



June 6, 2019

Chairperson Flores-Brennan & Connect for Health Colorado Board Members
Connect for Health Colorado
4600 South Ulster Street, #300
Denver, CO 80237

Re: Comments Regarding Draft Policy Agenda Principles

Dear Ms. Brennan & Connect for Health Colorado Board Members:

Thank you for the opportunity to comment on Connect for Health Colorado's Draft Policy Agenda. CAHP and AHIP support Connect for Health's mission of increasing access, affordability, and choice for individuals and small employers purchasing health insurance in Colorado. However, we have concerns with some of the policy priorities that were identified in the draft policy agenda and how those items conflict with Connect for Health Colorado's mission.

AHIP is the national association of health insurance plans, and our members provide health and supplemental benefits to 200 million Americans through employer-sponsored coverage, the individual and small group insurance markets, and public programs such as Medicare and Medicaid. Our members offer a broad range of health insurance products in the commercial marketplace and have also demonstrated a strong commitment to participation in public programs.

CAHP is a state association of health insurers that offers coverage to over three million Coloradans. CAHP's membership includes Colorado-specific carriers as well as national carriers. CAHP's mission is promoting high quality, affordable, evidence-based health care in Colorado.

We ask that you reconsider the following priority issues:

Special Enrollment Periods for Pregnancy

CAHP and AHIP support efforts to cover all Americans, regardless of their gender or health status. CAHP and AHIP also believe Colorado should be encouraging people to obtain health care coverage for benefits before they may need them. Pregnancy for women is no exception. However, the special enrollment period for pregnancy policy priority creates an incentive for people to only obtain coverage when they need specific services. The creation of a pregnancy special enrollment period, as outlined in Section 5 of the Policy Agenda, would work against the intent of the annual open enrollment period, and introduce an element of churn and instability

into Colorado's health insurance market. The impact that this proposal would impose on consumers and the health care system is concerning.

Creating a special qualifying event for pregnancy would pose a threat to the risk pool and the affordability of coverage.

Under essential health benefits required in Colorado and the Affordable Care Act, women enrolled in individual health benefit plans have coverage of maternity care benefits, as well as a host of other preventative and health maintenance benefits. Creating exceptions and incentives that allow people to wait to enroll in coverage until they face a specific need undermines the ACA's goal of universal coverage. Such incentives pose a tremendous threat to the risk pool and affordability for everyone, not just pregnant women. This special enrollment period for pregnant women will make it more difficult for insurers to estimate their level of risk and set rates because of the amount of enrollment under this special event would be unknown.

Colorado Medicaid (Health First Colorado) provides additional programs for pregnancy benefits for women in need.

Women who meet the income eligibility requirements can enroll in Medicaid at any time. Most states extend coverage to pregnant women beyond the federal minimum of 138% of the federal poverty level. However, in Colorado and 11 other states, coverage is extended to include pregnant women with family incomes of 250% of the federal poverty level and below.¹ Moreover, pregnant women in Colorado receive presumptive eligibility (PE) when applying for medical assistance. PE allows coverage to begin the same day a woman applies for medical assistance and extends for 45 days while her application is being processed.

Establishing pregnancy special enrollment period could lead to a slippery slope allowing special enrollment periods for other health conditions.

As the Board knows, current law requires guaranteed issue and renewal of health insurance plans and prohibits insurers from basing eligibility for coverage on health status or medical condition. Health insurers are also prohibited from collecting medically related information from applicants before enrollment. Not only would a pregnancy special enrollment period run afoul of both of these important tenants of the ACA, but it would also open the door for countless efforts to designate other medical conditions as triggers for special enrollment. Colorado law does allow for some special enrollment qualifying events outside of the ACA requirements, (such as divorce or the death of a family member) but it has never done so for a change in health status. Doing so here would create a generous and costly precedent.

“Closed” Individual Market

The individual market currently consists of both an on- and off-exchange marketplace. While there is a benefit to the consumer in choosing to shop on the exchange, consumers may choose to shop off of the exchange because of their status or for affordability concerns and we should protect that access.

¹ <https://www.kff.org/medicaid/fact-sheet/where-are-states-today-medicare-and-chip/>

Closing the individual market will have an impact on consumers that currently purchase silver plans outside of the exchange.

In order to stabilize the individual market and reduce the negative impact of de-funding of the CSR program, Colorado DOI directs carriers in the individual market to load the rate increase necessary to cover the CSR benefit onto silver-level plans. The DOI, “directs carriers to create a silver-level plan that is substantially similar to the SCR-loaded plan, but without the CSR load, for those off-exchange consumers who do not qualify for advanced premium tax credits or CSRs.”² If the individual market is “closed” as is proposed, consumers will no longer be able to access the lower-priced silver plans that are currently available. This proposal decreases access, affordability, and choice for those individuals that do not receive a subsidy and are seeking silver level benefits. One large Colorado carrier expects members who are currently enrolled in “substantially similar” off-exchange plans will see a rate increase of 10-15 percent if this policy is implemented.

Closing the individual market limits choices for Coloradans

A closed individual market limits choice for consumers. Selecting a plan using the exchange is the preferred method of plan selection for many Coloradans, but some consumers may prefer to shop outside of the exchange for any number of reasons. This policy proposal limits that choice.

Additionally, it is important to consider the implications of the proposal on our immigrant population. An applicant for coverage who is a citizen or who has a qualifying immigration status may be eligible for coverage even if other members of his or her household are ineligible due to their immigration status. However, those that are undocumented immigrants without qualifying immigration status are not eligible to purchase on the exchange. They are able, however, to purchase individual health insurance sold outside of Connect for Health Colorado. If the option to purchase health insurance is limited to the exchange, those individuals who are unable to purchase health insurance will turn to emergency services and safety-net clinics to meet their health care needs. This would result in suboptimal health care outcomes for a vulnerable population, and the increased costs will be passed on to all Coloradans in the form of increased spending on uncompensated care.

² <https://drive.google.com/file/d/1cnJ9MFLB7aRaavGHLLWm12Xxpg4i8U36/view>

We appreciate this opportunity to comment. We look forward to continuing to work with you on these very important issues. Please contact Sara Orrange at sorange@ahip.org or (703) 887-5285 if you have any questions or concerns or Amanda Massey at amassey@colohealthplans.org or (720) 646-2423.

Sincerely,

A handwritten signature in blue ink that reads "Sara Orrange".

Sara Orrange
Regional Director, State Affairs
America's Health Insurance Plans

A handwritten signature in black ink that reads "Amanda K. Massey".

Amanda Massey
Executive Director
Colorado Association of Health Plans