

Rural Colorado's High Costs of Care

*There's No Silver Bullet – But Prices
and Utilization of Care Matter*



Connect for Health Colorado's Board Advisory Group

Glenwood Springs, CO

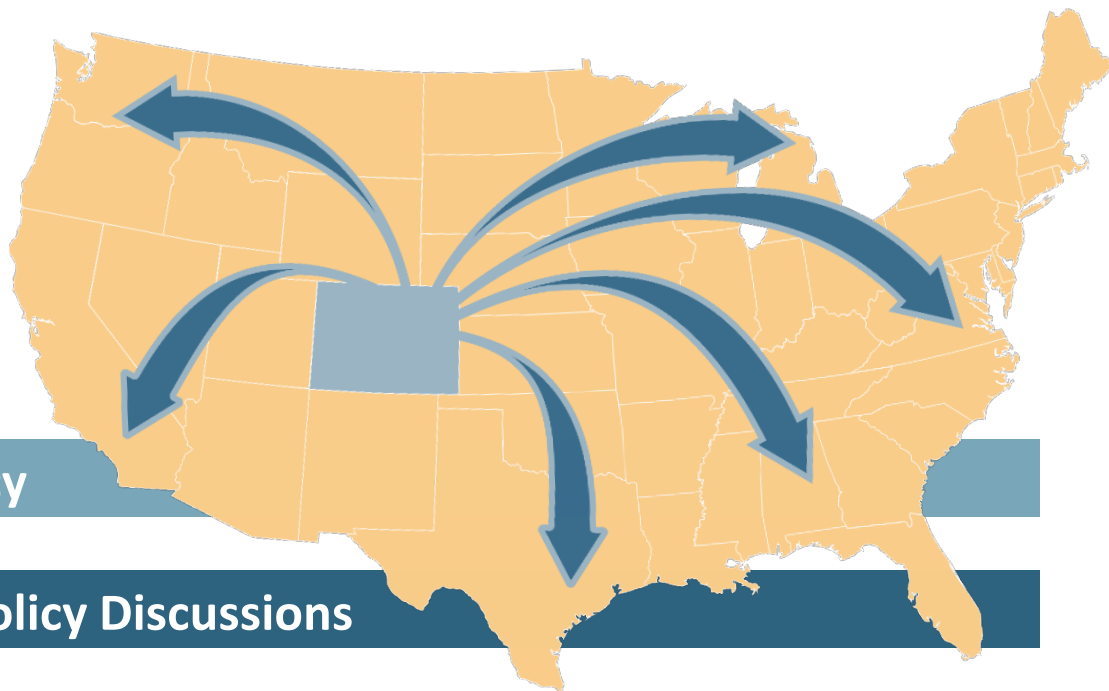
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About Us:



COLORADO HEALTH INSTITUTE



Inform State and National Policy

Contribute to Current Health Policy Discussions

Support Efforts to Improve Health



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Three Takeaways

1. Rural health costs are high.
2. But rural health and health care issues are diverse – so there's no one-size-fits-all solution.
3. Both higher prices and care utilization are to blame.

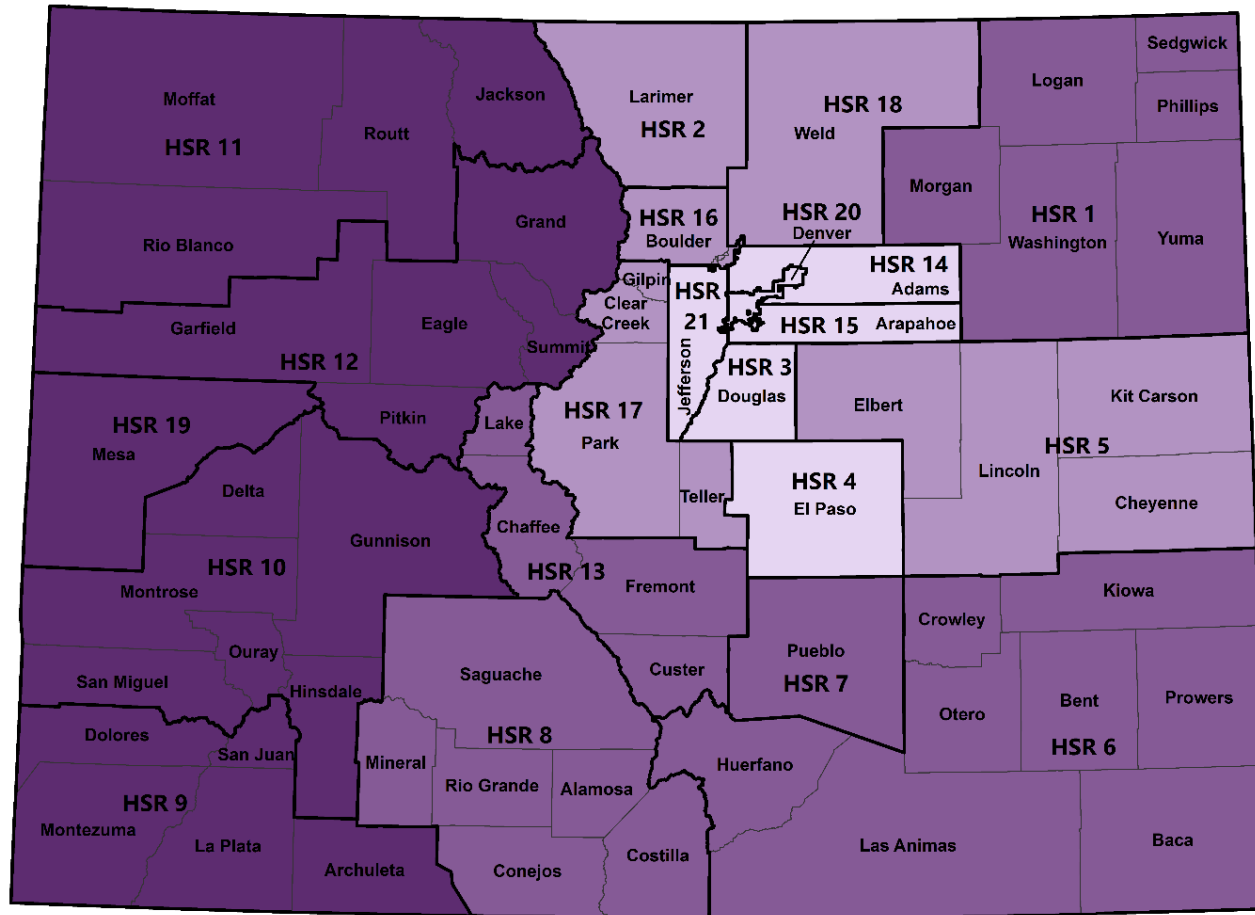
1 The Windshield Test



1

Rural Colorado's Individual Market Coverage is Pricey...

Sample Insurance Rates for Second-Lowest Cost Silver Plan for a 27-Year-Old,
Sold on Connect for Health Colorado, 2017



\$253.33 - \$256.51
 \$256.52 - \$296.30
 \$296.31 - \$383.59
 \$383.60 - \$514.12

Colorado Avg: \$287.29



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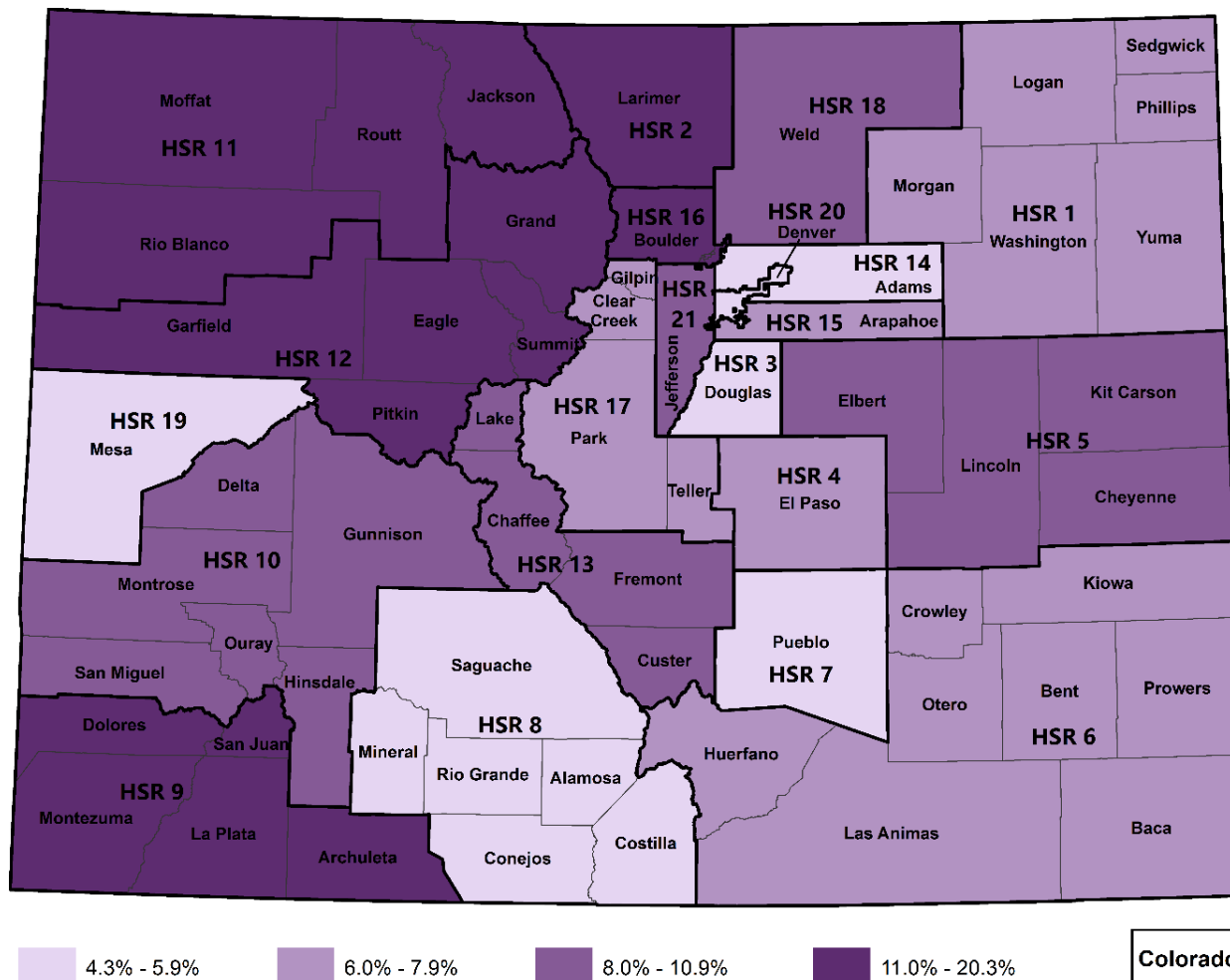


Source: Connect for Health Colorado

1

...And Rural Colorado Feels the Hit Hardest

Percentage of Coloradans Insured on the Individual Market, 2015



But rural health and health care issues are diverse.

2

So there's no one-size-fits-all solution.

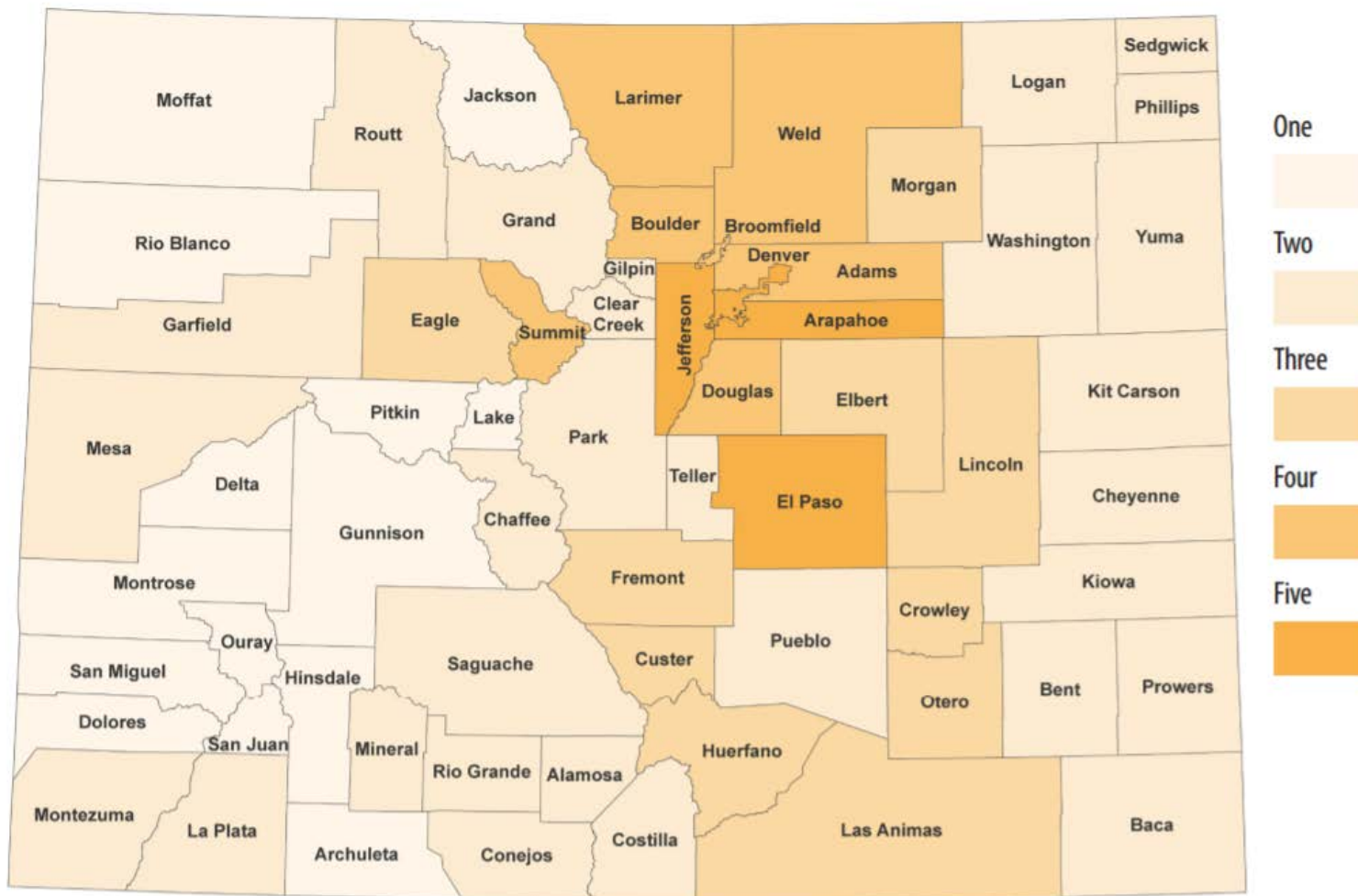


2

Markets:

Carrier Competition is Low in Rural Areas

Number of Insurance Carriers by County, Through Connect for Health Colorado, Individual Market, 2017



Source: Connect for Health Colorado

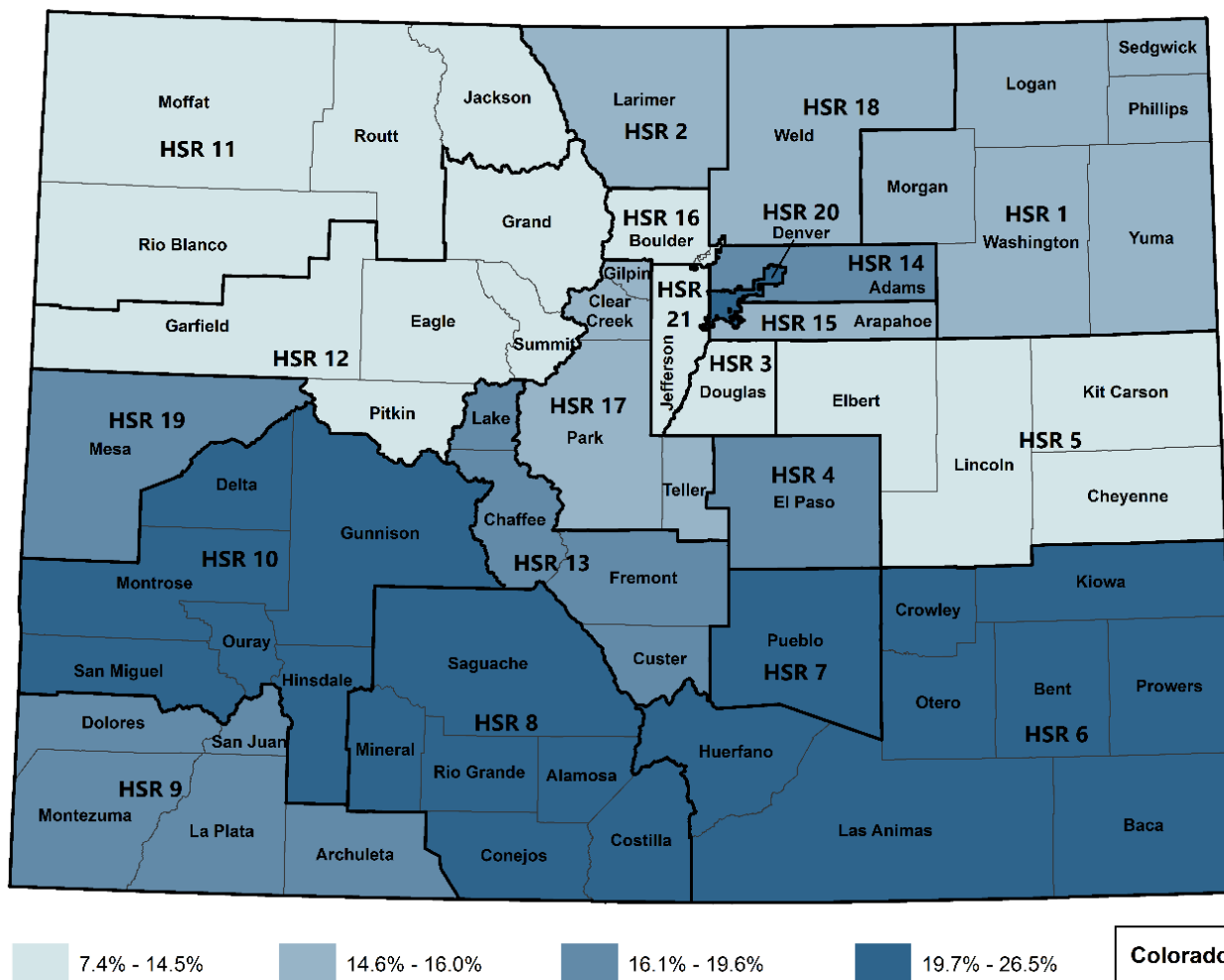


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2

Socio-demographics: Poverty Rates Vary

Percentage of Coloradans Living At or Below 100 Percent Poverty, 2015



Source: 2015 American Community Survey



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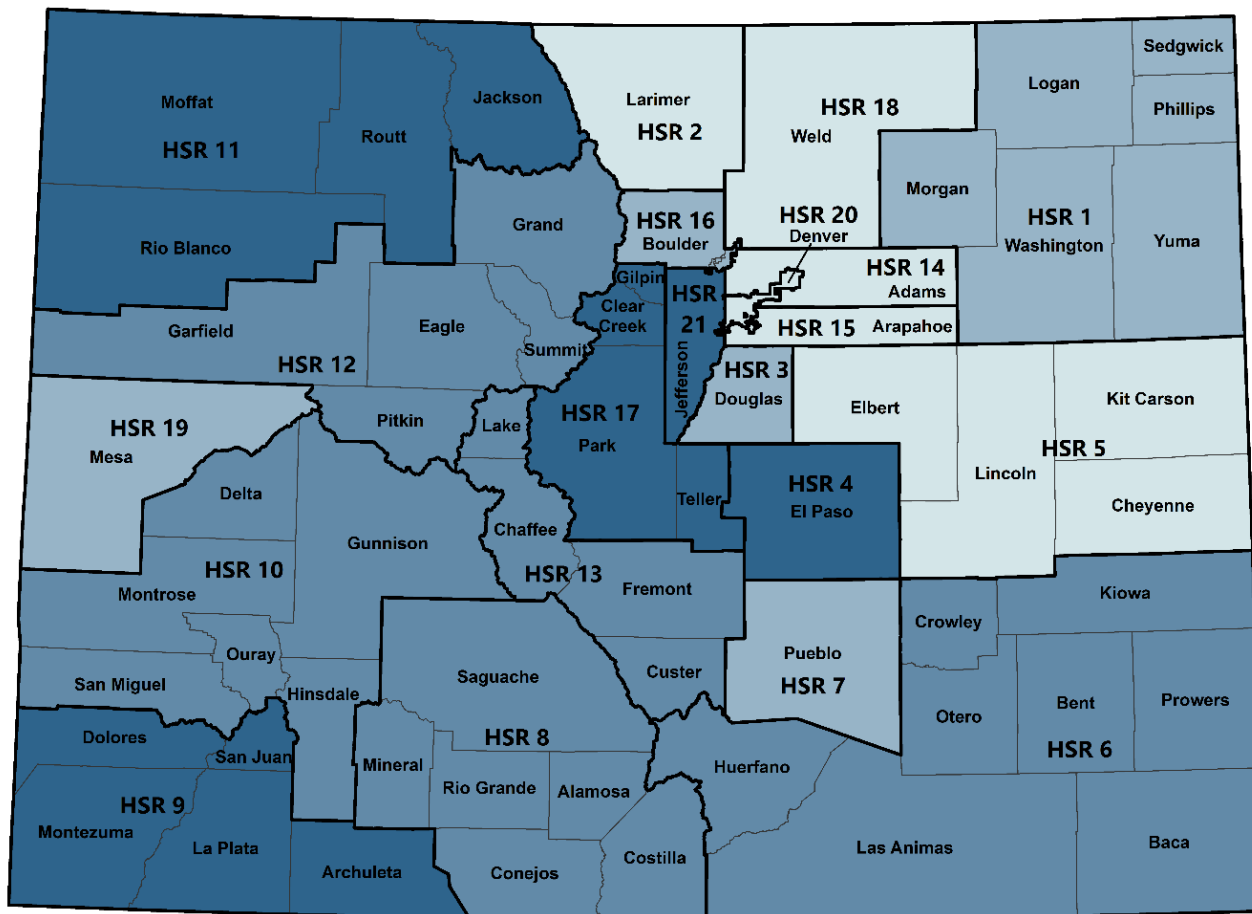
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2 Socio-demographics: Age Distribution Skews Older

Percentage of the Population Ages 50-64, 2016



Colorado Avg: 19.4%

Source: 2016 Colorado Demography Office



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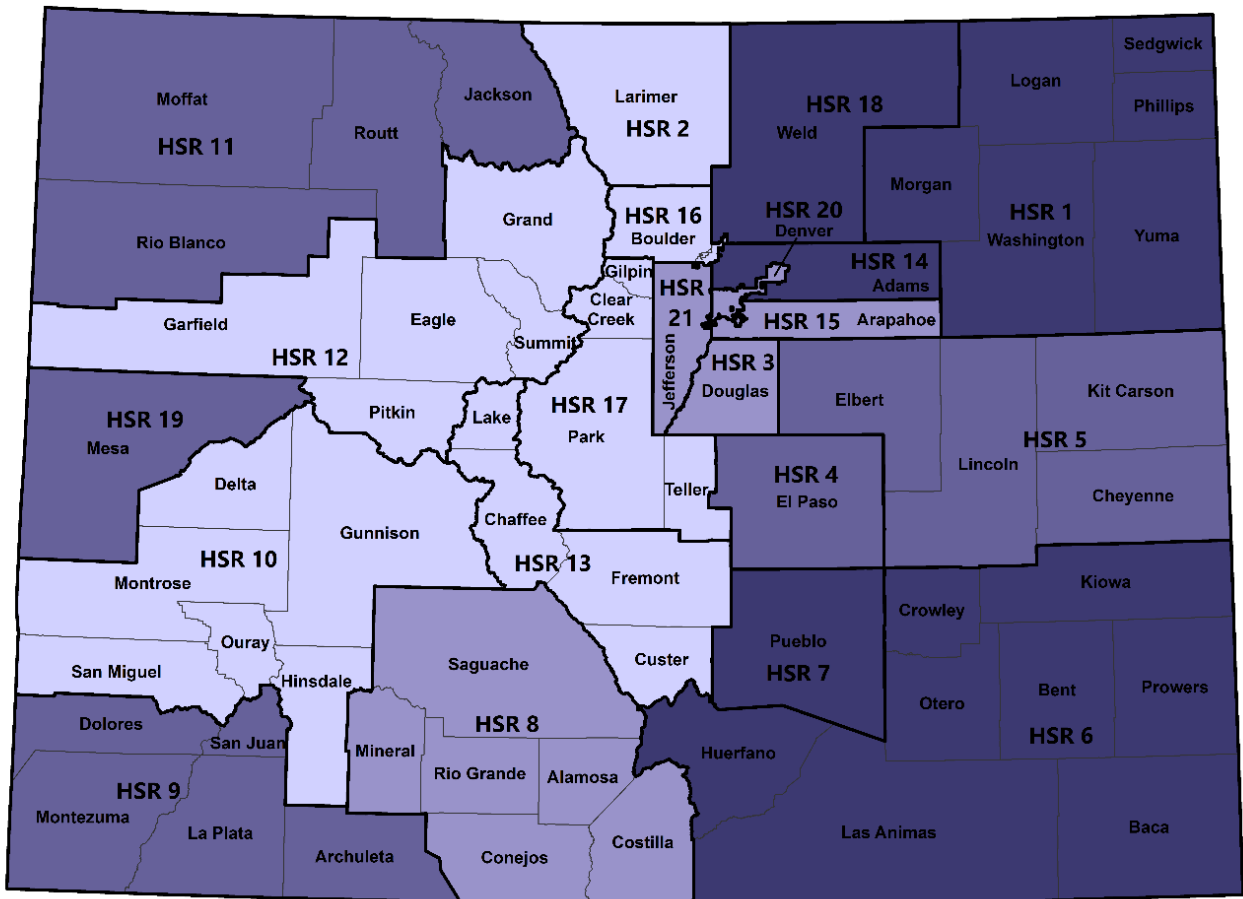


2

Health Status:

Obesity is Highest on the Eastern Plains

Percentage of Coloradans Who Are Overweight or Obese, 2015



43.3% - 55.5% 55.6% - 58.3% 58.4% - 64.8% 64.9% - 68.8%

Colorado Avg: 56.6%

Source: 2015 Behavioral Risk Factor Surveillance System



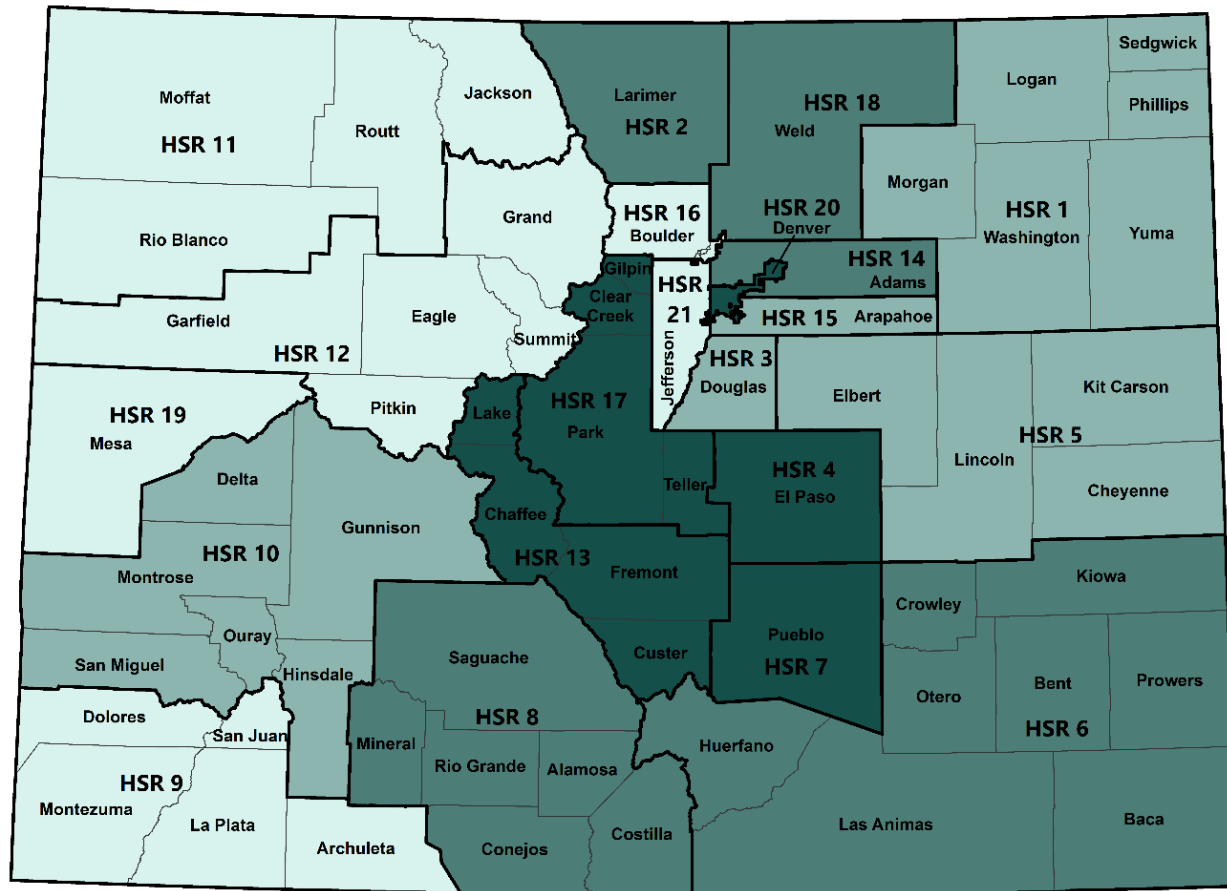
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2 Mental Health Status Varies

Percentage of Coloradans Who Reported 8+ Days
When Mental Health Was Not Good in Past 30 Days, 2015



6.5% - 11.1%

11.2% - 14.1%

14.2% - 15.9%

16.0% - 20.2%

Colorado Avg: 14.1%

Source: 2015 Behavioral Risk Factor Surveillance System



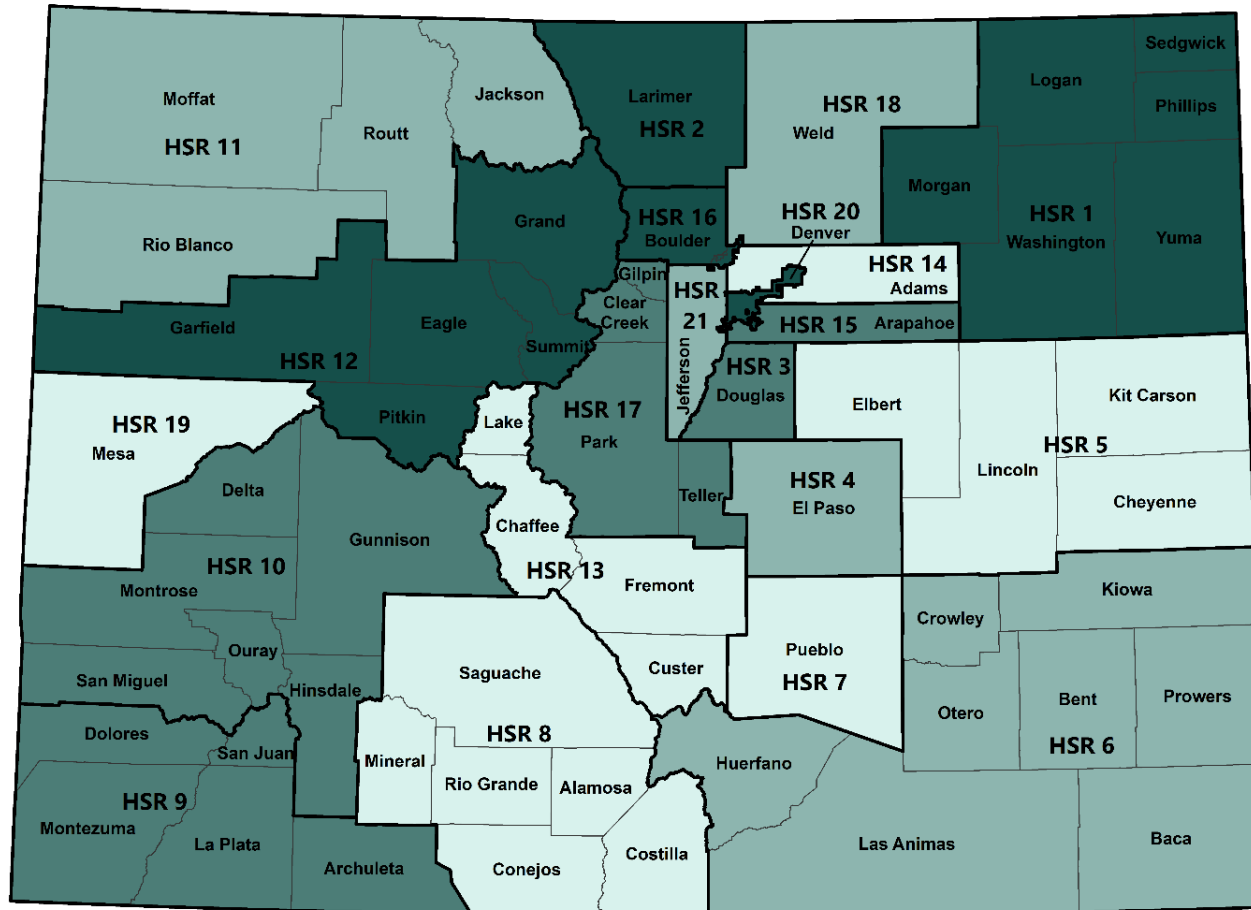
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2 Binge Drinking Varies

Percentage of Coloradans Who Binge Drank in the Past Month, 2015

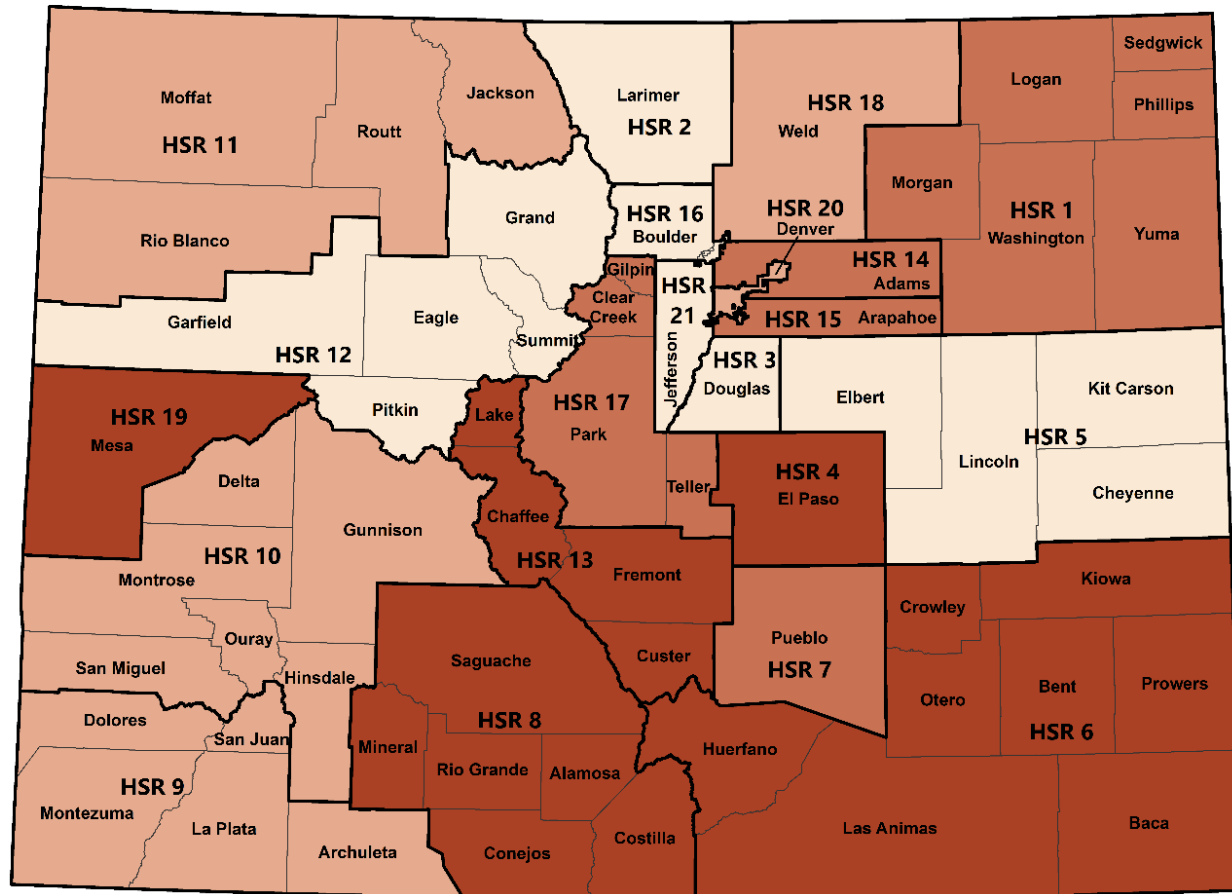


Colorado Avg: 18.1%

Source: 2015 Behavioral Risk Factor Surveillance System

Smoking Higher in Southeast

Percentage of Coloradans Who Are Currently Smokers, 2015

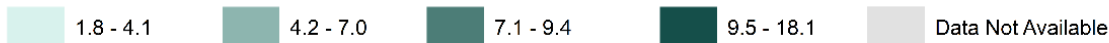
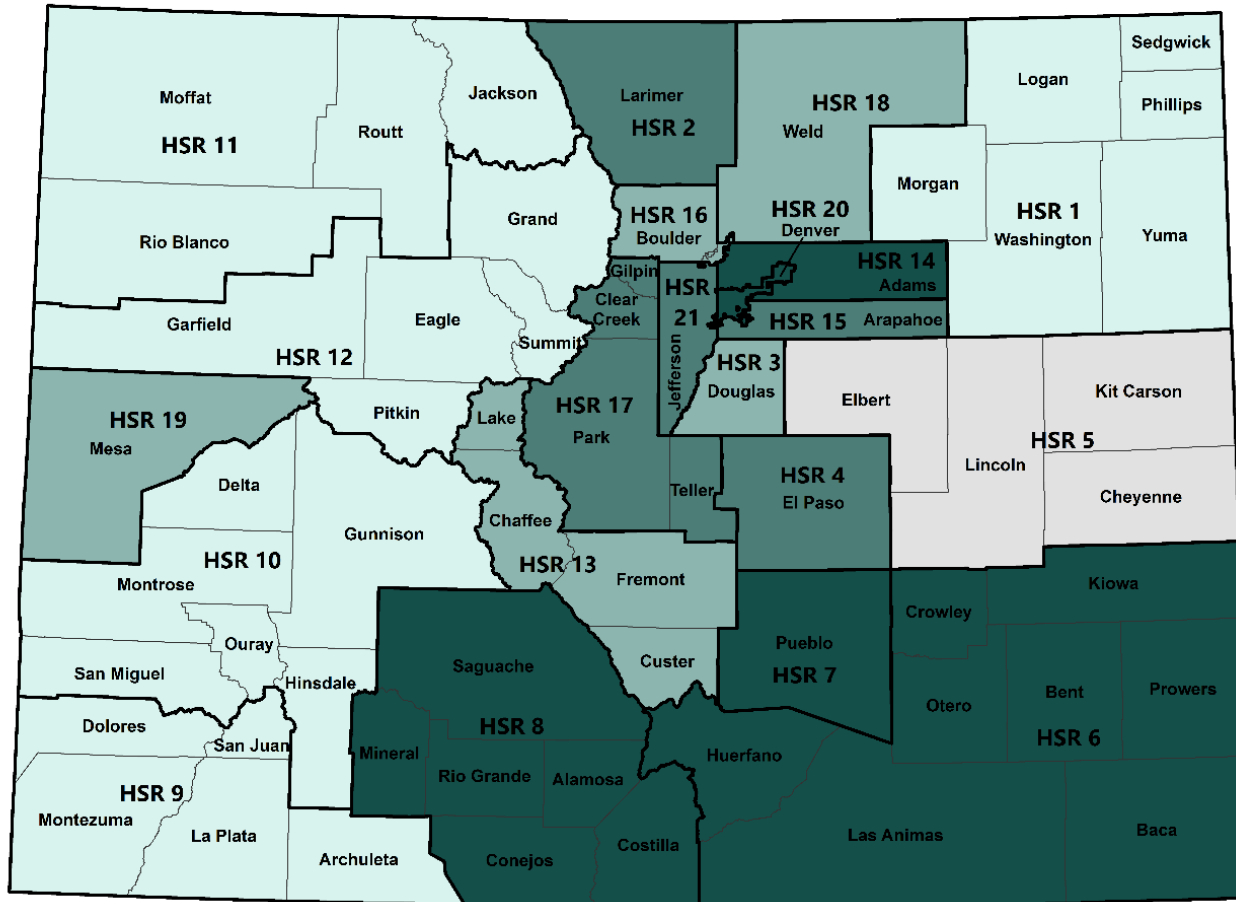


Colorado Avg: 15.7%

Source: 2015 Behavioral Risk Factor Surveillance System

2 Opioid Overdoses Hit Southeast

Age-Adjusted Opioid Overdose Death Rate Per 100,000, 2013-2015



Colorado Avg: 8.1

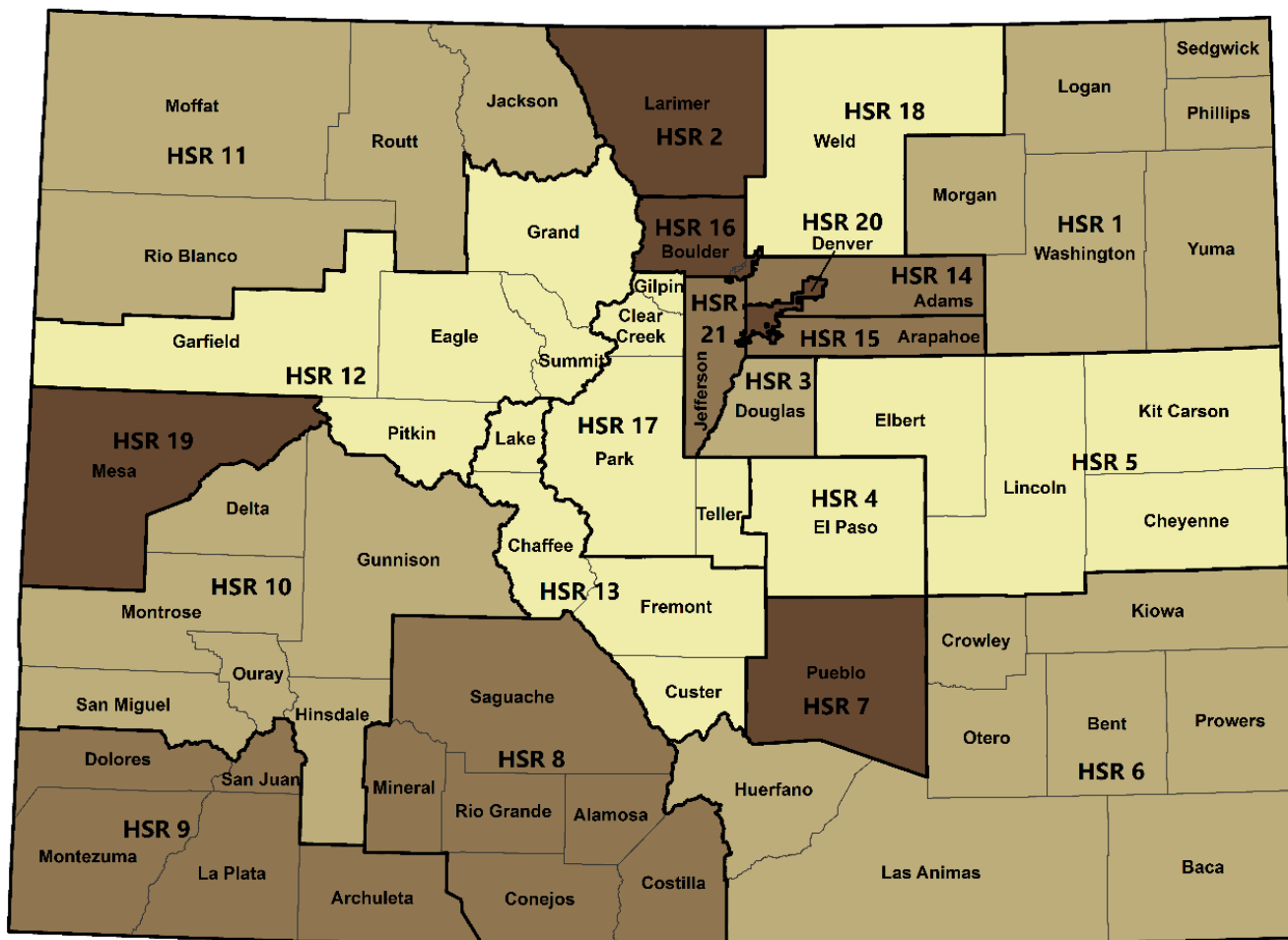
Source: Colorado Department of Public Health and the Environment

Access to Care:

2

Because of a Lack of Primary Care Workers?

Ratio of Actual FTE to Needed FTE, Colorado, 2014



0.3 - 0.8

0.9

1.0 - 1.1

1.2 - 1.4

Colorado Avg: 1.0

THE 2016 COLORADO

Health Report Card

There are no clear drivers of high rural costs.

But there are some common social determinants of health.

Innovating Out of Necessity



The Colorado Health Foundation™

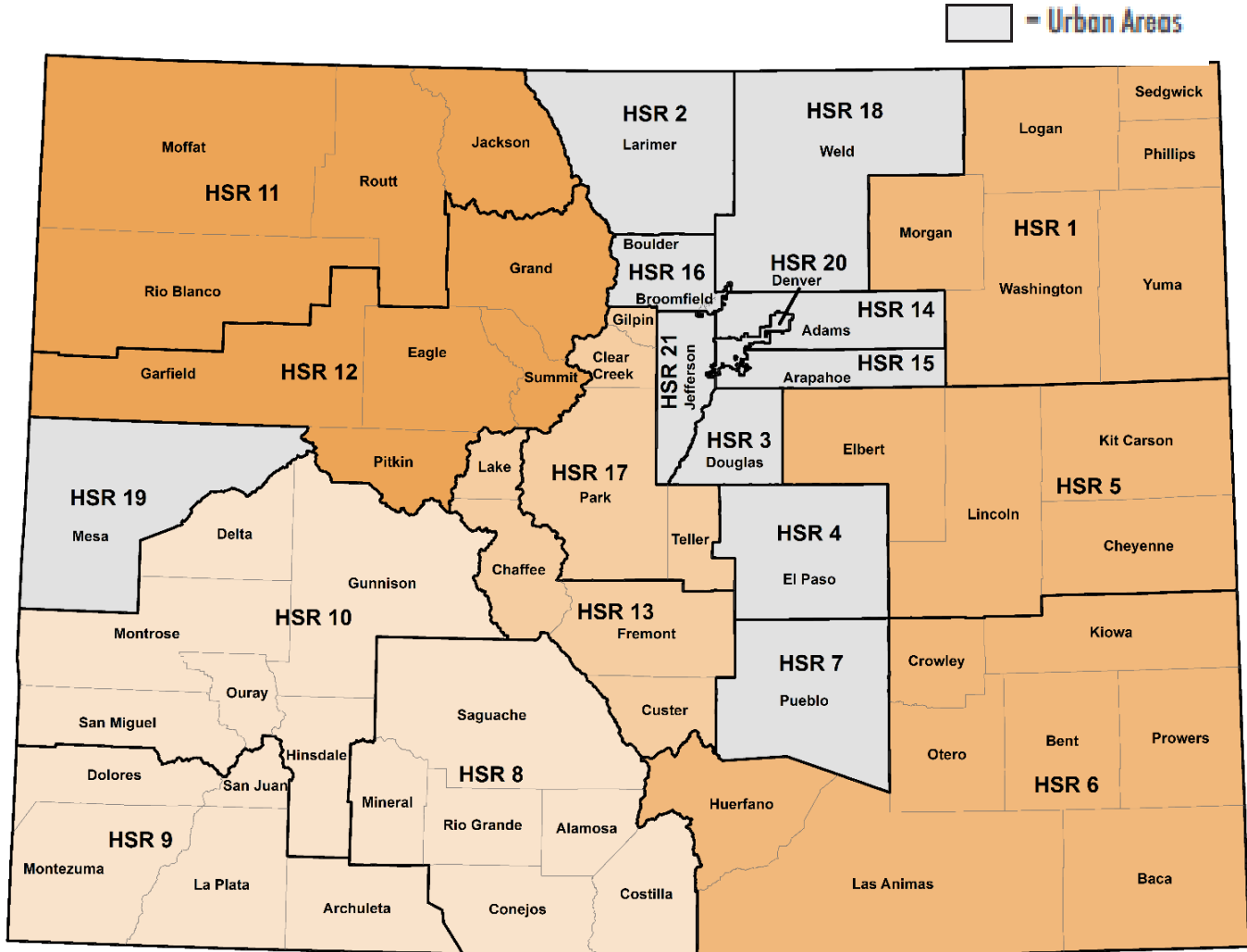
www.ColoradoHealth.org/ReportCard



#COHRC

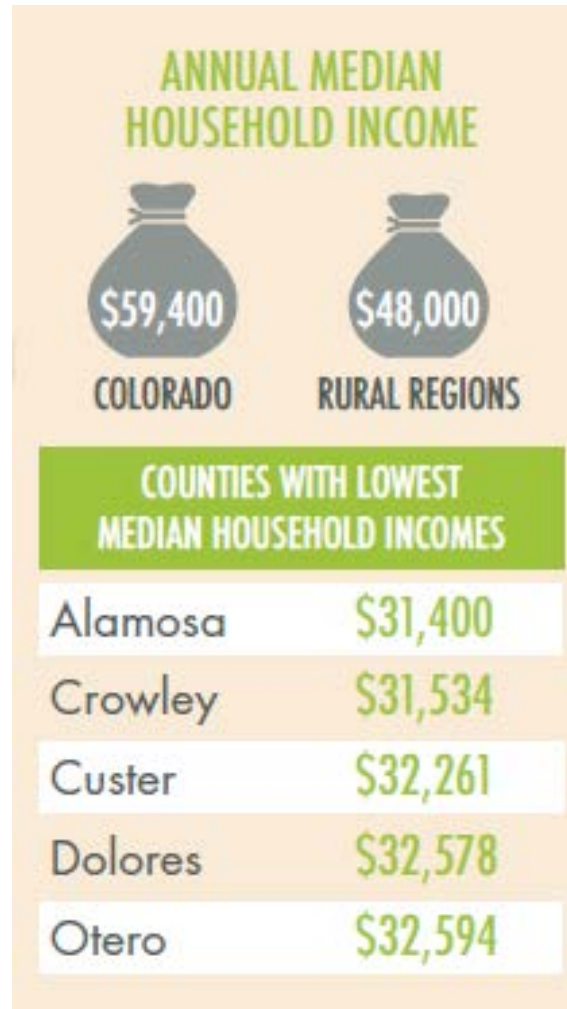
<http://bit.ly/2uS5qlB>

One Way to Look at Rural Colorado



2

Rural Coloradans are more likely to see: Poverty



Source: U.S. Census Bureau. American Community Survey (ACS). 2010-2014 five-year estimates.



2

Rural Coloradans are more likely to see: Few Healthy Options

24% of adults on the Eastern Plains are obese and almost as many are physically inactive. Across Colorado, physical inactivity rates and obesity rates are closely linked.

Region	Physical Inactivity Rate	Obesity Rate
Northwest	12%	15%
Southwest/San Luis Valley	16%	20%
Central	17%	20%
Eastern Plains	21%	24%
Colorado	15%	20%

Source: RWJF County Health Rankings, 2012.

2

Rural Coloradans are more likely to see: Poor Access to Care

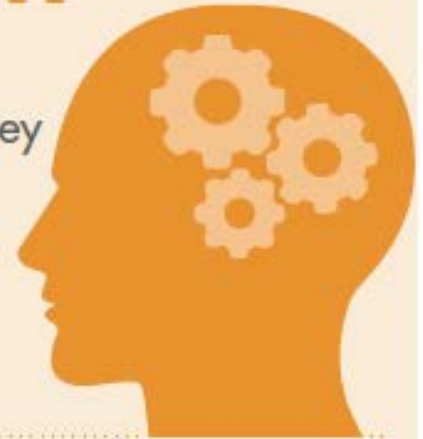
One of 10
Rural Coloradans

cite problems with their doctor's office not accepting their insurance. This problem disproportionately hits the Southwest/San Luis Valley, where almost 13 percent of residents say it's a barrier.



9 Percent

of Coloradans in the Southwest/San Luis Valley said that in the past 12 months they did not get the mental health care they needed.



Coloradans in the Northwest saw the fewest specialists, with less than a third (32 percent) of the population accessing specialty care.



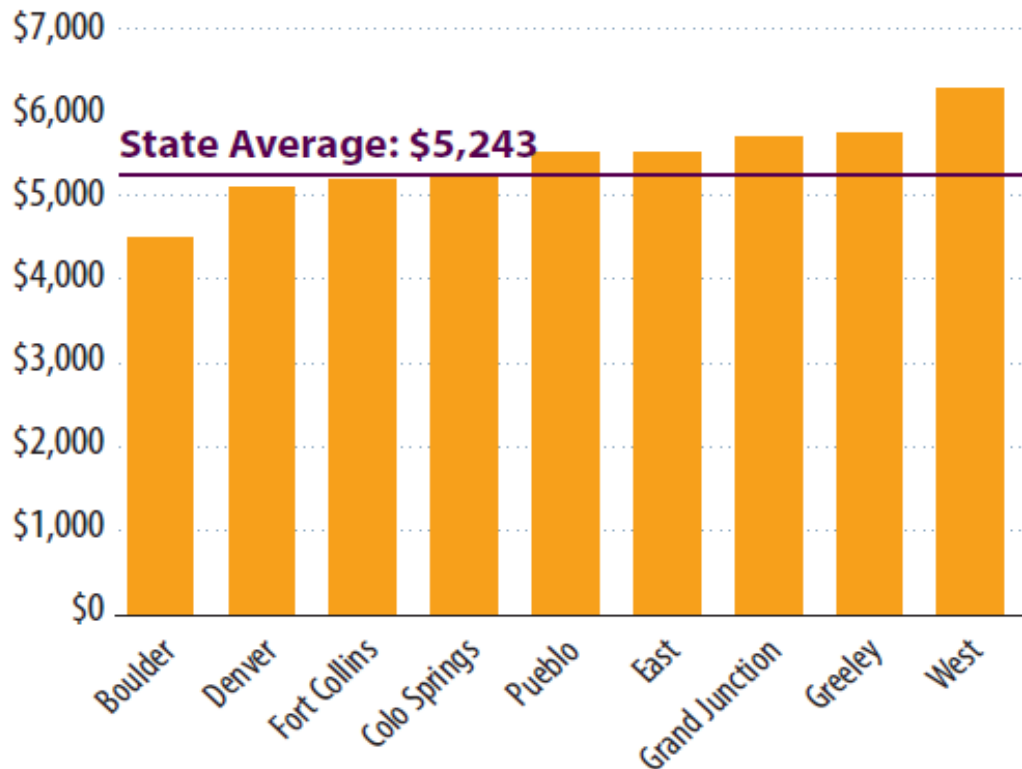


3

High premiums are due to high underlying costs of care. Both higher prices and utilization are to blame.

3 Underlying Cost of Care Is High in the West

Payments made to health care providers by insurance companies and patients, excluding insurance premiums. Data come from commercial fully insured individual or group plans, not including Medicare and Medicaid.



Lowest Cost Region: **Boulder** (\$767 below state average)

Highest Cost Region: **West** (\$1,015 above state average)

Source: Lewis & Ellis, Inc. DOI study



3 Big Regional Variation by Type of Care

2014 Cost Per Service, Differences by Region

Inpatient Admits		Outpatient Visits		Professional Visits		Pharmacy Scripts	
Region	Cost	Region	Cost	Region	Cost	Region	Cost
CO. Springs	\$17,247	Grand Junction	\$1,131	Greeley	\$416	Greeley	\$78
Denver	\$18,029	Boulder	\$1,235	Denver	\$439	Denver	\$80
Boulder	\$18,328	East	\$1,487	Boulder	\$450	Grand Junction	\$83
Pueblo	\$20,765	CO. Springs	\$1,542	Fort Collins	\$459	Fort Collins	\$83
East	\$20,989	Denver	\$1,667	CO. Springs	\$466	West	\$86
Greeley	\$22,246	Fort Collins	\$1,668	Pueblo	\$536	East	\$87
Grand Junction	\$22,980	Pueblo	\$1,750	Grand Junction	\$567	Pueblo	\$88
Fort Collins	\$23,165	Greeley	\$1,760	East	\$588	Boulder	\$90
West	\$23,653	West	\$1,766	West	\$630	CO. Springs	\$96
Low/High Difference	\$6,406		\$636		\$214		\$18
Low/High % Difference	37%		56%		51%		23%

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Outpatient Visits	
Region	Cost
Grand Junction	\$1,131
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Pueblo	\$1,750
Greeley	\$1,760
West	\$1,766
	\$636
	56%

3 High Prices or High Utilization? Both.

$$\text{Spending} = \text{Quantity} \times \text{Price}$$

		2014					
		Total Cost per Member per Year		Units per 1,000 Members per Year		Cost per Unit	
		All	Region	All	Region	All	Region
		Regions	Rating Area 9	Regions	Rating Area 9	Regions	Rating Area 9
OP	Emergency Room	\$326	\$306	149.7	134.1	\$2,179	\$2,284
OP	Outpatient Surgery	\$409	\$852	96.7	124.7	\$4,226	\$6,834
OP	Observation	\$15	\$32	6.9	11.4	\$2,155	\$2,792
OP	Advanced Imaging	\$47	\$185	20.6	65.3	\$2,302	\$2,833
OP	Imaging	\$87	\$203	129.4	278.0	\$676	\$731
OP	Lab/Pathology	\$66	\$195	115.0	371.2	\$573	\$526
OP	Therapy (PT/OT/ST)	\$19	\$49	43.5	67.6	\$443	\$718
OP	DME/Prosthetics/Supplies (OP)	\$2	\$3	0.8	1.3	\$2,274	\$2,001
OP	Mental Health Outpatient	\$5	\$3	6.7	1.5	\$746	\$1,651
OP	Other Outpatient	\$98	\$194	99.9	89.4	\$985	\$2,174
OP Total	Total	\$1,075	\$2,022	669.2	1,144.6	\$1,606	\$1,766

3 High Prices or High Utilization? Both.

 Spending		2014	
		Total Cost per Member per Year	
		All	Region
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OP	Imaging	\$87	\$203
OP	Lab/Pathology	\$66	\$195
OP	Therapy (PT/OT/ST)	\$19	\$49
OP	DME/Prosthetics/Supplies (OP)	\$2	\$3
OP	Mental Health Outpatient	\$5	\$3

3 High Prices or High Utilization? Both.



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Next Steps?



Colorado Commission on Affordable Health Care

2017 Final Report

An Act

SENATE BILL 17-300

BY SENATOR(S) Lambert, Aguilar, Crowder, Donovan, Guzman, Kefalas, Lundberg, Martinez Humenik, Moreno, Williams A., Grantham; also REPRESENTATIVE(S) Kennedy, Buckner, Danielson, Esgar, Ginal, Hamner, Hansen, Hooton, Kraft-Tharp, Lontine, Michaelson Jenet, Pettersen, Singer, Weissman, Young, Duran.

CONCERNING THE AUTHORITY OF THE COMMISSIONER OF INSURANCE TO IMPLEMENT PROGRAMS TO ADDRESS THE RISING COSTS OF PROVIDING HEALTH CARE COVERAGE TO HIGH-RISK INDIVIDUALS IN THE STATE, AND, IN CONNECTION THEREWITH, DIRECTING THE COMMISSIONER TO STUDY ISSUES RELATED TO THE IMPLEMENTATION OF SUCH PROGRAMS.



For Discussion:

- What can **exchanges** do to address high costs in rural areas?
- How are **other states** addressing costs and competition?
- How can **innovative care delivery** play a role, like telehealth or other models?



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Colorado Division of Insurance Rating Regions

