple Therapy, or the existing 90847 with a reasonable compensation. The fee could be 100% of 90837 for an hour and 150% for the typical 90 minutes session.

6) Not a single RAE was prepared to do business electronically on July 1, 2018. Whatever payer is created or contracted, they must be required to have relationships with industry clearinghouses (Change, Eligible) on day 1 so that electronic claims can be submitted and ERA payment data (electronic remittance advices) is returned. This created a massive paper jam.

7) Of the RAEs, all will reimburse for services provided by qualified non-licensed therapists (university MA program interns and pre-licensure externs) except for Colorado Access, which manages CHP+ (statewide) and RAE 3 and 5. This is a frustrating discrimination that we cannot support. For capacity's sake and for the sake of future capacity, the program you are developing must allow for practice by these pre-licensure professionals.

   Colorado Access' explains away this discrimination as "we have sufficient network capacity that we don't need the help", while allowing it. They will in fact pay for pre-licensure work by clinicians employed at a Mental Health "Center", however that designation is impossible to obtain from CPHE because it requires facilities to have beds and hold patients involuntarily.

8) Fundamentally the RAE system creates massive duplication. It seems arbitrary in that there are statewide payers like Colorado Access CHP+ program. A single statewide payer would be more efficient.

As a clinical training program we track new providers and their experiences closely. The state would do well to treat behavioral health providers respectfully, not just through fees but also bureaucratically. Young talented practitioners that can develop private practices at $120 an hour are disinterested in participating in insurance whether public or private. We do all we can to ease the process of record keeping and billing so these people maintain their enthusiasm. But we've seen many decide to not participate because the payment rates are perceived as disrespectful, particularly for the very important work of counseling couples.

We wish you all the best in this creative effort.

In regards,

[signed]

Andrew Rose, LPC
Director, Boulder Emotional Wellness

8-31-19

Please accept the below summary of personal consumer interests and concerns related to the HB 19-1004 legislation. Although there are a number of concerns and issues to keep in mind, the proposal offered at the Presentations Meeting (July 26, Keystone Policy Center) by Colorado Access seems to be worth pursuing, for all of the reasons presented, some of which are summarized here in the final section.

Thank you for the opportunity to provide Consumer Input.

Sincerely,

Carol G. Pace, MS

Consumer Input

I. **Legislative requirements** of the bill
   a. Requires competitive state option for health insurance coverage to be forwarded to the general assembly to include
      i. Identification of **affordability at different income levels**
      ii. Drill down on **Administrative** and financial costs, to minimize these
      iii. Utilization **of existing state health care infrastructure** to reduce costs and increase competition (especially in counties with monopoly or near monopoly insurance environments and non-competitive pricing)

II. Consumer interest must-haves
   a. **Lower prices** for health care, to include all costs—premiums, co-pays, deductibles, out-of-pocket
   b. **Less confusion in plans/coverage -**
   c. **Consumers Want Choice** – consumer should be able to choose public option if they find that the most suitable for their personal and family needs, providing the greatest coverage for the lowest administrative costs and attention to health care not for-profit bottom line maximization of non-Colorado companies.
   d. **Essential Benefits Covered**, no pre-existing condition denials, no lifetime caps No watered down plans for a lower price.
   e. End age-banding, preclude gender-banding, disease-banding, pre-existing condition banding, geographical area pricing. Discrimination has no place in health care.
      i.

III. Consumer interests – wish to avoid
   a. Do not wish to pay for your **broker,** that changes premiums for all of us
   b. Do not with to pay for your Taj Mahal hospital with **unnecessary embellishments** that you expect me to pay for with my insurance premiums
   c. Do not wish to ever see **surprise medical bills, e.g. bait and switch hospital tactics** with consumers that do not have adequately prepared insurance contracts to ensure the integrity of the plan

d. Do not wish to pay for your network of **free standing emergency rooms** or other facilities developed for hospital systems marketing and outreach, running up local costs of care for all

IV. Consumer Options

a. **Leave the individual market** - Close small businesses and seek employment with large employer, federal, state government that have affordable options

b. Keep income below ACA subsidized level or Medicaid coverage, to obtain affordable pricing through these negotiated rates

c. Family glitch – Family members are left without affordable insurance if only one member has employer coverage or similar subsidized doverage. Families leave members bare or put eligible **family members on Medicaid, CHP Plus**

d. Small business – **leave the state**, e.g. if La Plata County insurance is monopoly, move business across to New Mexico where more consumer-friendly options are available and being developed

V. State Options Requested or Presented during Stakeholder Meetings

a. Organizers were asked **to prepare data on other states working on similar public option** plans, and use them as bases for state option plans in Colorado – states that have done extensive work were mentioned, including New Mexico, Oregon, Washington, Vermont and others

b. **Cogent Proposal came from Colorado Access and their CHP+ program as a model for a state option health insurance.** This health care coverage is state administered and currently available statewide (eligible children and pregnant women) who have incomes too high for Medicaid coverage and earn too little to be able to afford private insurance coverage.

The Significant Advantages of this model, as presented include:

1. Utilizes existing state infrastructure for a state option proposal, per requirements of the legislation
2. Low administrative costs
3. CHP+ is a stand alone model-a private/public partnership (not confined by a purely Medicaid model, has fewer regulations and is simpler to administer, as a result). Multiple insurers currently offer this plan.
4. Established, geographically diverse Provider Networks – Providers are satisfied with this health plan, want more of this business, are enthusiastic.
5. Straightforward coverage – simplified and understandable to consumer
6. Competitive pricing of services
7. Integrated oral health and mental health- the latter being an elusive and frequently denied or questioned benefit under private insurers
8. State sets rates based on sound actuarial data
9. DOI currently licenses

August 30, 2019

Division of Insurance,
Colorado Department of Regulatory Agencies
1560 Broadway #110
Denver, CO 80202

Department of Health Care Policy & Financing
1570 Grant Street
Denver, CO 80203

Re: Transparency in Public Option System Design

Dear Commissioner Conway and Director Bimestefer:

We appreciate the Division and the Department's work prioritizing robust public input to inform the initial design of Colorado's State Option for Health Care Coverage. Moving forward, we urge the Division and the Department to create a system to allow continued feedback from consumers on the State Option plan design and administration after its launch.

As we have seen during implementation of the Affordable Care Act, plan benefit design is complicated. There are many ways benefit design can adversely affect consumers, particularly consumers with chronic diseases or disabilities. Often, a consumer only learns that a plan designs limits access to necessary services after they have purchased the plan.

We have been working on such a problem regarding drug formulary design and compliance with DOI Regulation 4-2-58. The Division's openness to feedback and quick action on this issue after consumer groups identified a problem will result in better transparency for Coloradoans as they decide which plan to purchase. Furthermore, through this process we have seen that a willingness to make mid-year changes when these problems are identified is of particular value to Coloradans, who would otherwise face significant delays in receiving the plan benefits the law requires.

In light of the advantages of processes that enable robust public participation on an ongoing basis, the Division and Department could best ensure that the State Option's design and administration meet public need by establishing a system for incorporating public input in the future.

Because of the nature of plan benefit design, we anticipate that complications such as utilization management criteria, provider network issues, and parity violations may arise in the future. Like the noncompliance with DOI Regulation 4-2-58, these issues could be identified and be fixed through open communication if there is sufficient transparency so that consumers and consumer advocates are able to engage.

We believe the goal of this “public option” is to create a product that is responsive to the needs of the *public* and, therefore, should include a process for ongoing public engagement.

Sincerely,

Allie Moore

Allie Moore
Chronic Care Collaborative

Executive Director Kim Bimestefer
Health Care Policy and Financing
1570 Grant Street
Denver, Colorado 80203

Commissioner Michael Conway
Division of Insurance
1560 Broadway, Suite 110
Denver, Colorado 80202

August 13, 2019

Re: Recommendations for HB19-1004, Study of State-Based Health Coverage Option

Dear Director Bimestefer and Commissioner Conway,

The undersigned organizations appreciate this opportunity to provide our recommendations regarding the implementation of HB19-1004, to develop a proposal for a state health coverage option. The undersigned organizations are members of the Coalition for Immigrant Health, which holds the vision of a health care system that is inclusive of and responsive to our immigrant community in Colorado. Our long-term goal is to extend coverage to all Coloradans regardless of immigration status.

Colorado has made tremendous progress in establishing new insurance coverage options for Coloradans. The 2017 Colorado Health Access Survey (CHAS) reported a historic reduction in the rate of uninsured Coloradans: 6.5 percent, or half the pre-Affordable Care Act levels. The CHAS also reported that the biggest factors contributing to the number of uninsured Coloradans are cost and eligibility. These findings are also in line with the community feedback received so far in the stakeholder meetings for HB19-1004. The creation of a public option presents a unique opportunity to significantly decrease the uninsured population in our state and we must carefully consider the eligibility requirements so they don't continue to keep Coloradans from accessing coverage.

In order to continue to reduce the number of uninsured Coloradans, plans for a public option must explicitly state that eligibility does not require citizenship or legal documentation. The Colorado Health Institute estimates that about 100,000 Coloradan immigrants without proper documentation are uninsured, and their status makes them ineligible for the current health coverage options in Colorado.[1] Coloradans without documentation and recipients of Deferred Action for Childhood Arrivals (DACA) are excluded from the provisions of the Affordable Care

[1] Colorado Health Institute directly provided these data to Center for Health Progress. Attachment included with a breakdown by income.

Act and public insurance (Medicaid, Medicare). Given immigrants' documentation status, they also have limited access to jobs that offer health insurance and have lack of access to insurance. Additionally, there are explicit exclusions that severely limit their access to non-emergency medical services beyond primary care clinics. For these reasons, it is critical that we ensure that eligibility requirements are inclusive of all Colorado residents regardless of their immigration status; the health and well-being of our communities depend on it.

In considering the infrastructure that would support this public option, any application used for this process should change to accommodate these individuals. The application through the Division of Insurance for the individual market, for example, currently requires a social security number (SSN), effectively deterring those who have the financial capacity to purchase insurance but who lack an SSN. The state should omit the request for the SSN from the application or make it clear that the SSN is optional. Additionally, the state should ensure linguistic and cultural responsiveness in designing systems to ensure ease of navigation, and ensure that the new structure of insurance will not trigger public charge under the anticipated rules from the Department of Homeland Security[2].

It should go without saying that information should be protected in these systems, as they are today, and reassurance should be offered that information is not shared across systems for non-health purposes. Immigrants are living with toxic levels of stress and fear due to the current national political environment[3], and Colorado should do all it can to offer reassurance and security as immigrants participate in these crucial systems in order to thrive and support their families.

Thank you for this opportunity to comment. We look forward to continued engagement in the stakeholder process, and also appreciate you ensuring geographic diversity and appropriate supports are available (especially interpretation and translation). If you wish to ask members of the Coalition any questions, you can contact Chris Lyttle, Senior Policy Manager at Center for Health Progress (chris.lyttle@centerforhealthprogress.org; 937-546-3011).

Sincerely,
The undersigned members of the Coalition for Immigrant Health:

Center for Health Progress
Colorado Immigrant Rights Coalition
Colorado People's Alliance

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[2] Federal Register: Department of Homeland Security. Inadmissibility on Public Charge Grounds. Proposed October 2018. https://www.federalregister.gov/documents/2018/10/10/2018-21106/inadmissibility-on-public-charge-grounds

[3] Artiga, Samatha & Petry Ubri. "Living in an Immigrant Family in America: How Fear & Toxic Stress are Affecting Daily Life, Well-Being, & Health." Kaiser Family Foundation. December 31, 2017. Available at: https://www.kff.org/disparities-policy/issue-brief/living-in-an-immigrant-family-in-america-how-fear-and-toxic-stress-are-affecting-daily-life-well-being-health/

Tri-County Health Network
Colorado Organization for Latina Opportunity and Reproductive Rights
Colorado Fiscal Institute
FWD.us Colorado
Colorado Cross-Disability Coalition
Every Child Pediatrics
Cultivando
Colorado Children's Campaign
Clinica Tepeyac
Together Colorado
American Academy of Pediatrics - Colorado Chapter
Young Invincibles

August 27, 2019

Executive Director Kim Bimestefer
Department of Health Care Policy and Financing
1570 Grant St, Denver, CO 80203

Commissioner of Insurance Michael Conway
Division of Insurance
1560 Broadway #110, Denver, CO 80202

RE: Statewide Option for Affordable Health Coverage Comments

Dear Director Bimestefer and Commissioner Conway,

We appreciate the opportunity to comment on and shape the implementation of a public health insurance option as established under HB19-1004. The undersigned organizations represent a significant majority of Colorado's primary care physicians. While our organizations' members do not all exclusively practice primary care, we believe the public option offers an opportunity to not only expand access to care for Colorado's uninsured and underinsured, but to also ensure covered Coloradans get the right care, in the right place, and at an affordable price. The state option can achieve this through supporting and investing appropriately in primary care as the foundation of our health care system. We urge the State to implement a public option based on the following principles and design considerations:

1. **Eligibility:** The public option should be available to any Colorado resident who wants to buy in. This will ensure the greatest degree of competition in the marketplace and choice for patients. It will avoid overly complicated eligibility criteria, eligibility cliffs that can lead to churn between insurance products, and disruptions in care and the patient-physician relationship. This will allow for access to coverage for those such as the uninsured, undocumented, and those stretched to afford their current coverage and cost sharing.
2. **Affordability:**
    A. **Decrease Cost Sharing:** As directed by HB19-1004, the state must determine the definition of "affordable." We believe affordability should account for the cost of premiums as well as cost sharing such as deductibles, copays, and coinsurance. Patients and their families often cannot afford the treatment recommended by their physician due to cost sharing, and preventive visits in the current system become subject to cost sharing once a diagnosis is made. Including patients' likely cost share in determining affordability of the public option will ensure true access to care when it is needed.
    B. **Increase Competition:** The public option is expected to and should offer a lower premium than existing options, thus allowing a greater number of patients to afford coverage. Competing on administrative efficiencies should be a consideration as a means to reduce cost.

3. **Primary Care Orientation:** The public option should support a primary care foundation in line with forthcoming work of the Colorado Primary Care Payment Reform Collaborative established by HB19-1233.
    A. **Invest more in primary care:** The option should invest more in primary care than the current system, which has been shown to underinvest in high value primary care.
    B. **First-Dollar Coverage of Preventive and Primary Care:** Preventive services should be covered without copays or other cost sharing, including those pediatric preventive services outlined in the Bright Futures Guidelines. The State option should furthermore **offer first dollar coverage of primary care, such as for several *primary care visits* without charge to the patient, rather than just for preventive visits.** Too often, patients will come for a preventive visit and be faced with cost sharing the moment a diagnosis and treatment plan are made. Benefit design should encourage early detection and treatment, while minimizing the friction to accessing comprehensive care in the primary care setting.
    C. **Payment Reform:** It should also reimburse through alternative payment models (APM's) aligned with current models. The American Academy of Family Physicians Advanced Primary Care Alternative Payment Model formed the basis of Medicare's Primary Care First program, currently being rolled out. Primary Care First sits alongside the all-payer CPC+ Model, in which many Colorado practices participate. These models move away from fee-for-service as the dominant payment structure, incentivize value, and strengthen primary care. Health First Colorado's Accountable Care Collaborative and APM are similar such models with which the public option could align, although the originally proposed Track 2 APM would represent a further advance toward true primary care-oriented payment reform.
4. **Reimbursements:** Primary care reimbursements should be established starting at no less than 135% of Medicare, and be periodically re-evaluated and transitioned such that a larger percentage of the healthcare dollar is focused on primary care as we aim to increase the value (lower cost and better quality) for the patient. We also favor a shift to a more value-based payment system. Further consideration should be given to appropriate reimbursements for pediatric care, for which Medicare does not serve as a highly valid benchmark.
5. **Behavioral Health Coverage:** Provide integrated coverage for services to meet behavioral and social health needs. The Colorado State Innovation Model made significant strides on this front, and the gains made should be continued, such as payments for behavioral health integrated into primary care settings.
6. **Contraceptive Coverage:** Ensure coverage of comprehensive contraceptive services, consistent with Division of Insurance Bulletin No. B-4.84 that clarifies all FDA-approved contraception methods be covered without cost sharing.
7. **Navigation:** Ensure the public option is easy to enroll in, easy to understand for patients and physicians (i.e. transparent design, pricing and costs), and easy to access care through. Overly complex insurance designs often lead to difficulty for patients in

accessing care and planning for costs. Coinsurance is an example of complex cost sharing that does not send a clear price signal to patients. Physicians are increasingly asked about costs by their patients, and are frequently unable to give clear cost information because of the complexity of a specific patient's insurance coverage.

General Principles for a Public Option Proposal

In addition to the above design considerations, we believe the following general principles should apply to the public option:

1. Increase competition in health insurance markets, particularly in regions of the state with only one or two insurers offering health plans
2. Reduce the number of uninsured and underinsured Coloradans
3. Increase affordability by reducing insurance premiums and out of pocket costs
4. Reduce the total cost of care, including by investing a greater share of the premium dollar in high value primary and preventive care
5. Reduce administrative burdens to ease physician burnout, including in particular the overuse of prior authorizations such as for generic drugs
6. Facilitate quality improvement and alignment with other payers
7. Inspire physician network participation
8. Utilize uniform benefits consistent with the essential health benefit requirements under the Affordable Care Act, and that are informed by value
9. Reduce waste (overuse, underuse, misuse)

Sincerely,

John Cawley, MD, FAAFP
President
Colorado Academy of Family Physicians

Meghan Treitz, MD, FAAP
President
American Academy of Pediatrics, Colorado Chapter

Christie Reimer, MD, FACP
Interim Governor
American College of Physicians, Colorado Chapter

July 15, 2019

Executive Director Kim Bimestefer
Department of Health Care Policy and Financing
1570 Grant St
Denver, CO 80203

Commissioner Michael Conway
Division of Insurance
1560 Broadway #110
Denver, CO 80202

Re: Recommendations on the development and implementation of a Colorado public insurance option

Dear Director Bimestefer and Commissioner Conway,

We appreciate the commitment of Governor Polis, the state legislature, the Division of Insurance (DOI), and the Department of Health Care Policy and Financing (HCPF) to making comprehensive, affordable health coverage available to even more Coloradoans. This is directly aligned with the core mission of Colorado Access to empower people and communities through access to quality, affordable care.

We have decades of experience connecting low and moderate income individuals and families with health care in Colorado – by serving as a regional accountable entity (RAE) for Health First Colorado, offering Child Health Plan Plus (CHP+) coverage, operating the state managed care network for CHP+, serving as a medical assistance site, and serving as a single entry point (SEP) for long term services and supports. Colorado Access covers more than 500,000 members through Medicaid and CHP+.

We hope to work closely with DOI and HCPF to offer our expertise and knowledge to build a new public insurance option that delivers on the promise of affordable health coverage for all Coloradoans. Below we offer specific recommendations for developing and successfully implementing a public option.

Governor Polis, HPCF, and DOI have set ambitious goals to reduce premiums costs and ultimately save Coloradans money on health care; we believe the best way to ensure that the savings of a public option also accrue to the state is to build on current public sector coverage options such as Medicaid and Child Health Plan Plus. Current state investments in Medicaid and CHP+ should improve the health and wellbeing of low-income Coloradoans who may then experience changes in income or circumstances and ultimately enroll in the new public insurance option. As the state and partners invest in improving health, the long term cost savings of preventive and primary care should be contained within the public sector.

We recommend considering a public option model that is similar to the structure of CHP+: a full-risk managed care model run through contracts with insurers.

CHP+ is a successful, public-private partnership with bipartisan support. We believe this is a promising model for pursuing a public option in Colorado. A full-risk managed care model run through contracts with insurers, available to all subsidy-eligible individuals, should result in cost savings for consumers, financial stability for participating health plans, and could ultimately contribute to a successful 1332 waiver application.

800-511-5010
coaccess.com

11100 E. Bethany Dr., Aurora, CO 80014

Below, we offer some specific ways that we believe CHP+ is a promising model to consider. We note, though, that we consider CHP+ an *example* of a potential public option structure and look forward to working with HCPF and DOI to shape and implement the public option, regardless of the direction you pursue. Broadly, we believe that a successful public option will rely on standard state-generated plan and provider rates; benefits and networks that are similar to Medicaid; and limited to health plans that can support the complex and unique needs of a lower-income population. The CHP+ model is one way to achieve this without immediate disruption to the individual market.

Research shows that the CHP+ structure results in more affordable coverage than other sources. For example, CHP+ is substantially more affordable than exchange-based coverage. In 2015, the average out of pocket spending (premiums and cost-sharing) in CHP+ for children at 150 to 200 percent FPL was $50, compared to $828 on Connect for Health Colorado. For slightly higher income families with children at 200 to 250 percent FPL, out of pocket spending in CHP+ was $103 compared to $1,511 on Connect for Health Colorado.[1] The CHP benefit package is comprehensive and provides for integrated physical, behavioral and oral health services.

Colorado already has a fully functional Medicaid fee schedule for provider reimbursements, which incorporates cost-based reimbursement for hospitals and other safety net providers such as federally qualified health centers. The state could base the rates for the public option on the Medicaid fee schedule by adding a set percentage to the Medicaid rates. The Medicaid fee schedule is a well vetted, quick, and efficient way to begin setting rates for the public option. Our internal analysis finds that the current CHP+ rates are approximately 106 percent of Medicaid and about 90 percent of Medicare professional fees – compared to commercial rates or a Medicare benchmark, this could lead to substantial savings for the state and for consumers.

CHP+ is a financially sustainable market for health plans and the program has operated as a popular program in Colorado for more than two decades. The state sets the plan rates but allows any plan to participate that can meet specific state requirements. All plans offer a standard set of benefits (similar to the Medicaid benefit package) and standard cost-sharing, but can compete by adding additional benefits. The state's rate setting process for CHP+ is a good model to build from in contemplating how health plan rates and premiums should be set.

A managed care plan under a CHP-like structure would also allow plans to incorporate appropriate wellness or utilization incentives to encourage active participation in members' own health and wellness, and lower costs for the health care system by improving members' long-term heath. For example, small, positive financial incentives may encourage some healthy behaviors such as preventive screenings, routine vaccinations, obesity and diabetes prevention programs, and tobacco cessation.

Moreover, CHP+ delivers care that meets the needs of members. According to statewide CAHPS results for CHP+ managed care plans, members and families have positive perceptions of the quality of care and services. For example, average CAHPS scores show an 85.5 percent rate of getting needed care, 91.2 percent rate of getting care quickly, and a 68.1 percent rating of all health care. Colorado Access, specifically, had no rates substantially lower than the statewide average, and performed above average on getting care quickly (92.4 percent) and rating of all health care (69.1 percent).[2]

The public option should initially be offered to the subsidy-eligible population in the individual market. The individual, small and large group markets have different challenges and the people buying insurance in each market make different purchasing decisions. We believe focusing on the individual market has the greatest potential to increase access to affordable health coverage.

In 2016, nearly 30 percent of the remaining uninsured in Colorado were eligible for federal health insurance subsidies, but are not enrolled.[3] We believe the initial phase of the public option should first aim to connect lower income individuals with coverage. Later phases of implementation could focus on increasing affordability for individuals and families over 400 percent FPL, which make up approximately 11 percent of the remaining uninsured.[4]

We believe that a CHP+ model for the public option could receive Section 1332 waiver approval. As indicated in the public option statute (HB 19-1004), Colorado will likely need to apply for a Section 1332 waiver to establish and implement a public option. Guidance from the U.S. Departments of Health and Human Services and Treasury indicates that they will favor proposals that help connect individuals with private plans, rather than expansion of public programs. We believe that proposing a CHP-like public option could help Colorado achieve federal approval by building on a model of public-private partnership with long-standing bipartisan support at the state and federal levels.

Colorado Access is eager to collaborate with DOI and HCPF to further refine how the public option is designed and implemented. We have proven expertise serving the population that would likely be eligible for the public option.

If the public option focuses on subsidy-eligible individuals, much of the population eligible for the public option are likely to have incomes that are just above Medicaid or CHP+ eligibility; and their incomes are likely to fluctuate causing their eligibility to move between CHP+, Medicaid, and subsidy eligibility. Because we already serve the CHP+ and Medicaid population – and have the established infrastructure to do so – we are well positioned to work closely with DOI and HCPF to develop and implement a public option that meets the needs of the population, particularly as they move between programs.

We also understand that lower and moderate income individuals often have more complex health care needs and need health coverage that helps address nonclinical needs. Compared to higher-income counterparts, even relatively healthy low-income people are more likely to have poorer self-reported health and greater health risks; have more mental health care needs; and have greater social needs or concerns.[5] Again, because we already serve a high-needs, lower income population, we have experience managing complex health care needs and connecting our members with services to help improve their social determinants of health.

We reiterate our commitment to a successful public option that connects more Coloradoans with quality, affordable care. If you have any questions or would like any follow up information, please contact Gretchen McGinnis, senior vice president of healthcare systems and accountable care, at gretchen.mcginnis@coaccess.com or 720-744-5363.

Sincerely,

Gretchen McGinnis
Sr. Vice President of Healthcare Systems and Accountable Care
Colorado Access

[1] Medicaid and CHIP Payment and Access Commission, "Report to Congress on Medicaid and CHIP," Table 5A-4 and Table 5A-5 (March 2016). Retrieved on June 25, 2019 from https://www.macpac.gov/wp-content/uploads/2016/03/March-2016-Report-to-Congress-on-Medicaid-and-CHIP.pdf.
[2] Health Services Advisory Group for the Colorado Department of Health Care Policy and Financing, "2017-2018 External Quality Review Technical Report for Child Health Plan *Plus*," Table 4-5 (November 2018).
[3] Colorado Health Institute, "Colorado's Eligible but Not Enrolled Population Holding Steady," (June 2018). Retrieved on June 25, 2019 from https://www.coloradohealthinstitute.org/research/colorados-eligible-not-enrolled-population-holding-steady.
[4] Colorado Health Institute, "Colorado's Eligible but Not Enrolled Population Holding Steady," (June 2018). Retrieved on June 25, 2019 from https://www.coloradohealthinstitute.org/research/colorados-eligible-not-enrolled-population-holding-steady.
[5] The Commonwealth Fund, "Why Even Healthy Low-Income People Have Greater Health Risks than Higher-Income People" (September 2018). Retrieved on June 25, 2019 from https://www.commonwealthfund.org/blog/2018/healthy-low-income-people-greater-health-risks.

Executive Director Kim Bimestefer
Health Care Policy and Financing
1570 Grant Street
Denver, Colorado 80203

Commissioner Michael Conway
Division of Insurance
1560 Broadway, Suite 110
Denver, Colorado 80202

Re: Recommendations for HB19-1004, Study of State-Based Health Coverage Option

Dear Director Bimestefer and Commissioner Conway:

The undersigned organizations appreciate this opportunity to provide our recommendations regarding the implementation of HB19-1004, to develop a proposal for a state health coverage option.

HB19-1004 identified several goals for a state-based health coverage option, including increasing competition, improved quality and provides stable access to affordable health insurance. While we support all these goals, our key priority is to increase coverage affordability for all Coloradans. We believe increased affordability will help drive more market competition and encourage more individuals into the market which would help stabilize the market.

At the June 13th stakeholder meeting, the state sought, and continues to seek, feedback on three topics:

- Eligibility and population for whom the state option may be available
- Affordability considerations
- State health infrastructure

With this letter, we are providing you with our shared thoughts on each of these topics.

Eligibility and population for whom the state option may be available

The undersigned organizations believe that *all* Coloradans should be able to access the coverage option that is developed pursuant to HB19-1004. However, from our perspective, it is imperative that the new state coverage option be specifically geared toward individuals who are the most impacted by uninsurance and underinsurance. We believe that if we build a plan specifically designed to benefit people facing the greatest barriers, then the benefits of the new public option will extend to others as well.

As such, we encourage the state to include all Coloradans regardless of immigration status, individuals in the family glitch, and uninsured and underinsured individuals.

The Colorado Health Institute estimates that of the 112,000 Coloradans who were uninsured, roughly one in four, lacked proper documentation.[1] Twenty-two percent of U.S. born children in Colorado have one or more foreign-born parents.[2]

The 2017 Colorado Health Access Survey reports an historic reduction in the rate of uninsured Coloradans: 6.5 percent, or half the pre-Affordable Care Act levels. The CHAS reports that the dominant reasons for remaining uninsured are cost and eligibility. Further, 1 in 5 people report difficulty accessing care because of cost. Cost as a barrier to accessing care is the greatest barrier for people in the individual market and for those who are uninsured. Estimates show that the family glitch impacts 2-6 million people nationwide, which would translate to about 34,000-102,000 people in Colorado.

While the focus has been on the individual market, we believe continued conversations about affordable coverage for small business is also important.

Affordability considerations

With respect to determining affordability, one of the ACA's shortcomings was to determine affordability based only on the cost of insurance premiums. Coverage affordability should factor in all out of pocket spending -- deductibles, coinsurance, and co-payments – in addition to premiums. The Self-Sufficiency Standard for Colorado[3] finds that even families with less expensive employer-based coverage need to earn between 200 and 450 percent of the federal poverty level to make ends meet, depending on where they live. The generally higher premiums, deductibles and cost-sharing for individual market plans would suggest that families need to earn even higher levels of income in order to pay for health care and make ends meet.

Although the information is older, research conducted in Colorado in 2008 found the following:

- Families earning between 201% and 400% FPL have some income available to spend on health care, but cannot afford health insurance without a substantial subsidy. Only above 400% FPL can most families substantially contribute to their coverage.

When families spend more than 5% of their household income on health care, they must make substantial tradeoffs on other expenditure such as child care and housing.

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[1] Emily Johnson, "Colorado's Eligible but Not Enrolled Population Continues to Decline." Colorado Health Institute. June 29, 2017. Available at: www.coloradohealthinstitute.org/research/colorados-eligible-not-enrolled-population-continues-decline

[2] "Immigrant Health in Colorado: Population Demographics and Insurance Status." Center for Health Progress. February 2018. https://centerforhealthprogress.org/blog/publications/immigrant-demographics/

[3] Diana Pearce, "The Self-Sufficiency Standard for Colorado 2018." Prepared for the Colorado Center on Law and Policy. December 2018. https://cclponline.org/wp-content/uploads/2018/12/CO18_SSS.pdf

- Affordability will vary widely depending on numerous factors including family composition, employment status, age, and cultural values. The full report can be found here: https://cclponline.org/wp-content/uploads/2014/01/2009-4-1-Cost-of-Care-Affordability-Report1.pdf.

We are receptive to using a percentage of income as a starting point for an affordability standard. However, that standard must be based on family household income, not just individual income. Based on data from the report cited above, 5% of income should be the starting point for consideration of an affordability standard, but even that percentage may not be suitable for all families.

In considering a definition of affordability, the following considerations are of particular importance to the undersigned organizations:

- Predictability of costs for consumers. Current cost sharing structures make it difficult or impossible for consumers to plan and budget.
- To improve the value of coverage as well as encourage preventive services the state should consider requiring the state option to include first dollar coverage for high value primary care services.

State Health Infrastructure

We interpret state infrastructure to broadly mean the assets that the state holds that could be utilized to support greater efficiencies in purchasing, administration or enrollment. These assets include but are not limited to the Department of Health Care Policy and Financing, the state employee health plan, and Connect for Health Colorado.

We generally support offering the state option on Connect for Health Colorado because it offers a portal for eligibility, plan comparison and enrollment that could be leveraged. However, our support for using Connect for Health Colorado, including the public benefit corporation, *is conditioned on whether Connect for Health can be a vehicle for all Coloradans regardless of immigration status to access affordable coverage.* If not, then the state should consider other vehicles for eligibility and enrollment.

An existing piece of state infrastructure that should be re-examined under this state option process is the Division of Insurance's existing individual market health insurance application. The application currently requires a social security number (SSN) effectively deterring those who have the financial capacity to purchase insurance but who lack an SSN. The state should remove the SSN from the application or making it clear that the SSN is optional.

Data transparency and availability

As was noted during the first two stakeholder meetings, data and analysis will play a critical role in understanding the populations in greatest need and feasibility of certain policy options. We encourage the state to be transparent in releasing data and analysis that it has commissioned so that as stakeholders we can make the most informed contributions possible. We also ask that the state provide a timeline for the release of this information to facilitate timely and informed engagement in the process.

***

Thank you for this opportunity to comment. We look forward to continued engagement in the stakeholder process

Sincerely,

Colorado Consumer Health Initiative
Young Invincibles
Center for Health Progress
Colorado Cross-Disability Coalition
Chronic Care Collaborative
Tri-County Health Network
NARAL Pro-Choice Colorado
Good Business Colorado
The Consortium
AFSC Colorado
United for a New Economy
Together Colorado
Hypatia Studio LLC
Colorado Fiscal Institute
Colorado Health Network
National MS Society
One Colorado
Colorado Immigrant Rights Coalition
Women's Lobby of Colorado
Colorado Center on Law and Policy
The Bell Policy Center

July 18, 2019

Executive Director Kim Bimestefer
Department of Health Care Policy and Financing
1570 Grant St, Denver, CO 80203

Commissioner of Insurance Michael Conway
Division of Insurance
1560 Broadway #110, Denver, CO 80202

Re: Comments as part of the stakeholder process on the public option (HB19 – 1004)

Dear Director Bimestefer and Commissioner Conway,

I write today to provide feedback as part of the stakeholder process on the proposal for implementing a competitive state option for more affordable health care coverage in Colorado. The Colorado Association of Health Plans (CAHP) is a state association of health insurers that offers coverage to over three million Coloradans. CAHP's mission is promoting high quality, affordable, evidence-based health care in Colorado.

CAHP supports the goals outlined in HB19-1004: decrease health care costs for Coloradoans; increase competition, and; improve access to high-quality, affordable and efficient health care. The following letter offers a number of policy suggestions and market-based solutions to achieve those goals. Additionally, we have concerns that preliminary stakeholder discussions are trending in a direction that will result in a non-competitive marketplace, limiting choice for consumers, and de-stabilizing the small and large group health insurance markets. These outcomes are directly contrary to the goals of HB19-1004. A "public option" cannot truly reduce the price of health insurance without addressing the underlying costs of care. Further regulating premiums or simply introducing a "public" plan that does not abide by the same cost structure as commercial plans will limit choice by eliminating competition. Health insurance premiums can only be significantly lowered in one of two ways: lowering unit costs for health care services and prescription drugs and/or restructuring benefits. As such, a public-private partnership that leverages current market-based infrastructure is needed to foster competition while increasing value and decreasing costs.

We are committed to working with you to find solutions to the high cost of health insurance in Colorado and delivering affordable, high quality health coverage to every Coloradoan. Therefore, we would like to put forth market-based solutions that would help to achieve the goals outlined in HB19 – 1004.

Goal 1: Decreasing health care costs in Colorado

- ***Incentivize innovative payment models***
  Carriers are already pursuing value-based payment design which balance cost and quality and encourage plans and providers to collaborate on targeted, effective solutions to improve outcomes and drive down health care costs. Numerous private and public payers have implemented value-based payment models which can increase the use of high-value services and lower consumer out-of-pocket costs.

  Stakeholders, including carriers, have come together to address provider shortages in rural communities and in specific practice areas utilizing innovative payment models to address costs. Any plan to address health care costs could borrow from innovative payment models that are being utilized and have shown effectiveness. These types of solutions also build on what is currently working in the marketplace. For example:

- In Colorado, carriers have implemented alternative payment models and invested millions of dollars in physician practice transformation. For example, carriers have been key partners for the Colorado Beacon Community, Comprehensive Primary Care and Comprehensive Primary Care +, the Colorado Multi-payer Collaborative, and the State Innovation Model.

- The Colorado Multi-payer Patient-Centered Medical Home Pilot showcased that innovation in payment models can work, resulting in reduced use of the emergency department by approximately 9.3 percent over three years, equating to a reduction in emergency department costs by $3.50 per member per month, a drop of 11.8 percent. For patients with two or more conditions, the reduction was $6.61 per member per month, or 14.5 percent.[1]

Additionally, Colorado should aim to incentivize care in the most cost-effective environments that achieve the highest quality outcomes. CAHP supports initiatives that reward hospitals and providers for strong patient outcomes at reasonable prices (often referred to as centers of excellence).

- ***Address the sky-rocketing costs of care***
  Health insurance premiums are high because the cost for services and pharmaceuticals are high. To reduce the cost drivers in health care we suggest considering a variety of tools that could help the entire health insurance market become more competitive.

  For example, consideration of a hospital or provider medical loss ratio/patient care ratio could be an avenue to ensure that there is accountability for the prices charged for services. A reasonable standard could be created and applied that generates savings but still allows hospitals and provider groups to make a reasonable margin. An MLR standard/patient care ratio would create transparency around hospital costs and give consumers additional assurances that their premium dollar pays for the care they received. Also, expanding opportunities for local market initiatives could also bring down the high costs of care in non-competitive markets.

Goal 2: Increasing competition in the Colorado insurance market

- ***Focus on the individual market***
  The individual, small and large group markets have different challenges and therefore need tailored solutions. By focusing on the individual market where the greatest affordability and access issues exist, there is greater potential to achieve the stated goal of access to high quality health care. Affordability and access issues need to be addressed at the individual market level first and foremost, specifically at narrow populations for whom private coverage is unaffordable (i.e. those uninsured or significantly underinsured).

- ***Leverage public/private partnerships within existing infrastructure to build on what works***
  We strongly believe that leveraging the current health care system is preferable to building new infrastructure to increase competition in the health insurance marketplace. Our members are experts at working across the public and private sectors to design benefits, create high quality provider networks at cost-effective rates, negotiate lower prices with doctors and hospitals, get the best possible price for prescription drugs, cover the most effective technology to help prevent illness, and help people get better when they are sick. We should look at how we can build efficiencies and expertise within the existing health care infrastructure utilizing the plans as a foundation.

  For example, carriers already provide numerous tools to increase the availability of price information for health care services and promote its use in consumer decision-making to drive down costs. This expertise is fundamental to any

[1] https://www.commonwealthfund.org/publications/journal-article/2015/oct/difference-difference-analysis-changes-quality-utilization?redirect_source=/publications/in-the-literature/2015/oct/changes-in-quality-utilization-colorado-pcmh

well-functioning plan. Most insurance providers make price transparency tools available to their enrollees to help them choose cost-effective health care providers and services. Our members use messaging on plan portals, outreach through employers, digital communications, including email, social media, and text messaging, and postal mail to make their enrollees aware of available price transparency tools.

The coverage platforms that the commercial group markets provide are working, are stable, and are serving the vast majority of Colorado's population. Cost of care remains a very important, yet separate issue, and solutions offered should not destabilize platforms in any way that could jeopardize coverage and therefore care for millions of Coloradoans.

- ***Create a standardized plan and allow all carriers to compete***
  To increase competition in the market, we would support a standardized plan by which all insurers can choose to compete on services and price. As an example, a standardized plan could be created via an expansion of catastrophic plans or through a federal waiver to allow more flexibility in terms of benefit design to lower prices for consumers. Again, benefit design is one of the most significant ways to reduce premiums. Such plans would be particularly attractive for the people in the individual market who are struggling to afford insurance without federal subsidies. It would also provide these consumers with more choice in how they pay for their health care. Making it easier for more Coloradans to purchase coverage in the individual market would have the added benefit of making coverage more affordable for everyone by creating a more stable risk pool.

  We strongly caution against the creation of any plan that does not apply the same rules and regulations that are currently applicable to commercial carriers. Rather than increasing competition, it will reduce competition in the Colorado market and drive costs up. A plan that is created outside of the current regulatory framework could have market wide impacts on health insurance membership and risk pool dynamics.

Goal 3: Improve access to high-quality, affordable and efficient health care

We think it is important to recognize that the industry closely partnered with stakeholders and the administration on significant pieces of legislation in 2019 that, once implemented, will have positive impacts on premiums for consumers and will help to address access to health insurance. It is important to underline that the market needs to time to adjust to these new rules in order to measure the impact before introducing additional changes that could potentially de-stabilize working markets. For example:

- ***Reinsurance program***
  We are confident that the reinsurance program will address some of the key affordability issues in the individual market. In fact, the Division of Insurance released preliminary rates showing an average decrease of 18.2% from the previous year for individual market premiums.[2] Estimates suggest that the decrease in premiums will also increase enrollment in the individual market by 2.9% in 2020.[3] We should continue to build on the momentum that this program is already showing will have benefits for consumers.

- ***Out-of-network legislation***
  CAHP believes that the out-of-network legislation will address some significant drivers of cost in the current system. While it is hard to estimate the full impact on cost, we will know by January 1, 2021 how much this legislation has impacted premiums for consumers.[4]

[2] https://drive.google.com/file/d/1qKmhViImQrHRA9pyyR7vuVaDOLd_vIaU/view
[3] https://drive.google.com/file/d/1_QTfHnQvamJWeupH7AScekJe3A_jNo5H/view
[4] https://leg.colorado.gov/sites/default/files/2019a_1174_signed.pdf

- ***Defining affordability***
  We believe that affordability in healthcare means identifying solutions to lower the unit cost of health care, incentivize care that improves health and outcomes for patients, and increases patient access to information about their care to help them make informed decisions. We also believe that any policy on affordability must also address the provider and facility costs to drive long-term affordability across the broader system.

By implementing these market-based solutions, we believe that Coloradoans will have greater access to high quality, affordable, and efficient health care wherever they reside in the state.

CAHP is fully committed to working with the administration, our client employers, and other Colorado stakeholders to achieve the goals of HB19 - 1004. But we fundamentally believe that without addressing the underlying costs of health care there will be no way to achieve these goals. To do that in any meaningful way, we must lower unit costs for health care services and prescription drugs and/or create flexibility for benefit design.

We are eager to work together to make coverage more affordable and are optimistic that you will seriously consider the concepts outlined above.

Sincerely,

Amanda Massey
Executive Director
Colorado Association of Health Plans

COLORADO CENTER
on LAW & POLICY
Forging Pathways from Poverty
789 Sherman Street Suite 300 • Denver, Colorado 80203
P) 303.573.5669 • F) 303.573.4947

August 26, 2019

Executive Director Kim Bimestefer
Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203

Commissioner Michael Conway
Division of Insurance
1560 Broadway, Suite 110
Denver, CO 80202

Re: Recommendations for HB19-1004, State Coverage Option

Dear Executive Director Bimestefer and Commissioner Conway:

The Colorado Center on Law and Policy (CCLP) submits the following comments regarding a state coverage option that will meet the requirements of HB19-1004, serve existing need in Colorado, and help address existing inequities in access to care. The nonprofit Colorado Center on Law and Policy uses research, education and policy advocacy to remove the systemic barriers that prevent Coloradans from meeting their basic needs and achieving better health.

These comments are intended to align with principles expressed in the joint letter submitted on behalf of over 20 consumer groups (joint letter), including CCLP, submitted July 22, 2019.

The state has invited feedback in three areas: eligibility and population to whom the state option will be made available; affordability considerations; and state health infrastructure that should be utilized. We expand on those three areas below and add a fourth, regarding transparency and accountability of a state option.

Eligibility and population

CCLP believes that the state coverage option should be accessible to all Coloradans, regardless of income, region, or immigration status. When individuals lack access to coverage, they are less likely to get preventative care and services for major health conditions and chronic diseases, more likely to have adverse events when they receive hospital care, and have increased mortality.[1] When those individuals receive care for which there is no compensation, hospitals may respond by raising prices, adding to financial burdens on other individuals and employers.

[1] Care Without Coverage: Too Little, Too Late. Chapter 3: Effects of Health Insurance on Health. Institute of Medicine (US) Committee on the Consequences of Uninsurance. Washington (DC): National Academies Press (US); 2002. https://www.ncbi.nlm.nih.gov/books/NBK220636/

The high cost of coverage for Coloradans ineligible for premium tax credits, particularly in the mountain corridor and Western Slope, has been a focal point of public discussion since at least 2014.[2] [3] [4] Testimony and reports by elected officials and residents of those areas clearly established the impact of high premium costs on the local economy and individual lives, despite incomes significantly above poverty.[5]

However, the greater proportion of individuals nationally and in Colorado who lack coverage have lower incomes.[6] The option should not be limited to those above 400 FLP because doing so would have the effect of increasing existing disparities. In 2017, 66 percent of the uninsured in Colorado had incomes between 100 and 399 FPL, three times the number of uninsured Coloradans with incomes of 400 FPL and above. Those lower-income households also spend a larger share of income on necessities such as housing, food and child care, leaving them particularly vulnerable to debt and bankruptcy when medical costs are encountered.

In order to ensure that a state coverage option serves the interests of Coloradans, it is also important to consider demographics and immigration status. Hispanic households have the highest uninsured rates of any racial or ethnic group[7] – despite many Colorado households' eligibility for subsidized coverage or public programs.[8] A 2018 report by the Center for Health Progress also noted that a quarter of Colorado's uninsured population, just over 100,000 individuals, were people who lacked documentation of legal status.[9] Due to recent federal actions and rhetoric,[10] households that include non-citizens may be less likely to access coverage even if some or all household members are eligible for tax credits or other assistance; by permitting access regardless of immigration status, the state has an opportunity to set a different tone and support a healthier future for Colorado communities.

Last, those who are already covered but seek an option that is more affordable in terms of premium cost or plan structure, or that potentially offers greater transparency, should have access to a state coverage option.

[2] Electa Draper, The Denver Post. *Colorado mountain towns pay highest health premiums in U.S*. February 8, 2014, updated April 27, 2016.
[3] Jordan Rau, Kaiser Health News. *The 10 Most Expensive Insurance Markets in the U.S*., February 3, 2014.
[4] *Rates on a Roller Coaster*, CHI, October 2015.
https://www.coloradohealthinstitute.org/sites/default/files/migrated/downloads/2016_Rate_Analysis_3.pdf
[5] Christie Aschwanden, *The Healthiest State in the Country Has Some of the Steepest Premiums*. Nov. 13, 2017. FiveThirtyEight.https://fivethirtyeight.com/features/the-healthiest-state-in-the-country-has-some-of-the-steepest-premiums/
[6] Kaiser Family Foundation, *Key Facts About the Uninsured Population*. Dec 7, 2018.
https://www.kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population/
[7] *Profile: Hispanic/Latino Americans*. U.S. Department of Health and Human Services Office of Minority Health.
https://minorityhealth.hhs.gov/omh/browse.aspx?lvl=3&lvlid=64
[8] *Colorado's Eligible but Not Enrolled Population Continues to Decline*. Colorado Health Institute, June 29, 2017.
https://www.coloradohealthinstitute.org/research/colorados-eligible-not-enrolled-population-continues-decline
[9] *Immigrant Health in Colorado Population Demographics and Insurance Status*. Center for Health Progress. February 2018. https://centerforhealthprogress.org/blog/publications/immigrant-demographics/
[10] Andy J. Semotiuk, *Immigrants Troubled by Trump's New Immigration Policy Restrictions.* Forbes. August 23, 2019. https://www.forbes.com/sites/andyjsemotiuk/2019/08/23/immigrants-troubled-by-trumps-new-policy-restrictions/#47f5c1163b34

Affordability considerations

As stated in the joint letter, we support a view of affordability that encompasses both premiums and cost-sharing, with the overall goal of providing affordable access to health care services. We also support plan benefit structures that allow greater access to non-acute services and provide more predictability, so that consumers can get care before problems become acute and can identify and budget for health-related expenses.

Premiums

Due to the ACA definition of affordability and the complexity of plan structures, premium levels are typically the main consideration for consumers when they shop for plans.[11] There is reason for optimism in Colorado regarding premium prices overall in the individual market because of the recently approved reinsurance plan and resulting forecasts.[12] That said, premiums pose a substantial initial hurdle to acquiring coverage and affect perceptions of affordability, and premium costs should remain an important factor in the state definition of affordability.

Cost-sharing levels and predictability of costs

Deductibles and cost-sharing are obstacles to access to treatment even for those who are able to purchase coverage, and it is essential that the state coverage option provides not just access to coverage but access to care. Current analysis of deductible affordability suggests that access to health care services is hampered by the presence of larger deductibles, with almost a third of enrollees in family plans with deductibles above $2,700 reporting that they delayed care due to costs.[13] Colorado's average deductibles are significantly higher, with bronze plans deductibles exceeding $12,000 for a family.

While not all families will exhaust their full plan deductible, those with chronic conditions, who have made a visit to the emergency department or have experienced a major health event are likely to do so. Very few have existing resources sufficient to cover those amounts,[14] and research by CCLP suggests that large numbers of Coloradans lack annual income – let alone income over a shorter period - sufficient to cover the cost.[15] Excluding Medicaid-enrolled families, close to half of working-age families in sixteen southern Colorado counties would have insufficient income to cover an average silver plan deductible over the course of three months. The situation for bronze-plan purchasers – who would not have access to cost-sharing reductions – is even more troubling.

[11] Erin Taylor, Katherine Carman, Andrea Lopez, Ashley Muchow, Parisa Roshan, Christine Ebner. *Consumer Decisionmaking in the Health Care Marketplace.* Rand Corporation, 2016. https://www.rand.org/content/dam/rand/pubs/research_reports/RR1500/RR1567/RAND_RR1567.pdf

[12] Reinsurance Program, HB1168 and 1332 State Innovation Waiver Application. Colorado Division of Insurance web page. https://www.colorado.gov/pacific/dora/reinsurance-program

[13] Paul Fronstin, Edna Dretzka. *Issue Brief: Consumer Engagement in Health Care: Findings from the 2018 EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey*, Dec. 13, 2018. P. 16, https://www.ebri.org/docs/default-source/ebri-issue-brief/ebri_ib_468_cehcs-20dec18.pdf?sfvrsn=effc3e2f_6

[14] Matthew Rae, Gary Claxton, Larry Leavitt. *Do Health Plan Enrollees Have Enough Money to Pay Cost-Sharing?* Kaiser Family Foundation,.Nov. 3, 2017. https://www.kff.org/health-costs/issue-brief/do-health-plan-enrollees-have-enough-money-to-pay-cost-sharing/

[15] Charles Brennan. *Deductible Affordability for Colorado's Working-Age Families.* Colorado Center on law & Policy. August 12, 2019.

One effect of unpredictable and high cost-sharing is avoidance or deferral of less acute care needs, which would potentially result in the same or similar negative outcomes as those described above for individuals who lack coverage altogether. Providing pre-deductible coverage for primary care or establishing cost-sharing structures in a state coverage option that allow access to non-acute services, including primary care and maintenance medications, should be a priority.

State health Infrastructure

CCLP interprets state infrastructure to mean assets held by the state that can be utilized to create efficiencies that will help lower the cost of coverage. We support use of the state exchange, Connect for Health Colorado, and its public benefit corporation, so long as those structures will allow all Coloradans – regardless of income, region or immigration status – to purchase coverage. We emphasize a point raised earlier in the joint letter, that the existing individual market health coverage application used by the Division of Insurance improperly requires a social security number (SSN), potentially allowing discrimination on the basis of national origin. That application needs immediate revision, and such information must be optional for a public coverage option offered off-exchange.

CCLP also recommends that state consider use of the Medicaid and CHP+ provider networks as a way to provide continuity of care for populations that may move between Medicaid, CHP+ and the individual market, and as a way to create a second income stream for providers with Medicaid caseloads.

Transparency and Accountability

A last consideration is the transparency of the state coverage option, both in its creation and its ongoing functions. One significant benefit of public programs such as Medicaid or CHP+ is that structures, medical necessity criteria, and financing have a high level of transparency. The public can hold those programs accountable; individuals can get information about services that are covered and can better understand the basis for providing care and challenge denials of care. It is CCLP's position that a coverage option that is made possible through state action should have a mechanism for ongoing public engagement and provide opportunity for public scrutiny of benefit design, utilization management and provider inclusion criteria, among other factors.

Thank you for the opportunity to comment. We look forward to continued discussions about the public coverage option over the coming months.

Regards,

Bethany Pray, Esq.

Executive Director Kim Bimestefer
Health Care Policy and Financing
1570 Grant Street
Denver, Colorado 80203

Commissioner Michael Conway
Division of Insurance
1560 Broadway, Suite 110
Denver, Colorado 80202

Re: Recommendations for HB19-1004, Study of State-Based Health Coverage Option

Dear Director Bimestefer and Commissioner Conway:

The Colorado Community Health Network (CCHN) appreciates the opportunity to provide our recommendations regarding the implementation of House Bill (HB) 19-1004, to develop a proposal for a state health coverage option.

CCHN is the membership association for Colorado's 21 Federally Qualified Health Centers (FQHCs), which operate more than 200 clinic sites in 42 counties and care for Coloradans from 63 of the 64 counties in the state. FQHCs are the health care home for more than 830,000 people, including 27% of Medicaid enrollees, 25% of CHP+ enrollees, and 40% of Colorado's uninsured. Over 92% of patients at Colorado FQHCs have family incomes below 200% of the Federal Poverty Level. CCHN's mission is to support FQHCs to increase access to high quality health care for people in need in Colorado.

CCHN views the public option as an opportunity for people who are currently uninsured or underinsured in Colorado to gain access to coverage that is affordable and meaningful.

Colorado's FQHCs already provide integrated primary care – including medical, behavioral, and oral health care – to 40% of the state's uninsured population. Once the public option is in place, it is likely that FQHCs will continue to be the health care home for many of the newly covered. We recognize that the task of balancing competition, quality, and access with eligibility, affordability, benefits, infrastructure, and provider reimbursement is complicated. CCHN looks forward and is committed to continuing conversations with DOI and HCPF staff about the development of the state option through all steps of the process.

Below are several principles that CCHN feels are important considerations for the public option from the perspective of CHCs, based on the administration's request of providing feedback on:

- Eligibility and population for whom the state option may be available
- Affordability considerations
- State option infrastructure

Eligibility Considerations

CCHN believes that the public option can and should provide a source of coverage for people who cannot afford or qualify for other private or public coverage programs including people who do not have proper documentation and dependents who fall into the "family glitch." CCHN

recommends that barriers to eligibility are not incorporated into the public option implementation. Examples of potential barriers include basing eligibility on citizenship or immigration status, or requiring a Social Security Number to apply. In addition, when including this population, it is important to ensure that every existing privacy protection for an enrollee's (and an enrollee's family) immigration status and personal contact information be maintained and defended.

Affordability Considerations

Affordability standards should take into consideration the affordability of the plan based on family income and family size. We strongly encourage the consideration of basing affordability on the self-sufficiency standard, as outlined in the August 12 report by the Colorado Center on Law and Policy.[1] In addition to premium costs, affordability considerations should also include all out-of-pocket costs and, in particular, deductibles, coinsurance, and co-payments. These out-of-pocket affordability standards are important not just for the financial well-being of Coloradans who may enroll in the public option, but holds particular significance for FQHCs.

High deductible insurance plans often result in patients never reaching the deductible in any given year. As a result, FQHCs, like other primary care providers, are rarely compensated by private insurance plans for the care they provide to patients. As much as possible, deductibles should be kept within a reasonable threshold to ensure that primary care providers do not have to write-off costs for patients covered by the public option. Additionally, to improve the value of coverage as well as encourage preventive services, the state should consider requiring the state option to include first dollar coverage for high value primary care services.

Second, FQHCs, as a unique result of their federal designation are required to provide access to a sliding fee scale for patients below 200 percent of the Federal Poverty Level. The sliding fee scale eligibility must only be based on the patient's income and family size, the fees must be "nominal," and the fees must not be a barrier to patients accessing care. Although the actual mechanisms are more nuanced at each FQHC, this means that if an FQHC's sliding fee for a service is lower than the private insurance out-of-pocket cost, the patient may use the clinic's sliding fee scale instead. This results in the FQHC not realizing any reimbursement from the private insurance company – it is as if the patient were uninsured. As a result, CCHN requests that all efforts be made to contain co-payments within a reasonable and affordable range for the public option. Additionally, for patients, having predicable out of pocket costs is important. Current cost sharing structures for many private insurance plans today make it difficult or impossible for consumers to plan and budget for their health care.

Ensuring there is meaningful coverage for primary care services (including essential health benefits that include integrated physical, behavioral, and oral health) should also bring additional, significant benefit to both enrollee health and the total cost of care. Evidence shows that primary care helps prevent illness and death, and is associated with a more equitable distribution of health in populations.[2]

State Option Infrastructure

CCHN encourages the state to consider all options to use existing infrastructure that will prioritize the eligibility and affordability points made above. That said, FQHCs serve nearly a

[1] https://cclponline.org/wp-content/uploads/2019/08/CCLP-Deductible-Affordability_081219_Final.pdf
[2] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2690145/

third of the Medicaid population, a quarter the CHP+ population, and two out five of the state's uninsured. Building on current reimbursement structure of either Medicaid or CHP+ would ease FQHC's ability to care for, and be fairly reimbursed for, the care they are already providing to their uninsured patients. This infrastructure has the opportunity to create efficiencies in enrollment, administration, and provider reimbursement, and may be beneficial for a variety of reasons, including:

- Claims payment systems are already built and in use by thousands of providers
- Opportunities to build upon an existing network of providers
- Opportunities to explore potential public/private partnerships like CHP+ infrastructure.

CCHN looks forward to continuing to engage with the DOI and HCPF on this issue, and the benefits to Colorado overall. Coverage expansions in Colorado have historically helped support the growth of primary care capacity at FQHCs across the state – since the implementation of the ACA in Colorado, CHCs have grown to serve 29% more patients of all insurance statuses.

The public option holds great promise for FQHC patients. Please let do not hesitate to reach out with questions and discussion.

Sincerely,

Polly Anderson
Vice President, Strategy & Financing
Colorado Community Health Network
polly@cchn.org

August 30, 2019

Kim Bimestefer
Executive Director
Colorado Department of Health Care Policy and Finance

Dear Director,

As you move through the stakeholder process called for by HB19-1004 (Concerning a Proposal for Implementing a Competitive State Option for more Affordable Health Care Coverage) we want to be sure you receive input from a broad cross section of the business community.

Investors in C3 have agreed upon the following three principles which we believe are critical to making health care work for more Coloradoans:

- Proposals should not drive new or shift increased costs to employers and employees
- Proposals should minimize market disruption
- Proposals should prioritize market forces to control prices and avoid government price setting

The Proposal Should Not Drive New or Shift Increased Costs to Employers and Employees

The great majority of people with private health insurance in Colorado receive that insurance through employer sponsored health plans. Employers and employees are struggling to continue to afford this benefit and neither can absorb additional shifts of health care costs from public programs as this will negatively impact Colorado's business environment.

The Proposal Should Minimize Market Disruption

Proposals should clearly define the problems and segments of the market that are intended to be addressed, not allow markets outside of its scope to be negatively impacted and allow the state to track outcomes in an effective fashion.

The Proposal Should Prioritize Market Forces to Control Prices and Avoid Government Price Setting

Market forces rather than government price setting is more sustainable and will reduce the likelihood of employers and their employees bearing more health care costs.

As you determine the best path forward we hope you will move cautiously and in a focused, measured manner. Incorporating these principles will help ensure you consider not only the individuals you most mean to target, but employers that subsidize their employee health plans and make coverage possible for the majority of Coloradoans as well. We will remain engaged in this process and appreciate the opportunity to share these principles.

Sincerely,

Nicholas Colglazier
Colorado Competitive Council
Director
CC: Commissioner Mike Conway

Colorado Consumer Health Initiative

August 30, 2019

Executive Director Kim Bimestefer
Colorado Department of Health Care Policy and Financing
1570 Grant Street
Denver, Colorado 80203

Commissioner Michael Conway
Colorado Division of Insurance
1560 Broadway, Suite 110
Denver, Colorado 80202

Re: Consumer Recommendations for HB19-1004, Study of State-Based Health Coverage Option

Dear Director Bimestefer and Commissioner Conway:

The Colorado Consumer Health Initiative appreciates this opportunity to provide further comments and recommendations regarding the implementation of HB19-1004, to study and develop a proposal for a state health coverage option.

As we indicated in our previous comments, our priority with this state health option is to increase coverage affordability for all Coloradans. We believe increased affordability will help drive more market competition and encourage more individuals to enter into the market, thereby helping to stabilize the market. We continue to encourage the state to include all Coloradans regardless of immigration status, individuals in the family glitch, individuals who are caught in an affordability cliff between Medicaid and subsidized insurance, and uninsured and underinsured individuals. With this letter, we want to share some additional thoughts and recommendations on the following: benefits covered, an affordability definition, standardized plans, and provider reimbursement rates.

Benefits Covered by the State Plan

HB19-1004 requires that, at a minimum, the state plan provide the ACA's essential health benefits (EHBs). In addition to covering EHBs, we support

the inclusion of a comprehensive dental health benefit in any plan offered as a result of this process. Poor oral health is linked to many systemic diseases and may also exacerbate existing health conditions. Oral health issues have also been linked to lost productivity through missed work and school. Moreover, those individuals who may benefit most from a state health option - individuals who are uninsured and low-wage workers - tend to have dental needs that require more comprehensive coverage. Yet, dental diseases are largely preventable, if individuals can access such services. In short, oral health plays an important role in overall health and well-being and should be part of the benefit design.

Definition of Affordability

In our previous comments, we recommended that individuals with incomes below 250% of the federal poverty level should be expected to spend no more than 5% of their income on health care costs, including both premiums and out of pocket costs. To reiterate our key principles:

- Affordability should take into account all health care costs - premiums, deductibles, copayments, and coinsurance
- Affordability should be a progressive sliding scale relative to income
- For some low wage earners, it is important to recognize that any premium may not be affordable.

Plan Standardization

One way to address consumer affordability is through plan standardization.[1] We support the adoption of standardized plans that provide first dollar, or pre-deductible, coverage, for high value services. Based on comments and presentations thus far as part of the HB1004 stakeholder process, consumer, provider, and carrier organizations all see value in standardized plans.

We have heard from consumers who are afraid to use their coverage because of their high deductible -- or even forego coverage because of the deductible. According to a recent analysis by the Colorado Center on Law and Policy

[1] Another benefit of standardized plans is reduced consumer confusion and easier decision making in the shopping experience.

(CCLP), the average deductible for an individual silver plan offered in 2017 was $3,093, more than half the average deductible of $5,798 for a bronze plan. The CCLP report concluded that:

> If a family not enrolled in Medicaid were to need a substantial amount of medical care over the course of a year, around one in four would likely need to use their savings, use credit or debt, or cut back on spending on other necessities before their insurance company would begin assuming the costs of their care.

Offering first dollar coverage with a standardized plan is one way to make health care services more accessible and affordable. Additionally, greater predictability around costs could be achieved with a standardized plan that eliminates coinsurance. Coinsurance creates uncertainty for consumers around costs because it is an extremely opaque cost sharing tool and creates perverse incentives to avoid care.

In order to meet the affordability standards, plan design could mimic the methodology for creating cost sharing reduction plans currently available for people below 250 percent of poverty such that individuals at certain income ranges get an actuarially richer benefit that helps to limit their out of pocket expenses.

Provider Reimbursement Rates

For a state health coverage option to be more affordable to Coloradans, we believe it is imperative to limit provider reimbursement rates. Current commercial rates are not practical for a state coverage option. A recent multi-state Rand report shows that Colorado commercial carriers are paying hospitals 220% to 350% of Medicare; further, studies show that hospital costs, particularly administrative costs, in Colorado are significantly higher than other states.

While we firmly believe that current reimbursement rates are not sustainable or practical for a state coverage option, we recognize that providers may not be willing to participate in carrier networks at lower mandated reimbursement rates. For this reason, we urge you to consider whether provider participation should be linked to another program, such as

the state employee plan, whether there are incentives to encourage provider participation, such as enhanced Medicaid reimbursement rates, or whether participation could be a requirement of the tax exempt status of non-profit hospitals.

Additional considerations

Because we believe the state coverage option should be available to all Coloradans, we want to note that we do not think that the state coverage option should be a high risk pool, a concept that has been mentioned in some of the stakeholder meetings. We believe this would detrimentally segment the market. Also, to the extent it is not possible to adequately meet the needs of all targeted populations with the same solution, we would suggest that the state explore allowing for alternative solutions like allowing parents and children in the family glitch to purchase CHP+ plans, or setting up a form of a Basic Health Plan.

* * *

In conclusion, we appreciate the outreach and engagement by HCPF and DOI in seeking feedback during this process to create a state health care coverage option. We urge the agencies to create mechanisms and processes for continued public engagement during implementation and operation of the state option. For the option to truly serve all Coloradans, there must be accountability and transparency to the public through the stakeholder process, during and after implementation.

Thank you for your consideration.

Sincerely,

Adela Flores-Brennan
Executive Director

BY EMAIL: HCPF_1004AffordableOption@state.co.us

August 13, 2019

Executive Director Kim Bimestefer
Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203

Commissioner Michael Conway
Department of Regulatory Agencies, Division of Insurance
1560 Broadway, Suite 850
Denver, CO 80202

Subject: Importance of Including Comprehensive Dental Coverage in HB19-1004 Proposal

Dear Director Bimestefer and Commissioner Conway,

The Colorado Dental Association (CDA) would like to thank the Division of Insurance and the Department of Healthcare Policy and Financing for the opportunity to comment on eligibility, affordability and infrastructure priorities for a state healthcare program pursuant to HB19-1004. The Colorado Dental Association (CDA) represents more than 70% of Colorado's dentists with a membership of over 3,000 dental professionals. The CDA is dedicated to improving the quality, availability, affordability and utilization of oral healthcare services.

Ensuring equitable patient access to dental services has been a primary focus for the CDA in recent years, as evidenced by the CDA's work to increase dental coverage in Medicaid, CHP+ and for Colorado's seniors. The CDA has also played a central role in redesigning the dental team to enable more patient-centered care and in supporting more cross-profession collaboration through medical-dental integration efforts. With these priorities in mind, the CDA believes that it is essential to include dental coverage for all Coloradans with benefits at least equivalent to those currently offered through Colorado's HealthFirst (Medicaid) program in any state plan design contemplated under HB19-1004, as dental health is a critical component of a person's overall health.

While dental health is integral to general health, it is so often overlooked in our current healthcare system. Dental disease is linked to many chronic and serious health conditions like strokes, stomach ulcers, lung disease, pneumonia, low birth weight babies, heart attacks, heart disease, hypertension and diabetes. Because of these direct links between dental and overall

health, poor dental health inevitably increases other healthcare costs, both individually and systemically. Poor dental health has adverse implications for nutrition, speaking, learning and employment, quality of life, self-esteem, social engagement and overall well-being. Adults lose nearly 100 million hours of work in the U.S. each year due to toothaches and other unplanned oral health problems. Yet, dental disease is almost entirely preventable. Safe and effective measures to prevent dental decay and gum disease are readily accessible. Prevention is key to stopping dental disease, but preventive strategies cannot be effective if we don't connect Coloradans into the dental delivery system through reliable coverage.

As demonstrated through recent state program expansions, greater dental coverage translates into more utilization of routine dental care services, which helps Coloradans stay ahead of the many overall health impacts of dental disease and provides an opportunity for significant personal and systemic cost savings. When Coloradans are covered under a dental plan they are twice as likely to get dental care and have better oral health. Children with dental coverage are three times as likely to get care than their dentally uninsured peers. In addition, recent Colorado findings show that dental coverage for parents increases the likelihood that their children get dental care.

Dental coverage is even more important for higher-risk populations like patients with chronic conditions, Coloradans with disabilities, senior adults and children. Unrecognized disease and postponed care among these high-risk populations can exacerbate other medical conditions, and ultimately lead to more extensive and costly treatment needs.

Dentists can be key partners in diagnosing and referring patients for treatment of many chronic diseases, including diabetes, hypertension, respiratory conditions, addiction, and more. Chronic conditions, which have increased prevalence among patients with disabilities and senior populations, can also drive the need for dental care – as many chronic conditions are treated by medications that adversely impact oral health. In addition, a 2012 review of dental health studies for patients with mental and intellectual disabilities indicated that these patients have higher than average rates of dental decay and are 1.7 times as likely as the average patient to have gum disease. More than 32% of patients with disabilities in the studies had current untreated dental decay (compared to 26% among all U.S. adults) and more than 80% had gum disease (47% in the general population).

Today's senior adults are also keeping more teeth for longer, and Medicare currently lacks any meaningful dental benefit, making dental coverage for all Colorado seniors essential within a state plan. At this time, most Colorado seniors cannot get the dental care they need. In 2017, the Colorado Health Institute (CHI) reported that more than half (54%) of Colorado seniors did not have dental coverage (where only 0.2% lack medical coverage). Costs associated with dental care discourage many uninsured seniors on fixed incomes from seeking treatment. CHI reports that 13% of senior adults skip dental care due to cost, more than any other health service. Seniors with dental plans are 2.5 times more likely to visit the dentist on a regular basis.

Children also require special consideration. Children with dental pain may be irritable, withdrawn, unable to concentrate or experience other behavior issues. Dental pain can affect test performance as well as school attendance, interrupting a child's ability to effectively learn and contributing to education disadvantages that can have a life-long impact. An estimated 7.8 million hours of school are lost annually by Colorado children alone due to acute dental pain and infection. Low-income and minority children are disproportionally affected, with low-income students being at least twice as likely to suffer from untreated tooth decay than their peers. Early detection and management of children's dental conditions can improve oral health, overall health and well-being, school attendance, and school performance, as well as result in substantial cost savings individually and for the many current state-funded programs that provide dental coverage to children.

But dental coverage is still out of reach for too many Coloradans. In 2017, Coloradans were more than 4 times as likely to lack dental insurance over medical insurance. Less than 7% of Coloradans lacked medical insurance, but nearly 30% lacked dental coverage. The gap in dental coverage is particularly apparent in certain populations, like seniors – where 54% lack dental coverage. These gaps in coverage underscore the vital importance of including affordable, comprehensive dental coverage for all Coloradans within the constructs of a state plan.

Colorado's HealthFirst (Medicaid) dental program provides a good minimum threshold for beginning discussion on the design and structure of a dental benefit for a state health plan. The HealthFirst program currently includes a comprehensive dental benefit for children and teens, low income adults (since 2014) and patients with disabilities. Adults have a $1,500 annual maximum on dental benefits that can be received within a state fiscal year. Children and patients with disabilities have comprehensive benefits with no annual financial cap, and there is an enhanced provider fee schedule for the DIDD (Intellectual and Developmental Disabilities) program due to the complexity of treatment and enhanced skill required for quality care for this population.

Thanks to interventions like the HealthFirst adult dental benefit, substantial gains were made toward improving Colorado's oral health metrics in recent years. Fewer Coloradans are skipping dental care because of cost concerns (down to 15.8% in 2017 from 22.9% in 2011). Dental insurance coverage is at an all-time high with the ACA's pediatric dental coverage mandate and state HealthFirst program expansions (up to 70.3% coverage in 2017 from 61.3% in 2013). Slight gains in utilization and self-reported oral health status were also reported during this period. The rate of untreated dental decay in elementary students was cut in half in a 7-year period (from 2004 to 2011).

By offering an adult dental benefit through the HealthFirst program, the state also has saved significantly on emergency dental services, emergency room visits for dental problems and concurrent medical conditions. Reports indicate a substantial reduction in emergency care related to adult dental conditions, with a state cost savings of more than $10 million in the first benefit year alone. Additional study of patient overall health outcomes and cost savings related to concurrent medical conditions is underway. This HealthFirst dental benefit has proven its

efficacy among some of the highest need populations in Colorado. The impressive gains in both dental coverage and access for some of the most vulnerable Colorado populations bodes well for continued future cost savings.

While great gains have been made under the HealthFirst program structure, there are some limitations to the current design of dental plans that can hinder participation and systems integration. These should likely be reviewed as a state plan is designed. In particular, we believe that it is critical to ensure that any dental plan contemplated in the state offering have separate deductible structure from the medical plan deductible in order to ensure meaningful coverage (should a fee-for-service payment model and cost-sharing/ deductible design similar to the current HealthFirst dental plan be considered in a state-offered plan). Deductible structures related to dental care have been a major concern with some state exchange dental plans that are embedded within a larger high deductible health plan. Under these plans, some patient's families are being required to meet a very high medical plan deductible (several thousand dollars), or even meet the plan's out of pocket maximum (that can exceed $10,000), before the plan will begin paying for any portion of – even preventive – pediatric dental care required as an Essential Health Benefit in the Affordable Care Act. These high deductibles to access pediatric dental care, as well as cost sharing barriers on preventive pediatric dental services, regularly surprise consumers and create significant barriers that prevent reasonable and expected patient access to dental care services classified as essential health benefits.

Traditionally, health plans that included dental coverage in an embedded format had either no deductible for dental (highly prevalent) or maintained a separate dental-specific deductible apart from the overall medical deductible (typically a $50 dental deductible). The practice of imposing the full medical deductible before pediatric dental care services are paid is a relatively new concept that seems to have gained traction with the proliferation of high deductible plans offered through the state exchange. Some health plans that contain embedded pediatric dental coverage still adhere to the practice of a separate dental deductible – but separate deductibles cannot be assumed as standard among health plans any longer. If a patient or family must pay several thousand dollars out-of-pocket before dental care benefits may be accessed, that obligation essentially negates the coverage (since dental coverage is typically structured as a capped benefit at an amount far less than the medical plan deductible). This design does not align with equivalent employer plan practices or the spirit of federal law regarding delivery of essential health benefits, and may have a detrimental impact on long-term oral health in Colorado. Given the impact of this deductible design on families and access to critical dental care services, some states have banned this practice altogether.

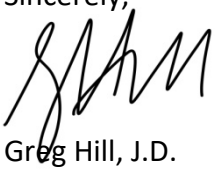
To ensure that reasonable dental coverage is accessible to patients, we believe it is vital that any state offered healthcare plan establish a separate and much lower deductible (typically a $50 dental deductible) for dental care if a deductible/cost sharing structure is utilized. In addition, the state plan should consider offering preventive dental services like exams and cleanings without a deductible or co-pay. Prevention is vitally important and reaps substantial cost savings for both patients and health plans. For this reason, both medical and dental plans have routinely incentivized preventive services by removing the cost sharing responsibility for

patients who access these services. Some innovative dental plans take additional steps in incentivizing preventive care by both removing the cost sharing and rewarding the patient with an increase to the annual maximum coverage limit for completing preventive care activities. These plans are known as “progressive maximum” dental plans. Under a progressive maximum plan, the patient may be able to increase their coverage limit from $1,500 per year to $2,500 per year, as an example, just by completing routine preventive care activities. It is ultimately in the best interest of both patient health and health plan cost containment to do everything possible to incentivize preventive dental care. Further, any cost sharing for basic dental services (such as fillings, extractions, dentures, etc.) should be as limited as possible, especially for lower-income populations. This standard is well modeled among public dental programs and stand-alone dental plans already, and should be honored in any state plan design.

Given the vital importance of dental care for general health, learning and employment, as well as social and mental health status, the CDA and its member dentists are committed to doing our part to work with state and community leaders to help ensure that all Coloradans have access to quality, comprehensive dental care under any state-offered healthcare plan.

Thank you for your consideration in addressing this important component of health. If we can be of any further help in program design and infrastructure or other questions, please don’t hesitate to contact us at (303) 996-2846 • greg@cdaonline.org or (719) 522-0123 • kahlja@msn.com respectively.

Sincerely,



Greg Hill, J.D.
Executive Director, Colorado Dental Association

Jeff Kahl, DDS
President, Colorado Dental Association

cc: Lorez Meinold, Keystone Policy Center

August 15, 2019

Executive Director Kim Bimestefer
Department of Health Care Policy and Financing
1570 Grant St
Denver, CO 80203

Commissioner Michael Conway
Division of Insurance
1560 Broadway #110
Denver, CO 80202

Dear Director Bimestefer and Commissioner Conway,

We thank you for your efforts to solicit stakeholder input on development of a public option proposal as outlined in House Bill 19-1004. We, the undersigned organizations, ask that you include a comprehensive dental benefit as part of the public option framework as oral health plays a critical role in overall health and well-being.

As you may know, poor oral health is often linked to many systemic diseases and can even exacerbate existing health conditions. Oral health problems have also been linked to loss of productivity through missed work and school days. Dental caries is also the most common chronic condition of children yet largely preventable with appropriate dental care. Such challenges are especially difficult for low-income populations and the uninsured who tend to have greater dental needs that require more comprehensive benefits. Without oral health benefits individuals forgo important preventive care leading to higher costs for restorative and other major services and many often wind up receiving costly—and often non-definitive—services in emergency rooms. Prior to Colorado implementing a comprehensive adult Medicaid dental benefit the state spent $11.1 million on emergency dental services (2012) with significant savings since including a reduction in spending to just $1.2 million in the first full year of implementation (2015).

We hope the state will consider including a comprehensive dental benefit in any state public option. Thank you for considering this recommendation and please contact Helen Drexler at hdrexler@ddpco.com with any follow up questions or requests.

Sincerely,

American Academy of Pediatrics, Colorado Chapter
Center for Health Progress
Colorado Access
Colorado Children's Campaign
Colorado Dental Association
Colorado Dental Hygienists Association
Colorado Gerontological Society
Delta Dental of Colorado
Delta Dental of Colorado Foundation
Dental Lifeline Network
Denver Health
Healthier Colorado
Marillac Health
Oral Health Colorado

COLORADO FOUNDATION FOR
UNIVERSAL HEALTH CARE

August 28, 2019

Colorado Department of Health Care Policy & Finance
HCPF_1004AffordableOption@state.co.us

STATEMENT IN SUPPORT OF COMPREHENSIVE COVERAGE FOR HB19-1004

The Colorado Foundation for Universal Health Care, a non-profit 501(c)(3) organization, advocates for universal health care as a human right. We therefore support women's access to comprehensive reproductive health services without deductibles, co-pays, and other barriers to care. We support HB19-1004 and agree with NARAL and others that covered benefits should include the following:

- Well woman and obstetrical care
- All FDA approved prescription and over-the-counter birth control methods
- Abortion care (to the greatest extent possible)
- Voluntary sterilization and all required counseling, monitoring, and treatment
- Counseling, screening, and treatment for sexually transmitted infections (STIs)
- Screening and appropriate interventions for breast cancer, cervical cancer, and other reproductive health concerns
- Screening and appropriate interventions for domestic and interpersonal violence
- Folic acid supplements
- Prenatal & Postpartum care
- Breastfeeding comprehensive support, counseling, and supplies
- Additional preventive health services including mental health care

Colorado can lead the way forward with a state public option plan just as the Federal government takes punitive and discriminatory steps to restrict access to health care for all women.

Yours truly,

James R. Potter
Legislative Coordinator
Colorado Foundation for Universal Health Care
1111 Red Feather Road
Cotopaxi, Colorado 81223
Telephone: 719-942-3912
Email: JamesRaymondPotter@gmail.com

August 30, 2019

Executive Director Kim Bimestefer
Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203

Commissioner Michael Conway
Division of Insurance
1560 Broadway, Suite 110
Denver, CO 80202

BY EMAIL: HCPF_1004AffordableOption@state.co.us

RE: Recommendations for HB19-1004's State Coverage Option

Dear Executive Director Bimestefer and Commissioner Conway,

The Colorado Medical Society submits the following comments regarding HB19-1004's state coverage option to supplement our previous preliminary recommendations provided in our stakeholder presentation on July 26, 2019.

The Colorado Medical Society's Board of Directors has agreed that CMS' goal is to support a public option that increases competition in health insurance markets, reduces insurance premiums, facilitates quality improvement and administrative simplification, and inspires physician network participation. We believe that certain guiding principles should drive the development and implementation of a public option—firstly, the public option should harness innovative strategies to reduce costs by incentivizing the delivery of efficient care, delivery of high-value services, avoidance of low-value services, streamlined administration, and healthy behaviors. Furthermore, affordability can be enhanced by:

1. Increasing fair market competition
    - Increase competition in the multi-payer system utilizing current commercial payers
    - Avoid the unintended consequence of driving competition out of the market
2. Reducing costs by identifying, capturing, returning, and reinvesting savings through strong support for primary care, behavioral/mental health (including substance use disorder treatment), and all components of the medical neighborhood
3. Encouraging physician participation and reducing prices through negotiated alternative payment strategies to decrease unwarranted variations in pricing and utilization
    - Incentivize value-based care that is physician-driven; move away from fee-for-service
    - Incentivize physician participation through adequate reimbursement and reductions in administrative burden in order to ensure access
        - Physician participation in the public option must not be mandatory

- Recognizing the interest of other stakeholders in setting provider rates, it is important to highlight a number of physician concerns and thoughts:
    - Many physicians note Medicare's methodology for physician rates is significantly different from Medicare's methodology for other providers like hospitals
        - Medicare hospital rates increased roughly 50% from 2001 to 2018
        - Medicare physician rates increased just 6% from 2001 to 2018 (adjusted for inflation in practice costs, that is a 19% decline) and are scheduled to be flat into the future
    - Many also note the merits of utilizing commercial insurance rates as a benchmark given that the public option will be sold on the commercial market
    - CMS policy supports a physician's ability to set fees for their services that are reasonable and appropriate
    - Great care should be taken not to negatively impact access and quality through rate setting

4. Reducing waste (including overuse, underuse, and misuse of resources) and dramatically decreasing administrative burdens by standardizing formularies, provider contracting, prior authorization, utilization and claims management, guidelines, and cost and quality metrics across carriers
    - All guidelines, standards, and requirements should be evidence-based
    - CMS has long called for these types of changes and welcomes the opportunity to collaborate on the development of recommendations on low and high value services, quality improvement efforts, and cost control efforts
5. Incentivizing patients' healthy behaviors and encouraging more advance care planning
    - Personal accountability should be promoted
    - Social and commercial determinants of health should be acknowledged and addressed
6. Increasing transparency and use of cost and quality data, as has been done with the Hospital Value Report

Ultimately, patients need to be kept as the focus of any proposal for a state coverage option.

Thank you again for your outreach to us and your continued efforts to involve stakeholders in this process. CMS commits to continuing our active participation and welcomes the opportunity to remain constructively engaged as you work to develop a public option proposal.

Sincerely,

Debra J. Parsons, MD, FACP
President, Colorado Medical Society

As well as the undersigned organizations:
American Academy of Pediatrics, Colorado Chapter
American College of Physicians, Colorado Chapter
Colorado Child & Adolescent Psychiatric Society
Colorado Psychiatric Society
Denver Medical Society

August 23, 2019

Executive Director Kim Bimestefer
Department of Health Care Policy and Financing
1570 Grant St, Denver, CO 80203

Commissioner of Insurance Michael Conway
Division of Insurance
1560 Broadway #110, Denver, CO 80202

Re: Comments as part of the stakeholder process on the state option (HB19-1004)

Dear Director Bimestefer and Commissioner Conway,

On behalf of the Colorado State Association of Health Underwriters (CSAHU), representing hundreds of licensed agents and brokers who are engaged in the sale and service of health insurance and other ancillary products and serving employers and consumers around the country, we commend you for working towards decreasing health care costs, increasing competition, and improving access to high quality, affordable healthcare to all Coloradans, as outlined in HB19-1004.

The members of CSAHU work on a daily basis to help millions of individuals and employers of all sizes purchase, administer, and utilize health insurance coverage. CSAHU members are exceptionally well versed on the coverage options that businesses of all sizes and individual consumers, have available to them, as well as the plan choices they ultimately make. Our expansive knowledge of health insurance markets and the consumers served by these markets leads us to oppose the creation of a state option, as it is contradictory to the goals stated in HB19-1004.

Creating a government-run program through the state option would disrupt the insurance millions of Coloradans rely on. Instead of lowering costs, Coloradans would pay more in taxes to wait longer for lower quality of care. Moreover, a state option could lead to segmenting of the current market. A government-run plan would not compete fairly with private coverage due to government set pricing for provider payments vs. commercial coverage, which does not have the ability to set prices. Healthy individuals could opt to switch over to the government-sponsored plan from the ACA individual market, which would result in separate risk pools, increased market instability, and adverse selection. This would result in the increase of cost of coverage for people who have health conditions.

Under a state option, market-based plans and stable employee-sponsored plans would be eroded by the government-run program. As a result, Coloradans would see fewer and fewer options until only the state-run plan remains. In addition, access to high quality, affordable health insurance could be hindered. State option proposals assume that the buy-in will be cheaper than existing individual market coverage, mostly due to anticipated reduced medical costs. This assumption is based off of the notion that the state will negotiate lower provider reimbursement levels under the buy-in program than in commercial coverage. As a result, provider participation could diminish. Moreover, we risk losing our top physician specialists, sole practitioners, and smaller private practices to states where they can negotiate better compensation, which would be of further detriment to access of care.

CSAHU believes every Coloradan deserves access to affordable, quality health coverage and we are committed to working with you to achieve this goal. We believe the focus should be on bringing down costs, as health insurance is currently expensive because the cost of medical care is so expensive. When

the free market and public programs work together to bring down the cost of care, we can expand access to high quality care for everyone. This can be achieved by:

- Providing greater opportunities for medical care price transparency by increasing user-friendly public access to current, accurate and unbiased medical cost information, cost differentiations based on outcomes and clinical performance, quality measures including outcomes, quality designations and any disciplinary actions, adding a personal touch with the ability to talk to a live person, and consumer ratings and user experiences could all help lower costs.
- Promoting the increased use of value-based insurance design (VBID) principles. As costs continue to rise for individuals, the use of value-based insurance design is growing to help offset these costs. The premise of VBID is to reward good behavior in maintaining health by incentivizing low-cost treatments, such as preventive care, wellness, and medications that control chronic conditions at little or no cost to the consumer. VBID plans may also dis-incentivize care that is unnecessary, repetitive, or more costly than an alternative.
- Examine the ways that provider payments are made to focus on paying for quality of care, not volume, and review how the trend toward provider consolidation impacts the cost of coverage.
- Place more emphasis on wellness, including creating more incentives for employer-sponsored plans and allowing for more meaningful wellness programs for public-program beneficiaries and people seeking individual health insurance coverage. Improving wellness programs will help Coloradans achieve a greater level of health, reduce medical care utilization, reduce the use of sick time, reduce injuries, and reduce insurance claims and overall healthcare costs.

Furthermore, CSAHU worked closely with stakeholders and the administration earlier this year to establish a reinsurance program that will increase access to affordable healthcare by stabilizing the individual market and lowering premiums. The individual market is where roughly 250,000 Coloradans – often people who work for small businesses, self-employed, or independent contractors – buy their health insurance. The individual market in recent years has been plagued by insurers leaving the market and rate increases. However, a reinsurance pool will serve to protect individual market insurers from excessive claims, as money in the pool will insure high-dollar patients whose health costs exceed a certain threshold. This idea has already shown promise in states such as Alaska, where premiums dropped by more than 20% from what it could have been without a reinsurance mechanism in place. We should focus on fostering this newly established program that will pave the way for true systemic change, as opposed to creating a state option that does not address the cost of care.

Through these market-based solutions, consumer engagement and education, we can help empower consumers to make the best choices which will help to contain their costs and increase access without reducing the quality of care. We look forward to hearing from you on this important issue and working towards achieving the goals outlined in HB19-1004. CSAHU desires to be an active participant in developing and implementing the most effective state option possible should this move forward.

If you have any questions about our comment please do not hesitate to contact us at either the contact information below.

Sincerely,

Brad Niederman CSAHU Legislative Co-Chair 303-929-0055 brad@niedermaninsurance.com

Tim Hebert CSAHU Legislative Co-Chair 970-566-1111 tim@sageba.com

To Whom It May Concern:

I recently attended a stakeholder meeting hosted by the Colorado Department of Healthcare Policy and Financing regarding a "public option" for health care.
I'm grateful the state is taking time to listen to stakeholders about this, because healthcare is a primary concern of many Coloradans.
While I understand the temptation of a public option, I think it's ultimately a bad idea. I don't believe a public option will solve existing problems and would actually exacerbate them.
Colorado ranks ninth in the country for healthcare performance, including access, quality, service use and costs of care, health outcomes, and other metrics. Yet, since the introduction of Obamacare, from 2009 to 2017, average deductibles in Colorado have almost doubled and premiums have risen about 50%. Same narrative across the country.
A public option doesn't guarantee better or more accessible care. People sometimes look to Europe regarding healthcare. I lived 25 years in Europe and I saw government-run healthcare firsthand. I'm concerned the actual end goal is a single payer system which would be even worse.
When my Italian family members were hospitalized, relatives took turns ensuring that loved ones received proper care, from clean bed linens to appropriate personal hygiene. In Belgium, the mother of my Beligan friend was in rehabilitation for hip surgery. The state-run clinic provided only one small daily meal on the weekend so her daughter had to provide the additional meals. This isn't quality service, it's the bare minimum.
When I hear public option, I think of the Veterans Administration and its decades of problems. The VA's problems have been identified – lack of prompt and effective care,accountability, etc. Is this what we want for all Coloradans?
A public option creates more problems than it solves. I hope our leaders hear our voices and recommend against a public option.

Debra Irvine

DELTA DENTAL

June 26, 2019

Lorez Meinhold
Keystone Policy Center
1628 Saints John Road
Keystone, CO 80435

Re: Oral Health and the State Public Option for Healthcare

Dear Ms. Meinhold,

Thank you for the invitation at the June 13, 2019 Stakeholder Meeting for the State Public Option on Healthcare to submit comments, proposals, and other feedback related to the potential state option. As a nonprofit healthcare entity, we at Delta Dental of Colorado take very seriously our mission to improve the oral health of the communities we serve. Consequently, we feel compelled to advocate for the inclusion of comprehensive oral health benefits in any contemplated state option. We thank both the Department of Health Care Policy & Financing, and the Division of Insurance for considering the importance of oral health and its inclusion in the state option.

Oral health plays an important role in overall health and well-being. In fact, science has linked oral health to many systemic diseases including stroke,[i] lung disease,[ii] heart disease,[iii] and diabetes.[iv] Even birth defects are an increased risk with poor oral health.[v] Furthermore, poor oral health can exacerbate existing health conditions[vi] and, according to the Academy of General Dentistry, 90% of systemic diseases have oral manifestations and can be detected by looking into the mouth during routine dental check-ups.[vii] In addition to these demonstrated links to overall health, poor oral health itself is a tremendous burden on Coloradans. According to research by the Delta Dental of Colorado Foundation, on average, children miss over 58 hours of school per year due to oral health issues, and adults miss 2.5 days of work.

Clearly, given the above facts and statistics, a public option for health care in Colorado would not be complete without including oral health benefits. What might not be as clear is that those who could benefit most from a quality state public option—the low-income population and the uninsured—tends to have greater dental needs that require more comprehensive benefits. A 2014 Harris poll indicated that 50% of adults without dental insurance have foregone necessary dental care due to cost.[viii] Skipping diagnostic and preventive care (such as oral exams, prophylactic cleanings, and x-rays) leads to higher cost restorative and major services (such as fillings, crowns, root canals, extractions, and periodontal services) in the future. For the uninsured and for those whose coverage does not cover these restorative and major services, that often means a costly trip to the ER. Indeed, in 2012—prior to Colorado implementing a comprehensive adult Medicaid dental benefit—the state spent $11.1 million on emergency dental services. In 2015, the first full year that Colorado implemented a

Delta Dental of Colorado
4582 S. Ulster St., Suite 800
Denver, Colorado 80237-2567

Telephone: 303-741-9300, 1-800-233-0860
Fax: 303-741-9338
Web: deltadentalco.com

comprehensive Medicaid dental benefit, the state reduced its spend on emergency dental services to $1.2 million.[ix] A comprehensive dental benefit has proven its efficacy for low-income and uninsured populations here in Colorado before; the state should seek to build on these successes as it pursues a state public option for healthcare.

Given that Colorado provides dedicated dental benefits for its Medicaid and CHP+ populations, the state is clearly aware that dedicated dental coverage separate from medical benefits can serve the needs of its low-income populations. However, the advantages of dedicated dental coverage are not limited to those below 260% of the Federal Poverty Level. In fact, the overwhelming majority of the 249 million Americans who have dental insurance get it through a policy separate from their medical coverage. Several reasons exist for the popularity of dedicated dental plans. Among those reasons are service, value, access, and plan design, all of which stem from standalone plans' exclusive focus on oral health benefits.

Delta Dental of Colorado is proud to have served the people of Colorado for 61 years and to be its oldest and largest dental benefits provider. During that time, among the company's proudest, most defining achievements was collaborating with the state of Colorado to design, implement, and administer the original CHP+ dental benefit. That comprehensive standalone dental benefits product, designed to serve the children of families that earned too much to qualify for Medicaid but were unable to afford coverage in the private market thrived to such a degree that it was made the benchmark dental benefit for the Affordable Care Act's pediatric dental Essential Health Benefit (EHB).

Delta Dental of Colorado knows dental benefits, we know Colorado, and we know that we must fulfill our mission to improve the oral health of the communities we serve. We hope the state will consider all of the foregoing and decide to add a comprehensive dental benefit to any state public option it proposes pursuant to House Bill 19-1004. Regardless of who might administer it, when, or how it might be implemented, we would be honored to once again partner with the state to design a benefit that can improve the lives of so many Coloradans.

Thank you for your time and consideration. If you have any questions, or would like to discuss this letter or any of its contents, please contact me anytime. My telephone number is (303) 889-8662 and my email address is hdrexler@ddpco.com. I will be happy to speak with you.

Sincerely,

Helen Drexler
President and CEO
Delta Dental of Colorado

cc: Kim Bimestefer, Executive Director, HCPF
Michael Conway, Insurance Commissioner, DOI

Delta Dental of Colorado
4582 S. Ulster St., Suite 800
Denver, Colorado 80237-2567

Telephone: 303-741-9300, 1-800-233-0860
Fax: 303-741-9338
Web: deltadentalco.com

[i] "Atherosclerosis Risk in Communities Study," University of South Carolina School of Medicine, 2017
[ii] "Healthy Gums May Lead to Healthy Lungs." American Academy of Periodontology, 1/18/11.
[iii] "Gum Disease and the Connection to Heart Disease" Harvard Health Publishing, April 2018.
[iv] Suzanne Allard Levingston, "Science Ties Gum Disease to Many Other Ailments," Washington Post, 10/4/16.
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[vi] Institute of Medicine, "Improving Access to Oral Health Care for Vulnerable and Underserved Populations," The National Academies Press, 2011
[vii] http://www.knowyourteeth.com/print/printpreview.asp?content=article&abc=p&iid=297&aid=1192
[viii] https://www.ada.org/~/media/ADA/Science%20and%20Research/HPI/Files/HPIBrief_1114_1.ashx
[ix] Health First Colorado, Dental Program State Fiscal Year 2016 Annual Report

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Affordable Health Coverage Option, HB19-1004, Public Comment

Submitted by: Scott Bolitho, Glenwood Insurance

Hello,

I was unable to attend the last meeting through the webinar, but wanted to give some input to this from the insurance broker/consultant side.

One of the last slides says the following:

Section 1.,1a(Vii) of the bill states: "A state option for health coverage that uses existing state health care infrastructure may decrease costs for Coloradans, increase competition, and improve access to high-quality, affordable, and efficient health care."

This wording is nearly identical to what we heard from President Obama and Speaker Pelosi when the ACA was being promoted. We heard that competition would be increased, and insurance companies would be rushing to join the Exchanges across the country to sell their insurance. And because of the competition, pricing would be reduced. We all know that the exact opposite happened, and we have far fewer insurance companies, higher out of pocket costs, and premiums that have increased substantially.

In addition, if a public option is offered, you may see the private insurance companies leaving the state, since they know there is a "fail-safe" plan available. And they may not be able to compete cost-wise, so why stay in Colorado?

Thank you for the chance to give my input.

Scott Bolitho, CFP

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Submitted by Helene Stout, HBS Consulting

Stakeholders meeting assignment:

Affordability:

What is affordability? What does it look like? Does it change for healthcare?

Affordability

Definition of **affordable**: able to be afforded: having a cost that is not too high products sold at **affordable** prices; an **affordable** purchase; **affordable** housing [housing that is not too expensive for people of *limited means* to manage to bear without serious detriment]

I don't think that "limited means" should be the limiting factor in the definition of affordable.

Affordable means something different to people of different means but I would like to add a value statement that I believe to be relevant.

Define inclusion:

- Affordable state option factor consideration:
  - Premium
  - Out of Pocket Expense
  - First Dollar expense (Deductible)
  - Access where and with whom you want it
  - Access when you want it
  - Access you want (not paying for services you don't need)
  - Cradle to grave concept
  - Annual increases no more than CPI
  - Healthy Incentive
- Coverage options
  - Baseline Urgent Emergent including Ambulance, Airlift Valid anywhere in the world.
  - Ala Carte coverage
    - In-patient facility
    - Out-patient facility
    - Wellness
    - Office Visits
    - Birth Control
    - Obstetrics
    - Therapies
      - PT
      - ST

- OT
- Wound Care

- Alternatives
  - Acupuncture
  - Chiropractic

Massage
Laboratory
Pathology
Pharmaceuticals

What is affordable:

When the total cost of accessing the healthcare system (care+insurance) does not exceed 15% of my family income.

$45,000 yr	gross annual income
4500	10% in income tax,
$40500	
2025	5% toward retirement (401k, Roth, HSA)
$37075	
$18,000	Rent
$19075	
$ *6000*	Food
$13075	
$ 3600	Car Payment
$ 9475	
$ 5000	Utilities (Water, Trash, Gas, Electric, Internet, Cell phone/Landline)
$ 4475	
$ 1200	Savings for emergency funds (other insurance homeowners, renters, auto)
$ 3275	
$ 1200	DISCRETIONARY SPENDING
$ 2075	Over 12 months is 173.00/month for health premiums and out of pocket.

1. Health premiums should be 100% tax deductible
2. Health insurance should be sold ala-carte
3. Health insurance should not be charged by age or health conditions but rather by what coverage you want.
3. Catastrophic care should only cover facility type billing.
4. All components should be priced separately and % of income pricing should be available.
5. Cradle to grave, if please are born elsewhere

Residency requirements should follow the University requirements for residency.

6. Everyone must pay something. Everyone is responsible for being healthy.
7. Healthy living premium rebate.

IE if I pay $3275/yr in premium for a catastrophic plan – but I use nothing because, I remain healthy all year – then

1. 50% (or some number) would be deposited back into my HSA, which can be used for a variety of items or just illness that is not. This

creates a forced savings for members of the population that have a hard time saving and they are your pretax premium $ healthy rebate that were earmarked for health expenses and can collect interest and grow in all those years that no health issues are experienced.

2. **OR** some amount would apply to the following years premium. Which year after year would self-limit the premium expenditure from your earned income.

******Note, could not find a solution for the issue that some people have "0 earned income" but are quite wealthy due to sale of home, investments, business dealings which directly affect their "wealth health" as such would qualify for subsidy to health premium be provided?***

I think by looking at % rather than $$ we can be fair and reasonable to <u>everyone</u> across the income spectrum not just income limited people.
Define "INCOME"

Reimbursement methodology:

- Professional 150% of Current Medicare Fee Schedules with annual CPI increase/decrease
- Facilities 200% of current Medicare fee schedules with annual CPI
    - Device outliers – to be considered separately or negotiated separately.
- Pharmaceuticals

Hello:

[Redacted]

Found out as we read alot; the state also got a waiver to treat illegals on dialysis on medicaid as its cheaper then having them go to the ER so people who have paid nothing into the system get our medicaid while we have paid into it over 30 years; get kicked off. Something is not right here.

Its not right for you to take US citizens many of whom like us; did not cause themselves to get sick off needed coverage to help illegals who have no right to be in this country much less taking coverage away from our own citizens. We frankly dont care how much they use in the ER as if they dont get there in time; they die and that makes it alot less costly then giving them medicaid needed for US citizens. Yes this sounds very selfish but we are seriouly ill for nearly 2 years and we dont have help to get alot of things done while you are helping illegals. [Redacted]

Our point is charity begins at home and thats with US citizens and legal residents here over 5 years. It does not belong to illegals or new legal immigrants not here 5 years. Please take this into consideration when you consider a public option.

Thank you for your time.

JM Fay

To Whom It May Concern,

I was told that if I have feedback about 'government-run healthcare,' I should email you.

It's great that our government is finally taking heed to the fact that multitudes are suffering and need help with healthcare costs.

I wish health insurance didn't have to exist at all, and really, it shouldn't. I want socialized medicine, and should let you know that I am speaking as someone with two master's degrees related to health information management. I've learned a lot about how US healthcare 'makes sausage,' which is really the way they make money.

Let's go fully social on medicine and forget about those already rich US healthcare entities. It's a vicious system - dangerous to all involved.

Thank you for your attention. -Kyle

--

Kyle I. Curley, MS, MLIS

Hello,
We have comments regarding the possibility for a public option for health coverage in Colorado. We are adoptive parents and know many others who have adopted or fostered kids with special needs. These kids often have long term chronic issues and our current healthcare system fails them once they reach adulthood.

Eligibility: Employer-based coverage does not work for a lot of people with chronic conditions such as mental illness, type I diabetes. Many people can work only as long as they are taking medication and seeing a provider.
Employers can let a person go at any point in time with no notice to an employee leaving them with a gap in coverage. These gaps can be extremely costly for everyone (hospitalization, incarceration, homelessness) and devastating for the person with the illness. Having **continuous** coverage is critical.
Any person can hit their head and be unable to work full-time no matter their income, age, or fitness level. Eligibility should be available to anyone with premiums based on income and perhaps higher premiums if they have considerable assets. Eligibility should be available for people starting their own business or consulting as well as for those who are employed but want to maintain continuous coverage. Any Colorado resident should be eligible rather than trying to phase in certain groups.

Affordability: Premiums and copays could be structured similar to the Medicaid Buy-In Program for Working Adults with Disabilities. I do have to say though, at the lower income levels - the jump from a $25/mo premium to $90/mo is a big leap for those that still don't make that much considering the housing prices here. It would be better if that was graduated a little more for those making under $40,000 or so.

We worry about affordability due to costs that are often inflated and predatory in the guise of "free market". Free market principles don't work well with healthcare (except for optional procedures such as lasik) since people often do not have a choice of whether they get care or not, plus it's just inhumane. For example, California sought to cap profits of the 2 huge dialysis companies. Consumers can't choose whether or not to have dialysis, and have to pick one of these companies or die. Fresenius and DaVita spent around $100 million to defeat this legislation. Unless we can rein this in and have our healthcare dollars spent on healthcare, it's hard to see how we can make this affordable. Some of this has to change to make any type of coverage work. Most options are doomed to fail when we are held hostage by for profits with exorbitant pricing that is unethical. That's a big reason our current system is failing.

Existing State Infrastructure: Using the Medicaid, state exchange, and state employee health plan infrastructure all are good places to start instead of building from scratch. We liked the ideas presented about sharing resources such as telehealth and MRI so there aren't multiple agencies building in parallel. We will have to consider what happens if people travel out of state or if there is an influx of people moving to Colorado because they have a chronic condition.
Coordination with our public health agencies that are already working on preventable chronic illness and obesity will be necessary to contain costs also.

We are extremely excited about the possibility of continuous coverage but also wary if it is feasible at the state level. Taiwan has a government payor/private provider system and has about 4x the population of Colorado. Premiums are based on income with some lotto and tobacco money. Wait times are reasonable. They also have more control over predatory costs. Modeling on systems that are working well is going to be important to identify what we can and cannot change at the state level.

Thank you,
Toni and Kreg Lyles

As a financial planner, investment advisor and insurance broker I wish to express not only the dire need for a public option in any and ALL health insurance plans, but also my unqualified support.
While a public option likely will not resolve all the issues plaguing health care in the U.S. it is a substantial step in the right direction.
Miles Kessler

Miles B. Kessler, CFP®, President
Kessler & Associates, Inc.

August 30, 2019

Executive Director Kim Bimestefer
Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203

Commissioner Michael Conway
Division of Insurance
1560 Broadway, Suite 110
Denver, CO 80202

BY EMAIL: HCPF_1004AffordableOption@state.co.us

RE: Recommendations for HB19-1004's State Coverage Option

Dear Executive Director Bimestefer and Commissioner Conway,

Northern Colorado IPA would like to submit the following comments regarding HB19-1004's state coverage option.

1. Elimination of the site of service differential in payment policy.

2. Promote use of low cost high value facilities including non-hospital owned faculties.

3. Utilize a claims processing company that pays promptly with low administrative overhead.

4. Have transparency of all payment rules and have standardization of modifiers. (no special CPT codes or modifiers unique to this product.)

5. Pay independent physicians the same as hospital employed groups for the same service to promote competition in the market.

6. The public health insurance option should have point of service claims adjudication. When a patient is scheduled for an office visit, office staff can look online for the patient's benefit plan and know what deductible needs to be collected at the time of service. The service provided is entered into the system and the claim is adjudicated and paid before the patient gets to their car. Administrative billing expenses are substantially reduced.

7. Decrease Administrative Burden – Please decrease the administrative burden to providers by standardizing formularies and reducing the number of prior authorizations required. Procedures should not require a prior authorization when the patient has the appropriate diagnosis (like Medicare policies).

8. Certified counselors should be a covered service. Medicaid covers certified counselors, but Medicare does not.

9. Since independent physicians are the most cost effective providers, consider how payment policies will impact their ability to survive and the pressure it will create to join the hospital employed physicians. If quality metrics need to submitted, please provide a portal for submission that will not require the providers to have to pay a third party to submit the reports. Please consider claims based quality metrics that can be obtained by HCPF without the provider having to pay their administrators to gather information to submit to HCPF.

Independent providers welcome the opportunity to remain constructively engaged as you work to develop a public option proposal.

Sincerely,

Jan Gillespie, MD
Executive and Medical Director
Northern Colorado IPA
Office: 970-495-0333
Cell: 970-215-2144
Email: jgillespie50@me.com

Hello,

I am a primary care provider working in a community healthcare setting in the city of Denver. I see daily how important comprehensive healthcare coverage is for people and the unfortunate consequences when people do not have it. Comprehensive coverage means preventative care as well as treatment for exiting disease. Specifically I would like to see a public option that covers not only treatments for acute and chronic illness but also annual physical exams, cancer screenings, lifestyle counseling/education, reproductive healthcare including abortion and vasectomies, mental health, substance use disorders, dental, and vision services. Our overall health is all connected so we need a system with comprehensive coverage that addresses all aspects of disease.

We also need a system that addresses preventing disease and expensive hospitalizations. 80% of disease are preventable with lifestyle changes yet, longer clinic visits focusing on behavior change, group visits and evidence based programs are difficult to get covered. Promoting healthy lifestyles by supporting these types of services means that overall health costs would decrease and a public option would become more sustainable year by year. Healthy individuals help to create healthy communities. We all do better when we all do and are better/healthier.

Thank you for considering my comments,
Robin Mills, FNP

By full cost benefit analysis I mean tax dollars spent on healthcare, through costs and savings to the public and back around to revenue for Colorado. You may have the expertise in your staff, many models are available and I'm sure many academics would love to help for getting their name listed (and included in their Vita) and maybe a publishable paper.

You probably know that this is the realm of economic hit men, and I'm sure you are aware of huge profits many wish to protect.

Personally I've long been a supporter of universal healthcare and long believed the savings, yet I would love to see whether the Full revenue side also stands up. Besides Civic Satisfaction, I'm one member of the Denver Dems Public Policy Committee.

I see that I'm a day late (and Civic Satisfaction is always a dollar short) but as a mostly technical point I hope you will consider Full cost benefit analysis. Please remember that the cost saving claims of the recent universal healthcare amendment prompted your mandate. I see you have myriad suggestions to analyze, I hope Fully.

Walt Geisel

Comments Received on Women's Reproductive Health

To the good folks at HCP&F:

The public option must support comprehensive coverage of reproductive services for women. All preventive services should not require patient cost-sharing, similar to annual exams for others. This should include a full range of services from well-woman and obstetrical care to cancer screening. Women need no-cost access to prenatal and postpartum care, with folic acid or other supplements or medications, breastfeeding support and the ability to treat gestational diabetes.

It is also critical that birth control methods (all of them) need to be provided at a low or no-cost with follow-up testing as needed for the type of birth control used.

Thank you for your consideration.

Suzanne O'Neill

To whom it may concern:

Just wanted to make sure I registered my desire to see full coverage for women's reproductive health care included in any plan; with Trump trying to deny women the health care they should be entitled to, it is even more important that our state plan pick up the slack.

Thanks for listening:

Michael & Heidi Marquardt

I support comprehensive coverage of reproductive services for women, without cost-sharing, that include the following:

- Well woman care and obstetrical care
- All FDA approved prescription and over-the-counter birth control methods
- Abortion care (to the extent allowed by the Colorado constitution)
- Voluntary sterilization and all required counseling, monitoring, and treatment

- Counseling, screening, and treatment for sexually transmitted infections (STIs)
- Screening and appropriate interventions for breast cancer, cervical cancer, and other reproductive health concerns
- Screening and appropriate interventions for domestic and interpersonal violence
- Folic acid supplements
- Prenatal & Postpartum care including mental health services
- Breastfeeding comprehensive support, counseling, and supplies
- Additional preventive health services

As the Federal government takes steps to restrict access to health care for all women, Colorado can lead the way forward.

Thank you for letting me comment.

Leroy Frankel

I wish to make a comment on what HR 1004 should include.

As a woman, I am very concerned the procedures that 1/2 of the US population depends on are written into this plan. The following are some of the very important ones..

Wellness and obstetrical care for women.

FDA approved prescription and over-the-counter birth control methods.

Abortion care to the extent allowed by the Colorado constitution. (Or we will have coat hanger deaths in the alleys.)

Voluntary sterilization and required counseling, monitoring and treatment.

Counseling, screening and treatment for STDs.

Screening and interventions for breast cancer, cervical cancer and other reproductive health issues.

Screening and appropriate interventions for domestic and interpersonal violence

Folic acid supplements.

Prenatal and postpartum care including mental health services.

Breastfeeding comprehensive support, counseling and supplies.

[Redacted]

Thank you for your serious consideration. I trust you will include women's issues in the plan.

Sincerely,

Judy Danielson

Dear planners of HB19-1004:

Colorado's healthcare option must include the following:

Well woman care and obstetrical care
All FDA approved prescription and over-the-counter birth control methods Abortion care (to the extent allowed by the Colorado constitution) Voluntary sterilization and all required counseling, monitoring, and treatment Counseling, screening, and treatment for sexually transmitted infections (STIs) Screening and appropriate interventions for breast cancer, cervical cancer, and other reproductive health concerns Screening and appropriate interventions for domestic and interpersonal violence Folic acid supplements Prenatal & Postpartum care including mental health services Breastfeeding comprehensive support, counseling, and supplies Additional preventive health services

Thank you for your consideration.

Deana Schneider

As the Federal government takes steps to reduce women to less-than-full human beings without full agency, by restricting access to health care for all women, Colorado can lead the way forward.

In America today, millions of women still struggle to survive financially and have extra health care needs that men do not. Wealthy, powerful men still decide how women will be treated.

I strongly support comprehensive coverage of reproductive services for women, without cost-sharing, that include the following:

- Well woman care and obstetrical care
- All FDA approved prescription and over-the-counter birth control methods
- Abortion care (to the extent allowed by the Colorado constitution)
- Voluntary sterilization and all required counseling, monitoring, and treatment
- Counseling, screening, and treatment for sexually transmitted infections (STIs)
- Screening and appropriate interventions for breast cancer, cervical cancer, and other reproductive health concerns
- Screening and appropriate interventions for domestic and interpersonal violence
- Folic acid supplements
- Prenatal & Postpartum care including mental health services
- Breastfeeding comprehensive support, counseling, and supplies
- Additional preventive health services

WHEN WOMEN ARE ALLOWED TO THRIVE, EVERYONE THRIVES!

LET'S MOVE INTO THE 21ST CENTURY!

THANK YOU.

Norma Shettle

I support comprehensive coverage of reproductive services

for women, without cost-sharing, that include the following

- Well woman care and obstetrical care
- All FDA approved prescription and over-the-counter birth control methods
- Abortion care (to the extent allowed by the Colorado constitution)
- Voluntary sterilization and all required counseling, monitoring, and treatment
- Counseling, screening, and treatment for sexually transmitted infections (STIs)
- Screening and appropriate interventions for breast cancer, cervical cancer, and other reproductive health concerns
- Screening and appropriate interventions for domestic and interpersonal violence

- Folic acid supplements
- Prenatal & Postpartum care including mental health services
- Breastfeeding comprehensive support, counseling, and supplies
- Additional preventive health services

Gary Mandair

I am unable to attending the hearing in Durango, but want you to know that, as a Colorado physician and University of Colorado faculty member, I support comprehensive coverage of reproductive services for women, without cost-sharing, that include the following:

Well woman care and obstetrical care
All FDA approved prescription and over-the-counter birth control methods
Abortion care (to the extent allowed by the Colorado constitution)
Voluntary sterilization and all required counseling, monitoring, and treatment
Counseling, screening, and treatment for sexually transmitted infections
Screening and appropriate interventions for breast cancer, cervical cancer, and other reproductive health concerns
Screening and appropriate interventions for domestic and interpersonal violence
Folic acid supplements
Prenatal & Postpartum care including mental health services
Breastfeeding comprehensive support, counseling, and supplies
Other preventive services as research demonstrates their efficacy.

I cannot emphasize enough the importance of comprehensive mental health care for the well being of our citizens.

Sincerely,
Evelyn Hutt, MD

To whom it may concern:

Regarding the public option health insurance plan, HB19-1004, I would like to voice my support for comprehensive coverage of reproductive services without cost sharing for women including the following:

- Well-woman care and obstetrical care
- All FDA approved prescription and over-the-counter birth control methods
- Abortion care (to the extent allowed by the Colorado constitution)
- Voluntary sterilization and all required counseling, monitoring, and treatment
- Counseling, screening, and treatment for sexually transmitted infections (STIs)
- Screening and appropriate interventions for breast cancer, cervical cancer, and other reproductive health concerns
- Screening and appropriate interventions for domestic and interpersonal violence

- Folic acid supplements
- Prenatal and postpartum care including mental health services
- Breast feeding comprehensive support, counseling, and supplies
- Additional preventive health services

Thank you,

Stacia DeLeon

Appendix IV - Stakeholder Presentations and Proposals

- Colorado Hospital Association
- Colorado Access
- Colorado Consumer Health Initiative
- Colorado Medical Society
- A.J. Ehrle Health Insurance
- Young Invincibles

Hospital Perspectives on Public Option

KATHERINE MULREADY
COLORADO HOSPITAL ASSOCIATION
JULY 26, 2019

Overview

- **About Colorado Hospital Association (CHA)**

  CHA is the leading voice of the Colorado hospital and health system community. Representing 110 hospitals and health systems throughout the state, CHA reflects our members' shared commitment to improve health and health care in Colorado.

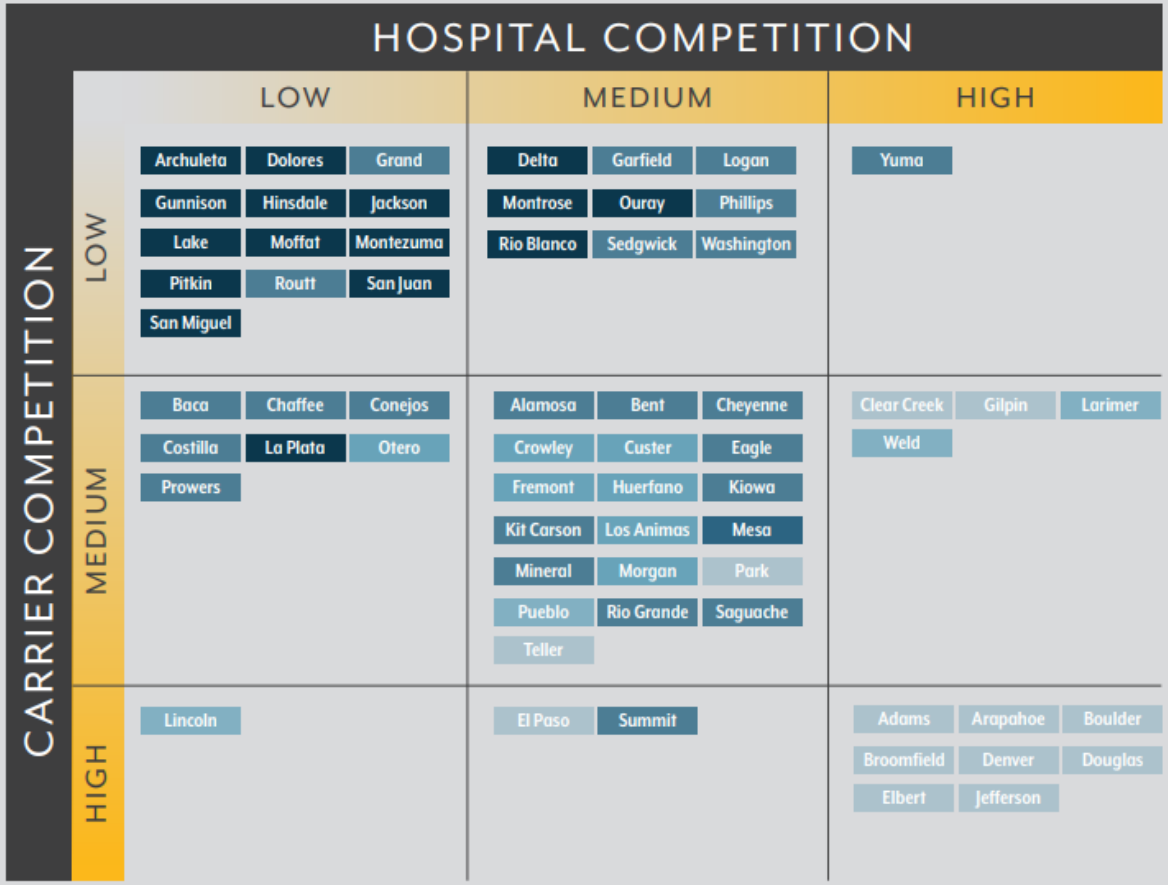
- **Proposal Summary**
  - Colorado hospitals steadfastly support all Coloradans having access to high-quality, accessible and affordable health care.
  - Colorado hospitals cannot and will not support a state-run health insurance option unless it:
    - Prioritizes expanding coverage to Colorado's remaining uninsured
    - Protects consumer choice through competitive insurance markets
    - Ensures access to care through sustainable payments for doctors, hospitals and other providers

Our Perspective

- Long-standing, historic challenges with public coverage programs
  - Medicaid and Medicare payments have not kept pace with hospital input costs and now fund only 69% of cost to provide care
  - Typically lag private market in technology adoption, innovation, payment reform, and efficiency
- Fundamental belief in ability of competition to balance innovation, quality, access and affordability
- Potential to jeopardize significant gains in coverage and access already achieved in Colorado

Role of Competition in Pricing

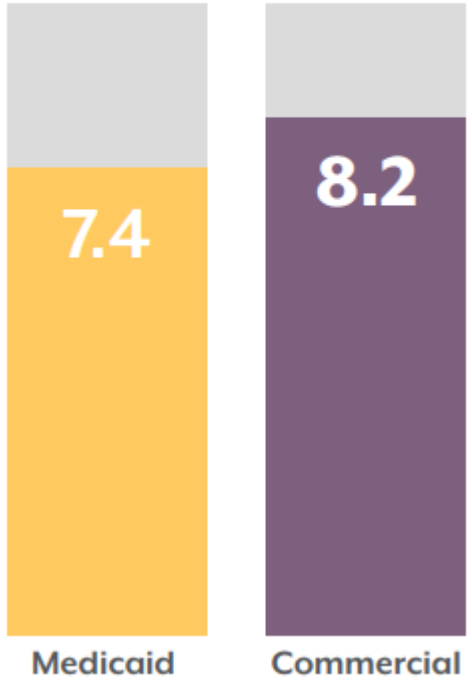
Figure 1. CHI Competition Matrix

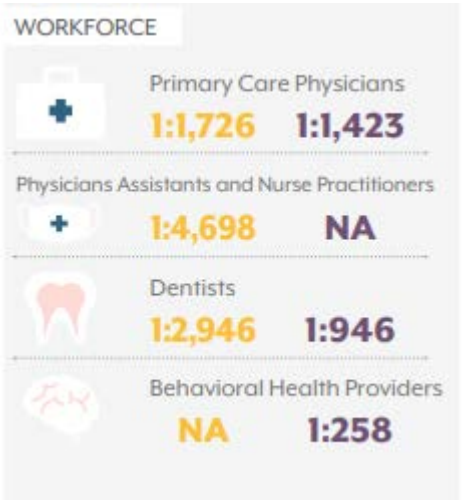


"The Competition Conundrum," Colorado Health Institute, May 2019

Commercial vs. Medicaid – Access to Care

FIGURE 1. COMMERCIAL INSURANCE AND MEDICAID ACCESS TO CARE INDEX SCORES, COLORADO, 2017





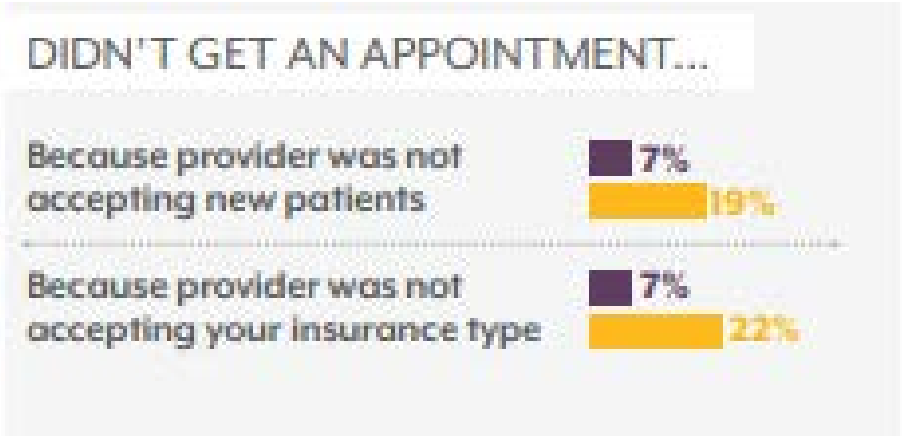
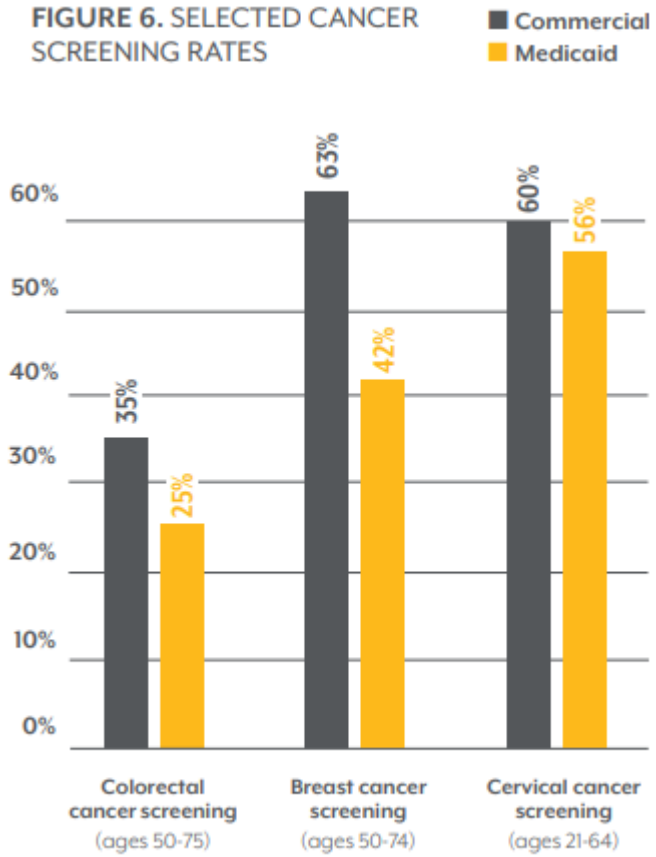


FIGURE 6. SELECTED CANCER SCREENING RATES



"Medicaid and Commercial insurance Access to Care Index," Colorado Health Institute, July 2019

Eligibility & Access

- Any state-run health insurance option must start small to limit the impact of unintended consequences.
- First priority: close Colorado's coverage gap and cover the remaining uninsured – 370,000 to 410,000 Coloradans.
  - Another opportunity: address the ACA's "family glitch," ensuring families can access affordable coverage through APTC or employer-sponsored insurance and help stabilize insurance markets
- A state-run health insurance option must protect the viability of Colorado's individual and small group insurance markets.
  - Consumers want choice. If the state-run public option undercuts its private market competitors – on price or by avoiding consumer protections – choice will be eliminated.
  - Program must actively combat unintended consequences of "crowd out," "cherry picking" and "cost shift."
- The state-run health insurance option must ensure access to care in communities statewide.

Affordability & Benefit Design

- Consumers want more choices and lower costs.
  - Affordability should be defined by the full consumer out-of-pocket experience, including both premiums and cost sharing (i.e., deductibles, copays, coinsurance).
  - Choice means competition, not more one-size-fits-all government mandates. Provider participation ***must*** be voluntary, and rates ***must*** be negotiable.
  - A state-run health insurance option should be required to at least offer Essential Health Benefits.
    - Should evaluate needs of special populations and/or services (e.g., EPSDT, dental)
- Lower cost can be achieved by aligning provider and consumer incentives.
  - The state-run health insurance option should lead the private market by driving choice and innovation in the market and by embracing alternative payment models (e.g., value-based shared savings).
  - Provider payments must be adequate and ensure appropriate access to care.
  - Product design should reflect the nature of the target population and incentivize appropriate utilization.

General Principles: Administration; Risk-Bearing/Financing; Other Requirements

Administration

- Governance structure should be independent, nonpartisan and outside of any current state agency.
  - Appropriate infrastructure must be provided to ensure efficient and effective administration.
- Lower cost can be achieved by reducing waste and administrative cost.
  - Health insurance companies spend 18 cents of every dollar on insurance administration and profits, whereas public coverage systems operate at 3-7% of total costs.

Risk-Bearing/Financing

- Modest funding likely needed to reach 60% of uninsured eligible for existing programs; coverage expansions require more resources.

Other Requirements

- The state-run health insurance option should be required to follow all consumer protection requirements for qualified health plans (QHPs) and other state regulatory standards.
- 1332 waiver needed to address “family glitch” if federal funds are used.

Takeaways

- Colorado hospitals steadfastly support all Coloradans having access to high-quality, accessible and affordable health care.
- Colorado hospitals cannot and will not support state-run health insurance option unless it:
  - Prioritizes expanding coverage to Colorado's remaining uninsured
  - Protects consumer choice through competitive insurance markets
  - Ensures access to care through sustainable payments for doctors, hospitals and other providers

July 26, 2019

Proposal for an Affordable Health Coverage Option (HB-1004)

Gretchen McGinnis

Sr. Vice President of Healthcare Systems and Accountable Care

ACCESS MANAGEMENT SERVICES LLC

Colorado ACCESS

Colorado Access

Colorado Access is a local, nonprofit health plan that serves more than 500,000 members. The company's members receive health care under Child Health Plan Plus (CHP+), and Health First Colorado (Colorado's Medicaid Program) behavioral and physical health, and long term support programs.

To learn more about Colorado Access, visit coaccess.com.

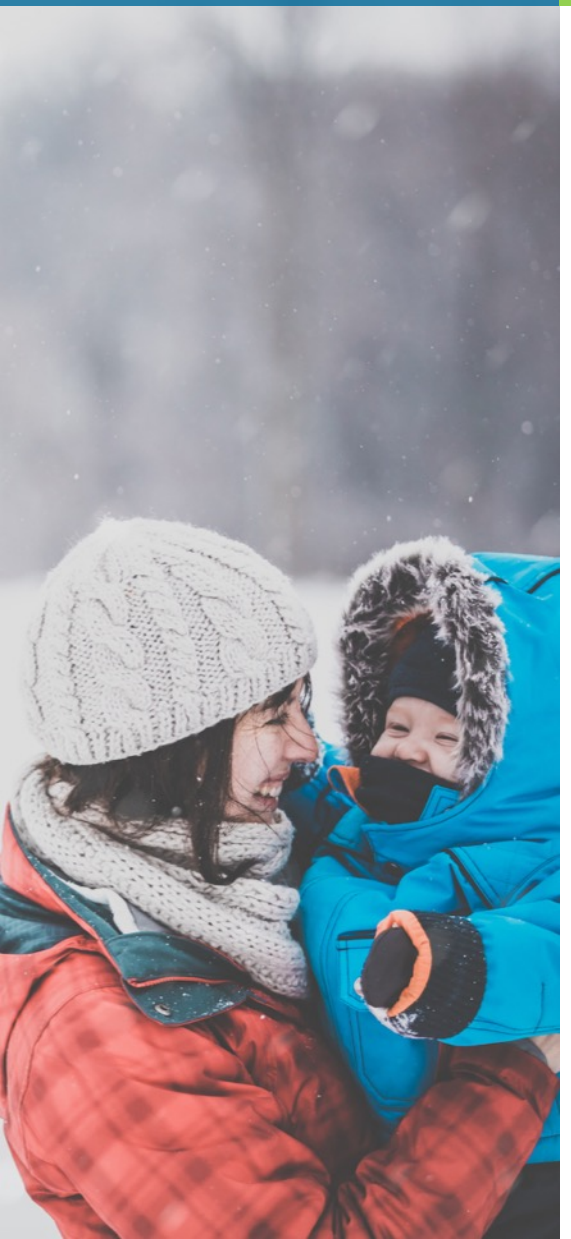
CHP+: A Model for Affordable Coverage

Colorado ACCESS

Background on CHP+

- Successful, public-private partnership with bipartisan support
- A full-risk managed care model run through contracts with insurers
- Results in more affordable coverage for kids than other sources
- Provides comprehensive health care, with a benefit package similar to Medicaid

Building on CHP+ model



AFFORDABILITY:

- Consumers and the state could achieve substantial savings by basing provider rates on the Medicaid fee schedule (plus a certain percentage)

- Affordability set on a sliding scale and should be inclusive of premiums and cost sharing
    - Eliminate cost sharing on primary care

ELIGIBILITY:

- Initially offer the public option to the subsidy-eligible population in the individual market

Building on CHP+ model

BENEFIT DESIGN:

- Include comprehensive benefits (physical, behavioral, oral) and network similar to Medicaid

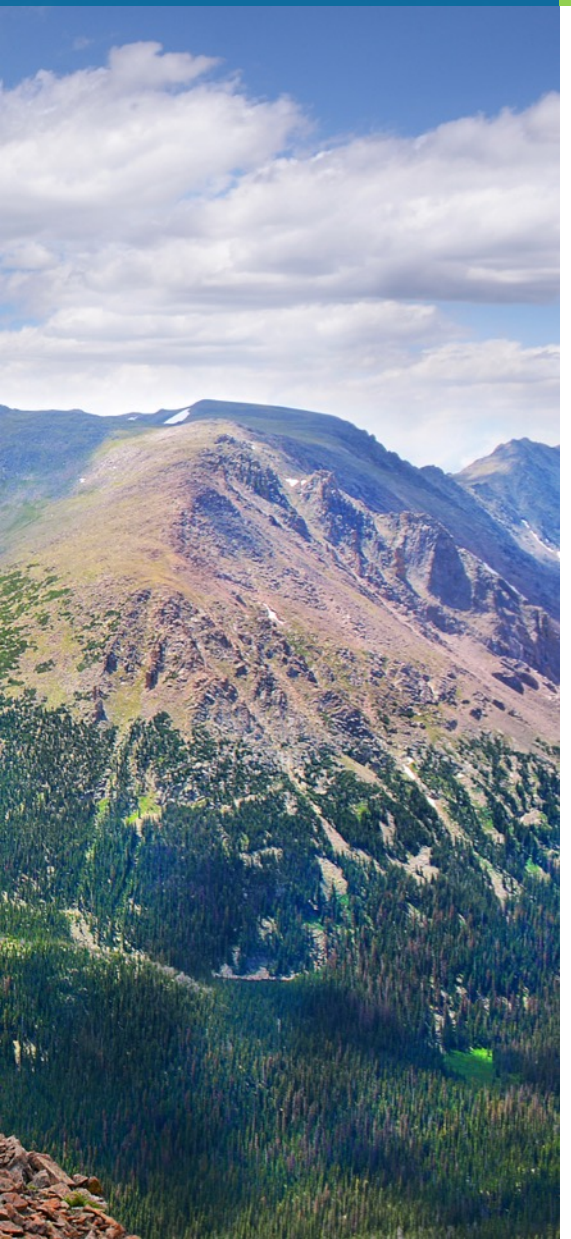
ADMINISTRATION & RISK:

- Rely on health plans that can support the complex and unique needs of a lower-income population

FINANCING:

- As the state and partners invest in improving health, the long term cost savings of preventive and primary care should be shared among the public sector and consumers

Thank you!



Colorado Access is eager to collaborate with DOI, HCPF, and other stakeholders to further refine how the public option is designed and implemented.

July 26, 2019

State Coverage Option

Presentation of concepts for consideration

Colorado Consumer Health Initiative

Overview

Presented by the Colorado Consumer Health Initiative

CCHI believes that all Coloradans deserve access to affordable, quality health care and that as a matter of equity we should be seeking to design an option that targets people who are facing the greatest barriers to access.

- State coverage option would achieve savings by rate setting below commercial and based on Medicare rates and by repurposing APTCs through a § 1332 waiver
- Differs from other products by removing eligibility barriers based on immigration status, family glitch and other similar restrictions

Eligibility & Access

- A state coverage option should be offered statewide
- A state coverage option should be targeted to people who are facing the greatest barriers: people who are uninsured due to affordability or eligibility, and people who are underinsured because of low-value insurance products with high cost-sharing arrangements
    - Family glitch
    - Immigration status

Affordability

- Must consider all costs consumers incur including premiums and out-of-pocket expenses
- Income for purposes of affordability should be calculated using modified adjusted gross income currently in law
- The affordability standard should be set such that premiums and out-of-pockets expenses should not exceed 5% for families up to 250% of poverty
    - The affordability standard can be adjusted based on income and should not exceed 10%

Benefit Design

- Standardized benefits
  - Essential Health Benefits
  - First dollar coverage of high value services including primary care and behavioral health care
  - No coinsurance as there is no consumer certainty around costs and serves as a deterrent to accessing
  - Should be considered a *state-regulated* insurance product to ensure consumer protections

Administration

- HCPF manages the waiver(s) and pass-through of federal funding
- Consider using state network, either Medicaid or state employee plan to extent feasible
    - Consider whether pass through federal funding could be used to incentivize provider participation through a bonus structure or PMPM
- Offer the product on Connect for Health Colorado for ease of eligibility and enrollment processing
    - Caveat: only if this can be done and still offer the product to people irrespective of immigration status

Risk Bearing and Financing

- A § 1332 waiver should be considered to repurpose APTCs to hold down premium costs and to finance the new coverage option
- Financing would be needed for start up costs including work to secure a § 1332 waiver
- Risk-bearing and administrative ideas we have considered:
    - HCPF bears the risk and hires a TPA to perform administrative functions like claims processing
    - Carrier manages risk and there is a competitive process to select carrier
    - Blended approach of the above

COLORADO MEDICAL SOCIETY

HB 19-1004: State Option for Health Care

CMS' Preliminary Recommendations

July 26, 2019

CMS is committed to finding solutions

COLORADO MEDICAL SOCIETY

- Helped incubate SB 06-208's Blue Ribbon Commission for Health Care Reform
- Supported and/or helped pass:
  - 208 Commission report
  - CIVHC
  - Medicaid expansion
  - Health insurance exchange
  - Cost Commission
  - HB 19-1004

CMS is committed to finding solutions

COLORADO MEDICAL SOCIETY

CMS' Goal

- Support a public option that increases competition in health insurance markets; reduces insurance premiums; facilitates quality improvement and administrative simplification; and inspires physician network participation.

Overview

- Increase competition in the multi-payer system utilizing current commercial payers
- Fund public option through reduction of waste and taxes on goods known to damage health
- Standardize benefit package utilizing value-based insurance design principles across all carriers selling in the individual and small group market
- Standardize formularies, provider contracting, prior authorization, utilization & claims management, guidelines, and cost & quality metrics across carriers
- Benefits offered on Exchange with subsidies to be determined by affordability criteria across income levels

Harness innovative strategies to reduce costs by incentivizing efficient care delivery, high-value services, streamlined administration, and healthy behaviors

Eligibility & Access

- To gain the benefit of increased competition, the public option should be offered statewide
- Offer in the individual and small group markets through the Exchange
- Inspire and incentivize physician participation through adequate reimbursement and reductions in administrative burden in order to ensure access

Affordability

- Increase fair market competition to improve affordability for currently insured, uninsured, and underinsured populations
- Affordability criteria should apply to premiums, deductibles, and cost-sharing
- Reduce costs by identifying, capturing, returning, and reinvesting savings:
  - Strong support for primary care, behavioral/mental health, and all components of the medical neighborhood
  - Reduce price
    - Negotiated alternative payment strategies to reduce unwarranted variations in pricing and encourage participation
  - Reduce waste
    - Overuse, underuse, misuse of resources (data review and oversight)
    - Administrative simplification: standardize formularies, provider contracting, prior authorization, utilization & claims management, guidelines, cost & quality metrics across carriers
  - Incentivize patients' healthy behaviors, advance care planning
  - Increase transparency and use of cost and quality data

Risk Bearer, Financing

- Primary insurance risk is born by carriers
- Risk for quality and efficiency of care delivery may be born by providers if identified accurately and implemented fairly
- Tax goods known to damage health (e.g. tobacco, alcohol, pot, sugary beverages)

Benefits

- Standard (across payers)
- Value-based insurance design
  - Decreased or no cost-sharing for defined high-value services
    - e.g. prevention, primary care, mental health, prenatal care, chronic disease management, immunizations, etc.
  - Increased cost sharing for low-value services (expensive and overutilized)
  - Other services covered per current standards

COLORADO MEDICAL SOCIETY

Dave Downs, MD, FACP
Chair, Work Group on Health Care Costs & Quality
davedowns1@me.com

Amy Goodman, JD, MBE
Senior Director of Policy
amy_goodman@cms.org

Ideas for a State Public Option

Presented by: AJ Ehrle, AJ Ehrle Health Insurance

State Option is to be offered only in counties serviced by less than 3 carriers

- To service a county, a carrier must provide at least bronze and silver options.
- Only one state plan option
- The state option is a PPO—any provider practicing in Colorado must accept

Plan Details

- Premium is based upon age bands (ex: 0-18 $150; 19-35 $300; 36-50 $450; 51-65 $600)
- Out of pocket (not including premium) is equivalent to 15% of clients income
- Income verification is required at enrollment to set out of pocket (latest filed federal tax returns or other official documentation)
- All undisputed bills submitted to state plan must be paid within 60 days.
- $0 Deductible; but 50/50 coinsurance until out of pocket max is met
- Or a 10% income deductible with two $50 copays for a primary care physician and two $150 copays for a specialist/ drug costs(generic or brand name) are covered on a 50/50 basis until deductible is met
  - I would assume 1332 waiver would be required to restructure a deductible.

Eligibility

- Enrollment and all verifications to be facilitated by Connect for Health
- Connect for Health limited to a 2.5% fee based on effectuated premium
- Brokers are paid a flat $100 annual fee for enrolling a client in state option to be paid no later than 60 days from the effective date
- All current SEP and Open enrollment rules and validations apply
- Service administration may be handled by Connect for Health or Health First for a fee

Rates and Financing

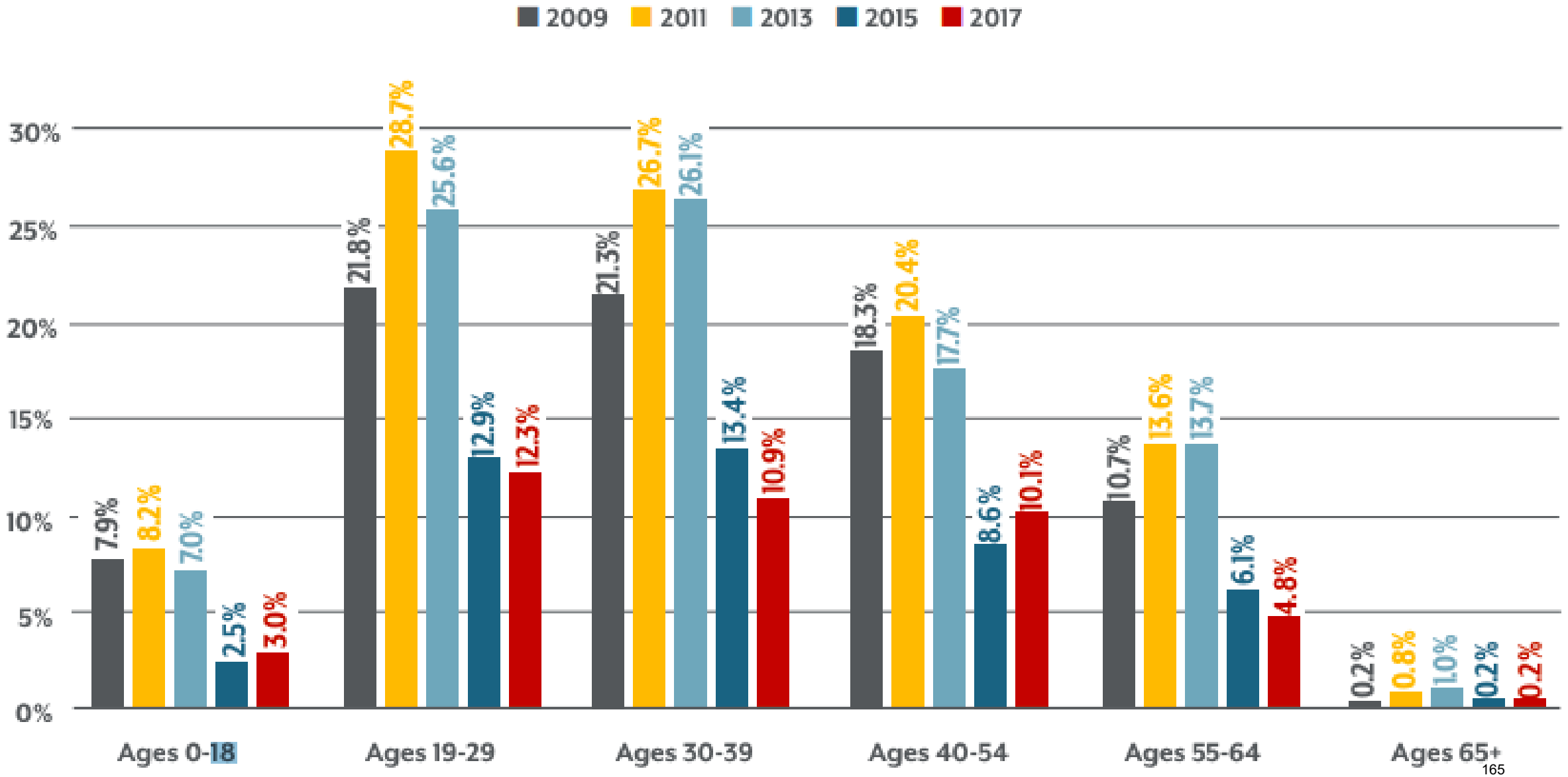
- Reimbursement rates are equivalent to 125% of Medicare reimbursement.
- Original Financing for the state option would be a question better left to HCPF.

State Option for Health Care Coverage & Young Adults

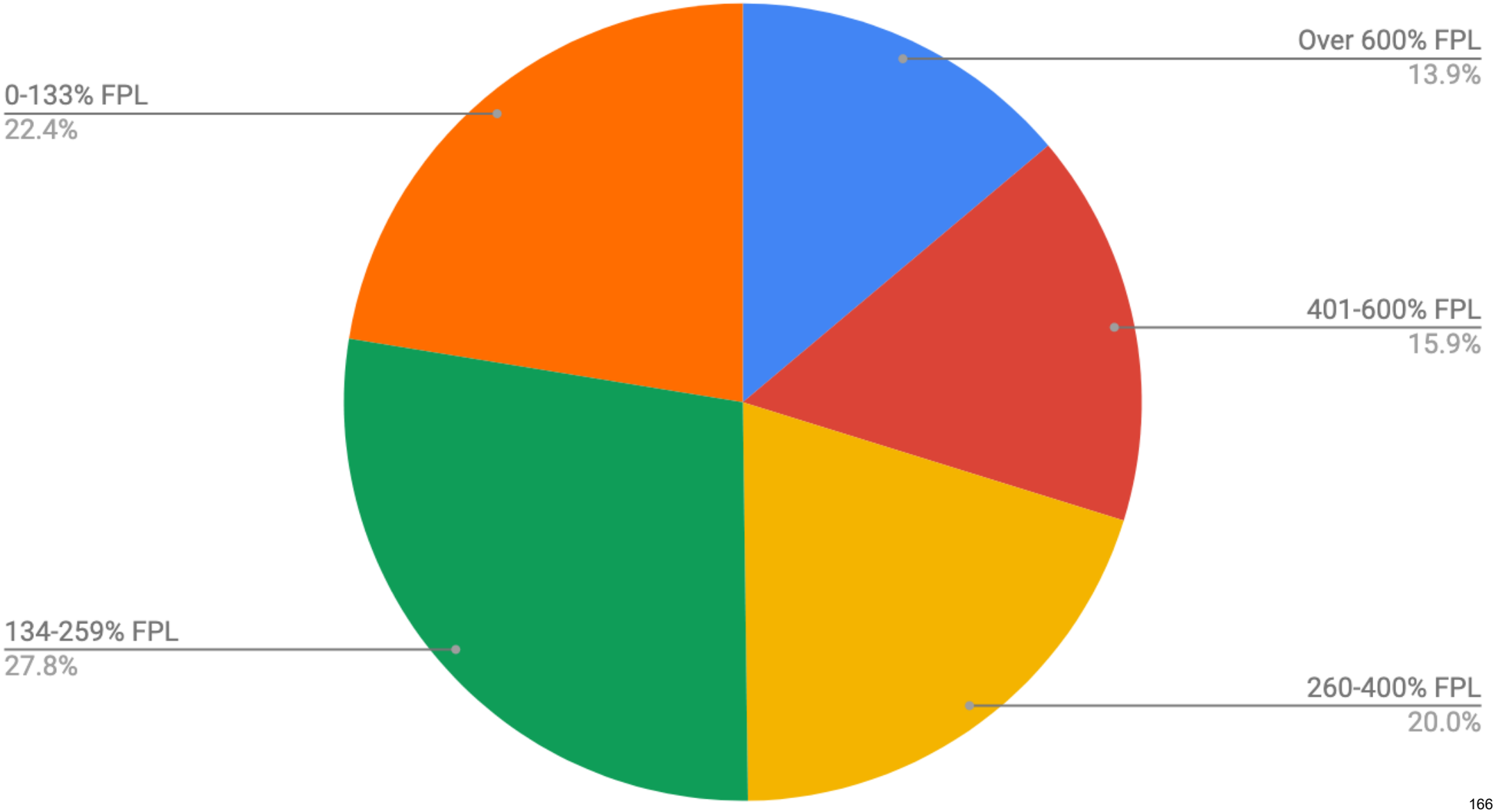
Christina Postolowski, Rocky Mountain Regional Director

July 26, 2019

Colorado's "Young Invincibles" Have Highest Uninsured Rate

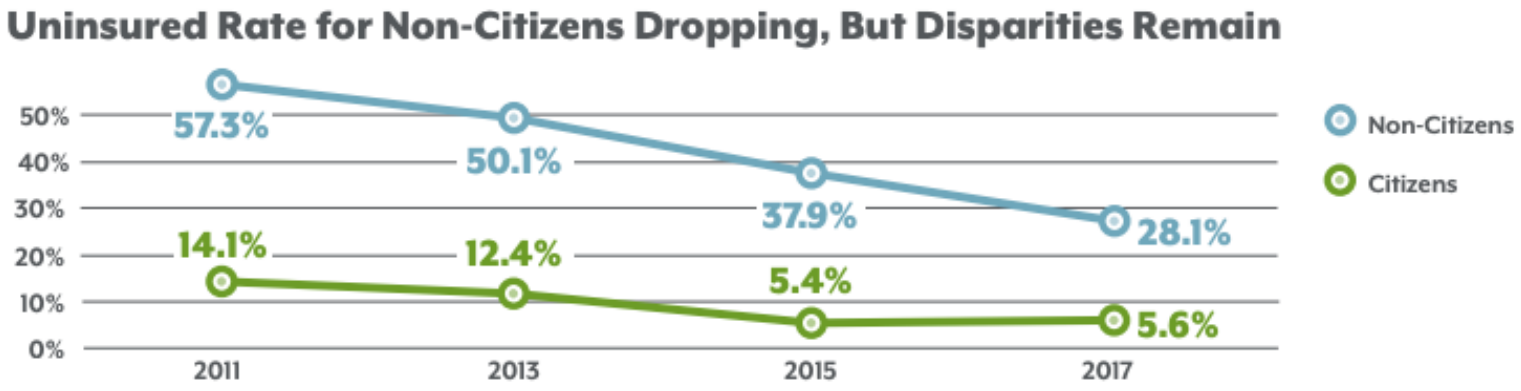


CO's Remaining Uninsured Young Adults by Income (ages 19-34), 2017



Eligibility & Access

- Statewide
- Anyone who wants to buy in
- Focus on populations with the biggest barriers to affordability & access
  - Immigrants
  - Family glitch
  - Young adults



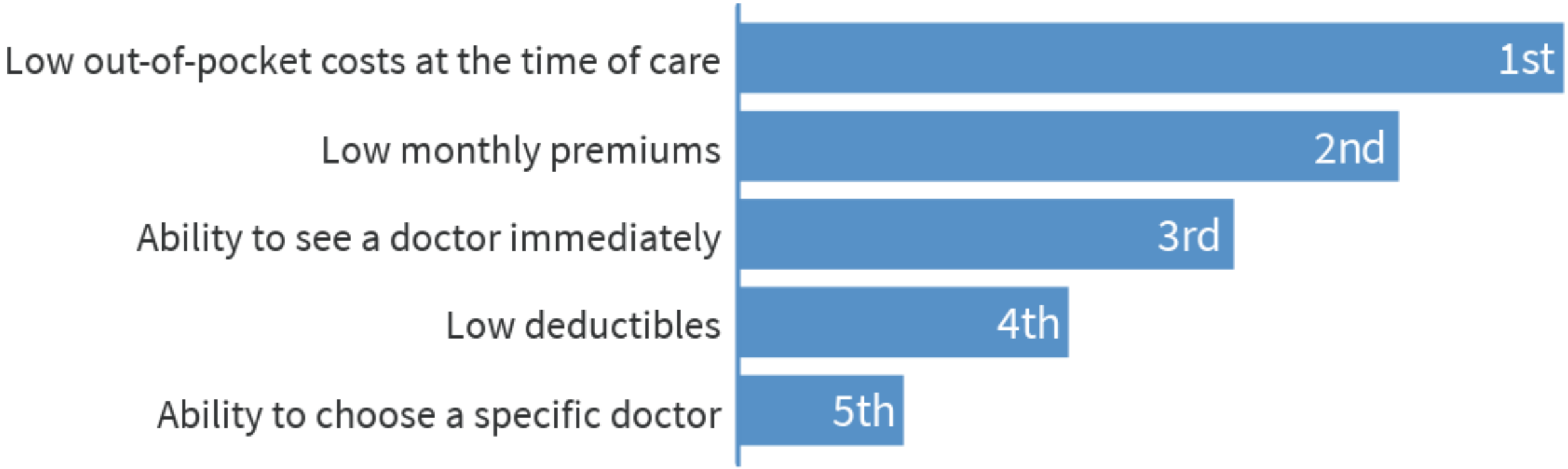
Affordability

- Total health care costs (premiums + OOP)

Total Health Services - Distribution of Expenses by Source of Payment: United States, 2016						
	Total Expenses (in Millions)	Out of Pocket	Private Insurance	Medicare	Medicaid	Other
All	1,617,531	200,950	609,285	461,997	188,782	156,517
<18 years old	158,393	19,784	78,835	159	48,530	11,085
18-34	184,491	29,134	96,867	4,652	33,399	20,439
35-64	692,595	88,606	366,461	79,333	84,374	73,821
65+	582,052	63,423	67,122	377,852	22,475	51,180

Poll locked. Responses not accepted.

What's most important thing to you right now, assuming your health stays the same?



Affordability *(cont.)*

- Set rates to a percentage of Medicare (below commercial) to lower costs
- Sliding scale based on percent of income
  - Ex. ≤5% of income for people <250% of poverty

Affordability *(cont.)*

- Could lower premium affordability threshold as an incentive for certain populations to enroll
- **Example: Advancing Youth Enrollment (AYE) Act**
  - Enhances tax credits for people ages 18-34 to support broader market stabilization efforts
  - Reduces max. percent of income 18-30 yos pay by 2.5 percentage points, reduced by 0.5 percentage points each year for ages 31-34
  - Found to be a cost-effective policy option to expand coverage

Benefit Design

- Primary care & behavioral health care covered pre-deductible
- No coinsurance
- DOI consumer protections

Young adults also seek health services for different conditions than other age groups. Topping the list, 7.6 million young adults receive care for mental health conditions, costing $12.5 billion annually. Medicaid covers less than a third of mental health expenses, with private insurance covering about 40 percent.

Plan Administration

- Plan details available on Connect for Health to allow for comparison shopping
- Offered in a way that allows undocumented immigrants to purchase the plan

Appendix V - Presentation for Statewide Meetings

English Version

Spanish Version

Colorado Option for Health Care Coverage

Division of Insurance / Dept. of Health Care Policy & Financing

Stakeholder Meeting

Presented by:

Kim Bimestefer, Executive Director, Health Care Policy & Financing

Mike Conway, Insurance Commissioner, Division of Insurance

Today's Stakeholder Meeting Agenda

Division of Insurance / Dept. of Health Care Policy & Financing

- Welcome / Introductions
- Purpose and goals of this process
- Overview of the bill
- Stakeholder role and responsibilities
- Population/ eligibility levels for whom the state option may be available
- Affordability considerations (and what that means and how it's defined)
- Existing State Health Care Infrastructure
- Work in process, Timelines
- Where to go for questions and updates

Purpose under HB 1004

Division of Insurance / Dept. of Health Care Policy & Financing

- Affordable, High Quality Health Care
- Address Uninsured rate, which is not equally spread
- Leverage Existing Infrastructure
- Maximize Innovation
- Ensure Stability of Coverage
- Encourage/ Increase Competition

Overview of HB 19-1004 Proposal For Affordable Health Coverage Option

- What else does the bill require us to include in the proposal?
  - Feasibility and cost of implementing a state option
  - Identify the most effective implementation of a state option based on affordability to consumers at various income levels
  - Administrative and financial burden to the State
  - Ease of Implementation
  - Evaluate the likelihood of meeting the objectives above

More considerations can be found in the legislation:
https://leg.colorado.gov/bills/hb19-1004

Stakeholder's Role in Recommendations

- Purpose – to provide input to DOI and HCPF in recommendations to the legislature
- Stakeholder's responsibilities – be thought partners, provide input, share with community/ partners and bring back feedback
- Timeline – Recommendations need to be delivered to legislature on November 15. The recommendations are accompanied by needed legislative changes and any funding requests.

Population/ eligibility levels: Who should the public option be available for?

- Uninsured
- Underinsured
- Residents
- Other target communities?
- Is there eligibility cap?
- Individual market versus small group markets?
  - Special Considerations for: rural, others?

Affordability: what are we trying to address?

- Health insurance premiums?
- Out-of-pocket cost-sharing (deductibles, co-payments, maximum out of pocket, and coinsurance)?
- For those in worse health or with chronic disease? Those foregoing care because of cost? Or both?
- Is it a % of income to determine affordability? Is this as an individual or family?
- What is consumer's role in affordability?

The underlying costs of care will be included in the definition of affordability.

Goals of Affordability

- More Coloradans with coverage
- Drive affordability changes in the delivery system
- Encourage behavior change among consumers, medical professionals, or institutions to lower total costs
- Improve health outcomes achieved per dollar spent
- Support high quality care
- Hold insurers accountable for passing savings through to employers and consumers

Existing State Health Care Infrastructure: what is meant by this?

Section 1.,1a(Vii) of the bill states:

"A state option for health coverage that uses existing state health care infrastructure may decrease costs for Coloradans, increase competition, and improve access to high-quality, affordable, and efficient health care."

What does this mean to you?

Work and data collection being done by Depts.

- Medicaid churn analysis
- Research and analysis of the “cliff effect”
- Colorado Health Access Survey – Uninsured survey by CHI
- Project Plan to craft an offering
- Existing plan designs and rate queries
- Actuarial analysis
- Focus groups: uninsured and underinsured
- Coverage options general analysis paper
- Technical consulting by state coverage option expert

COLORADO
Department of
Regulatory Agencies
Division of Insurance

Other issues important to your community for us to consider?

Questions? Next Steps

Website and email

https://www.colorado.gov/hcpf/proposal-affordable-health-coverage-option

HCPF_1004AffordableOption@state.co.us

Opción de Colorado para Cobertura de Atención Médica

División de Seguros/Departamento de Políticas y Financiamiento de Atención Médica

Reunión de Interesados

Presentado por:

Kim Bimestefer, directora ejecutiva, Políticas y Financiamiento de Atención Médica

Mike Conway, comisionado de seguros, División de Seguros

Programa de la Reunión de Interesados de Hoy

División de Seguros/Departamento de Políticas y Financiamiento de Atención Médica

- Bienvenida/presentaciones
- Objetivo y metas de este proceso
- Información general del proyecto de ley
- Función y responsabilidades de los interesados
- Población/niveles de elegibilidad para aquellos que puedan acceder a la opción del estado
- Aspectos que se deben tener en cuenta con respecto a la asequibilidad (y lo que eso significa y cómo se define)
- Infraestructura actual de la atención médica del estado
- Trabajo en curso, plazos
- Dónde dirigirse por preguntas y actualizaciones

Objetivo en el Marco de HB 1004

División de Seguros/Departamento de Políticas y Financiamiento de Atención Médica

- Atención médica de alta calidad, asequible
- Abordar la tasa de personas sin seguro, que no está distribuida equitativamente
- Hacer uso de la infraestructura actual
- Maximizar la innovación
- Garantizar la estabilidad de la cobertura
- Promover/aumentar la competencia

Información General de la Propuesta HB 19-1004 para la Opción de Cobertura Sanitaria Asequible

- ¿Qué más nos exige incluir en la propuesta el proyecto de ley?
  - Viabilidad y costo de la implementación de la opción del estado
  - Identificar la implementación más eficaz de una opción del estado teniendo en cuenta la asequibilidad para los usuarios en diversos niveles de ingresos
  - Carga administrativa y económica para el estado
  - Facilidad de implementación
  - Evaluar la probabilidad de cumplir con los objetivos anteriores

Se pueden encontrar más aspectos a tener en cuenta en la legislación:
https://leg.colorado.gov/bills/hb19-1004

Función de los Interesados en las Recomendaciones

- Objetivo - sugerir a DOI y HCPF recomendaciones para la legislatura.
- Responsabilidades de los interesados - ser partícipes reflexivos, ofrecer sugerencias, compartir con la comunidad/copartícipes y traer opiniones y comentarios.
- Plazo - las recomendaciones se deben presentar a la legislatura el 15 de noviembre. Las recomendaciones van acompañadas de las modificaciones legislativas necesarias y las solicitudes de financiación.

Población/niveles de elegibilidad: ¿Para quiénes debería estar disponible la opción pública?

- Personas sin seguro
- Personas con infraseguro
- Residentes
- ¿Otras comunidades destinatarias?
- ¿Hay un tope máximo?
- ¿Mercado individual frente a mercados de grupos pequeños?
  - ¿Aspectos especiales a tener en cuenta para: rural, otros?

Asequibilidad: ¿qué intentamos abordar?

- ¿Primas de seguro médico?
- ¿Reparto de gastos del bolsillo propio (deducibles, copagos, gastos máximos del bolsillo propio y coaseguro)?
- ¿Para aquellos que tienen peor salud o una enfermedad crónica? ¿Aquellos que renuncian a la atención debido al costo? ¿O ambos?
- ¿Se toma un % de los ingresos para determinar la asequibilidad? ¿Esto es como una persona o una familia?
- ¿Cuál es el rol del consumidor en la asequibilidad?

Los costos subyacentes de la atención se incluirán en la definición de asequibilidad.

Objetivos de Asequibilidad

- Más habitantes de Colorado con cobertura
- Impulsar cambios con respecto a la asequibilidad en el sistema de prestación de asistencia
- Fomentar cambios de comportamiento entre usuarios, profesionales médicos o instituciones con el fin de reducir los costos totales
- Mejorar los resultados sanitarios obtenidos por dólar gastado
- Apoyar la atención de alta calidad
- Mantener a las aseguradoras responsables de transferir ahorros a empleadores y usuarios

Infraestructura Actual de la Atención Médica del Estado: ¿qué significa esto?

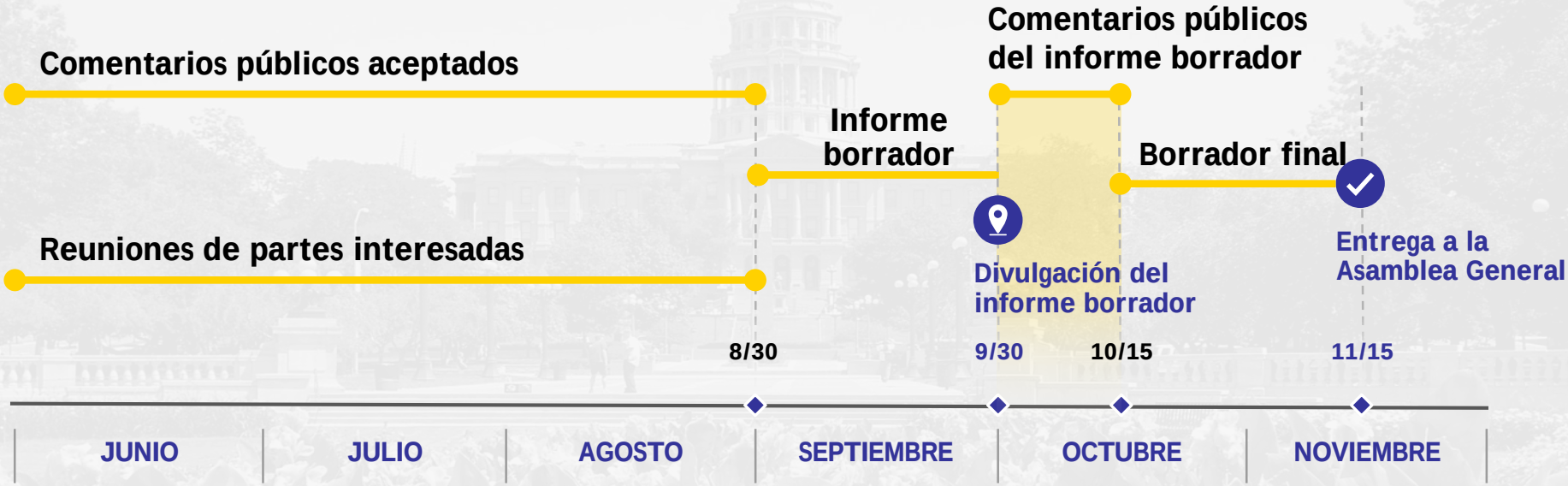
La sección 1.,1a(Vii) del proyecto de ley estipula:

"Una opción estatal de cobertura sanitaria que utilice la infraestructura actual de atención médica del estado puede disminuir los costos para los habitantes de Colorado, aumentar la competencia y mejorar el acceso a la atención médica de alta calidad, asequible y eficaz".

¿Qué significa esto para usted?

Trabajo y recolección de datos que realizan los Departamentos

- Análisis de cambio de servicio de Medicaid
- Investigación y análisis del "efecto precipicio"
- Encuesta sobre acceso a la salud de Colorado - encuesta para personas sin seguro por CHI
- Plan del proyecto para elaborar una oferta
- Consulta sobre tarifas y propósitos del plan actual
- Análisis actuarial
- Grupos de debate: personas sin seguro y con seguro insuficiente
- Documento de análisis general de opciones de cobertura
- Consultoría técnica por parte de un experto en la opción de cobertura del estado


Comentarios públicos aceptados
Reuniones de partes interesadas
Informe borrador
Comentarios públicos del informe borrador
Borrador final
Divulgación del informe borrador
Entrega a la Asamblea General
8/30
9/30
10/15
11/15
JUNIO
JULIO
AGOSTO
SEPTIEMBRE
OCTUBRE
NOVIEMBRE

¿Otras cuestiones importantes para su comunidad que debamos tener en cuenta?

¿Preguntas? Próximos pasos:

Sitio web y correo electrónico

https://www.colorado.gov/hcpf/proposal-affordable-health-coverage-option

HCPF_1004AffordableOption@state.co.us