

Improving Health Equity: Colorado's 1332 Waiver and Benchmark Plan

NAIC SCORI Health Workstream
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Agenda

- Overview of Colorado's 1332 Waiver
 - Reinsurance Program
 - Colorado Option Program
 - Colorado Health Insurance Affordability Enterprise
- Colorado's Essential Health Benefit (EHB) Benchmark Plan

Colorado's Innovative 1332 Waiver

- ACA Section 1332 State Innovation Waivers allow states to leverage federal premium tax credit (PTC) savings generated by state-based premium reduction programs
- Colorado's 1332 waiver premium reduction programs:
 - (1) Reinsurance (2020+)
 - (2) Colorado Option (2023+)
- Federal PTC savings (“pass-through funds”) from Reinsurance and Colorado Option are used to increase affordability and promote health equity



1332 Pass-Through Funding

2020: \$169,447,687

2021: \$182,680,879

2022: \$196,705,975

*2023: \$245,012,430

*2023 is the first year where federal savings and thus pass-through funds are generated by both Reinsurance and Colorado Option



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Colorado 1332 Waiver History

- (1) [Original waiver](#) (2019): Reinsurance only (2020-2021)
- (2) [Extended waiver](#) (2021): Reinsurance only (2022-2026)
- (3) [Amended waiver](#) (2022): Reinsurance & Colorado Option (2023-2027)

State Legislation

- House Bill 19-1168: Reinsurance
 - Established Colorado's state-based reinsurance program, starting in 2020
- Senate Bill 20-215: Health Insurance Affordability Enterprise
 - Created new insurance subsidies for the individual market, to build on the ACA and extend subsidized coverage to new enrollee populations
- House Bill 21-1232: Colorado Option
 - Created a standardized health benefit plan to improve access, affordability, and racial health equity

Reinsurance Overview

Reinsurance Program Goals

- Reduce health insurance premiums (pre-subsidy) in Colorado's individual market
- Reduce geographic variability in health insurance prices
- Increase health insurance market stability

How Reinsurance Works

- Pays for a percentage of the highest cost claims on the individual market, requiring carriers to reduce rates in return
- Reduces premiums and stabilize markets by reducing insurers' costs and risk
- Invisible to the consumer, except for the lower premium price
- Premium rates are reduced more in higher cost areas of the state



\$1.18 Billion Savings from Reinsurance (2020-2023)

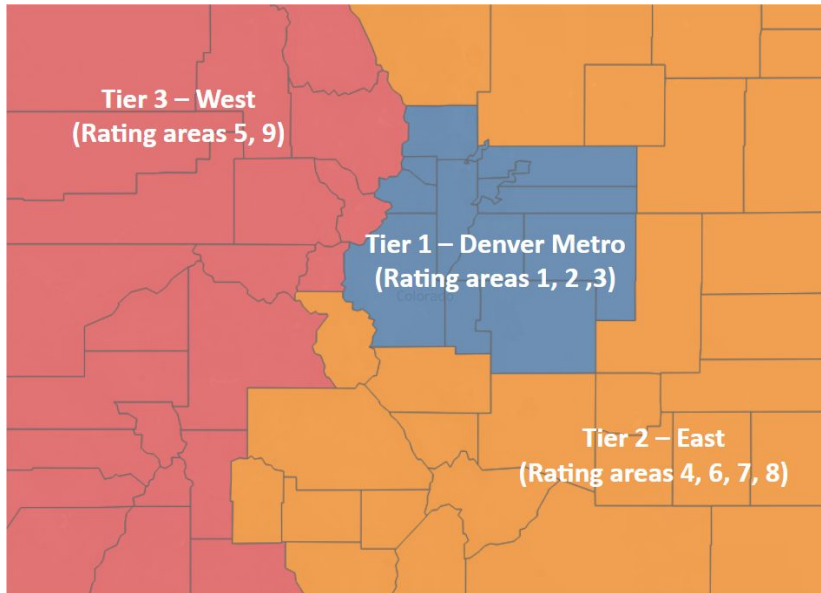
Total Savings from Reinsurance (2020-2023): \$1.18 Billion

Program Year	Savings
2020	\$307,880,631
2021	\$256,274,528
2022	\$321,858,016
2023	\$294,002,640
TOTAL	\$1,180,015,815



Reinsurance Premium Impact

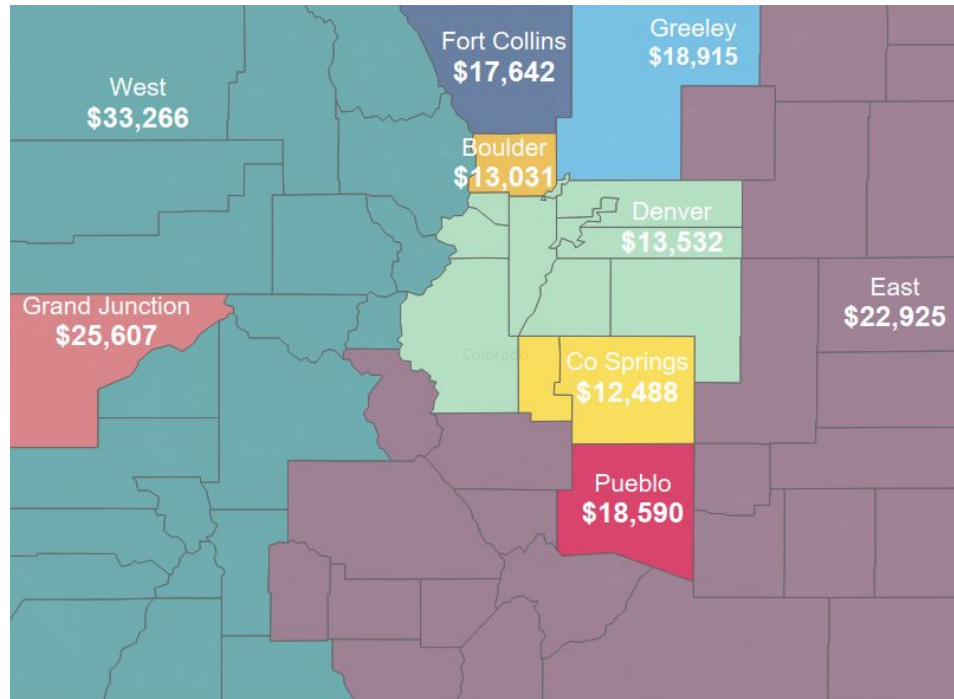
Reinsurance saves consumers over \$100 per month (statewide average), and more in rural areas



Premium Savings	Tier 1	Tier 2	Tier 3	State Ave.
2020 Savings	18.0%	23.5%	29.5%	20.9%
2021 Savings	17.0%	22.9%	36.9%	20.8%
2022 Savings	20.5%	27.4%	36.0%	24.1%
2023 Savings	16.9%	20.2%	30.2%	19.7%



Savings for a Family of 4 (2020-2023)



Colorado Option Overview

Established through HB21-1232, the Colorado Option is designed to improve **access, affordability, and racial health equity** for consumers purchasing health insurance in Colorado's individual and small group markets.



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Colorado Option Overview

Creates a standardized plan for Colorado

- Provides first dollar coverage for certain high value benefits (i.e. primary care and behavioral health)
- Designed to reduce racial health disparities, improve perinatal care, and improve the cultural responsiveness of the provider network

Requires standardized plans to reduce premiums

- By 15% over three years (5% per year) beginning in 2023
- After 2025, premiums can only increase by inflation

Allows Colorado to capture federal premium tax credit savings to make coverage more available and affordable




Colorado Option: Standardized Plans

Colorado Option

Saving people money on health care

The Colorado Option Standardized Health Benefit Plan is designed to improve access, affordability, and racial health equity. Available for enrollment in 2023 for consumers in the individual and small group market, it will allow for:

- Lower premiums**
Standardized Plans are required to reduce premiums by 5% in 2023, by 10% in 2024, and 15% in 2025 (compared to 2021 premiums).
- Lower costs for many services**
Primary Care, Non-Preventive Visits, Prenatal and Postnatal Visits, Mental Behavioral Health, Substance Use Disorder Care, Chronic Diseases, Including Cardiovascular Disease, Diabetes Self-Management Education.
- Inclusive care**
The Standardized Plan must have a provider network that is representative of and responsive to the community. The Standardized Plan provider network must include more community providers and Certified Nurse Practitioners. It must support telemedicine, language services, and enhanced language access and provider directory requirements.
- Easy plan comparison**
With Standardized Plans, consumers can make apples-to-apples comparisons and focus on quality, network, and price because all Standardized Plans have the same benefit design.
- Easy-to-understand pricing**
The Standardized Plan makes it easy to know what you will pay when you go to the doctor for the most common services or when you need to fill a prescription.



- Carriers are required to offer standardized plans at bronze, silver, and gold levels in counties where they offer other health benefit plans
- Consumers purchasing insurance in the individual and small group markets can purchase these new plans
- Consumers were first able to purchase during the 2023 Open Enrollment Period both on Exchange (Connect for Health CO) and Off Exchange



Colorado Option: Available & Affordable

In 2023...

- The CO Option brought **36 new individual plans** and **48 new small group plans** to the market and captured almost 35,000 enrollments (13% of marketplace)
- **ALL counties** in CO have Colorado Option Silver plan at or below the average silver premium in that county.
- **63 out of 64 counties** have Colorado Option Gold/Bronze plan at or below the average gold premium in that county.
- **63 of 64 counties** have 2+ carriers offering individual plans



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Colorado Option: Promoting Racial Health Equity

Standardized Plan Design

Reduced Out-of-Pocket Costs for high-value services

- \$0 primary care visits, non-preventive
- \$0 mental/behavioral health office visits
- \$0 prenatal and postnatal visits (including home visits)
- \$0 substance use disorder office visits
- \$0 copay for diabetic supplies, including continuous glucose monitors
- \$5 copay for Diabetes Self-Management Education
- Evidence based diabetes prevention coverage
- Evidence based tobacco cessation programs



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Colorado Option: Promoting Racial Health Equity



Provider Networks

The Standard Plan must have a provider network that is **representative** of and **responsive** to the community. The Standard Plan's provider network will:

- Collect demographic data on enrollees and providers
- Include more essential community providers and Certified Nurse Midwives
- Support its non-English speaking enrollees through enhanced language access and provider directory requirements

Colorado Option: Enforcement Authority

The Division has the authority to enforce premium rate reduction targets on the Colorado Option Standardized Plan through:

- **Rate review**: the Division scrutinizes filed rates and utilizes its rate review authority to hold carriers accountable to meeting premium targets
- **Public hearings**: For plan year 2024 and beyond, the Division will hold public hearings for any carrier who has not met their premium target. The Commissioner may set rates (based on legislative floors) on providers and hospitals if it is determined that contracted reimbursement rates are a cause for the carrier missing its target

Health Insurance Affordability Enterprise

Using 1332 to Promote Health Equity

Established through SB20-215, the Health Insurance Affordability Enterprise was created to make coverage more affordable for Coloradans purchasing insurance on the individual market, including those without documentation.

The Enterprise uses 1332 waiver funds to provide state-based insurance subsidies and extend subsidized coverage to new enrollee populations.



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OmniSalud Subsidy Program



OmniSalud: Health insurance plans available for purchase on Colorado Connect that Coloradans can purchase regardless of documentation status

- Colorado Connect is a new enrollment platform created for OmniSalud by the state-based exchange
- All OmniSalud plans are Colorado Option plans.
- <150% FPL qualify for \$0 premium, 94% AV plans
- ~10,000 subsidized enrollees in 2023

OmniSalud will save Colorado consumers over \$73 million in 2023!



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OmniSalud Enrollee Feedback

“There's not a lot of opportunities for us to get health insurance. For us, it's a good option that OmniSalud has presented us because we really didn't have anywhere else to go. There was no way.”

“It is very hard to manage my husband's chronic conditions without insurance. OmniSalud has helped us find care for him, stick to one doctor, and buy his medications. We are very grateful and happy to be a part of the program.”

“It is nice to think that I will finally receive the care I need by professionals and trained people.”

“I've had health issues my entire life. My back, my muscles, my neck, my arms. Everything hurts. I used the Denver Health discount program...but lost it. Now I have OmniSalud and have been to the doctor and my prescriptions are covered. I want to help my community understand this program is safe.”

“I've been here 30 years, and it's the first time I've had the opportunity.” ”



Funding for the Enterprise & OmniSalud

- (1) **Health Insurance Affordability Fee:** Annual 1.10% fee on non-profit carriers; 2.15% fee on for-profit carriers (\$110 million in 2023)
- (2) **Insurance Premium Taxes:** not to exceed 10% of all Enterprise revenue collected annually
- (3) **Hospital Special Assessment Fee:** \$20 million collected in 2022; \$20 million collected in 2023 only
- (4) **1332 Waiver Funding:** portion of Colorado's federal 1332 waiver annual pass-through funds, starting in 2023

Programs Funded by the Enterprise

- (1) Reinsurance Program
- (2) OmniSalud Subsidy Program
- (3) APTC-Eligible Enrollee Subsidies
(enhanced ACA subsidies)
- (4) Enterprise and Program Administration



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1332 Waiver Recap

- (1) Colorado's 1332 waiver allows the Division to save the federal government money in APTC. Colorado saves the federal government money by lowering premiums through its Reinsurance Program and Colorado Option Program
- (2) Federal savings get passed to Colorado in the form of “pass-through” funding
- (3) The Division uses this money to fund: Reinsurance, OmniSalud Subsidy Program, APTC-Eligible Enrollee Enhanced Subsidies



Essential Health Benefit Benchmark Plan

Colorado Essential Health Benefit Benchmark Plan (Effective January 1, 2023):

[Colorado's updated Benchmark Plan](#), the insurance coverage plan used to set minimum standards for essential health benefits (EHBs) within Colorado, went into effect on January 1, 2023 for individual and small group plans. The plan includes the enhanced behavioral health coverage requirements, which were approved by the Center for Medicare and Medicaid Services in October 2021.



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Essential Health Benefit Benchmark Plan

**Comprehensive Gender-Affirming Care
Surgery and Hormone Therapy**
Coverage Transparency Resource - Launched Jan. 2023

Annual Mental Wellness Exam
One 45-60-minute visit per plan year w/a
qualified mental health care provider.

Alternatives to Opioids (ALTOs)
15 drugs as ALTOs and
up to 6 acupuncture visits per year



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