

Standardized Health Benefit Plan Colorado Option

HB21-1232

Colorado Standardized Benefit Bill ([HB21-1232](#))

- Colorado Standardized Benefit Bill was introduced on March 18th.
- A strike-below amendment was offered and adopted in House Health and Insurance on April 27.
- The bill is expected to be on the House Floor on May 6 and 7.
- Summary:
 - Beginning on January 1, 2022, the bill requires the Commissioner of Insurance to establish standardized health plans at the bronze, silver, and gold levels that must be offered in the individual market and in the small group market.
 - Starting in Plan Year (PY) 2023 these standard plans must be offered on Exchange as well as on the Public Benefit Corporation (PBC).
 - Then over the next three plan years the premiums will be lowered 6% in 2023, 12% in 2024, and 18% in 2025, adjusted for medical inflation.

Other CO Affordability Initiatives Affecting C4HCO

Bill	C4HCO Role	Timing
HB19-1168 Reinsurance Program	Decreased overall premiums on the individual market across the state.	Current policy
HB20-215- Health Insurance Affordability Enterprise (HIAE)	Phase 1: CSR enhancement for Exchange customers for Plan Year 2022. Phase 2: PBC benefit in 2023 TBD.	Phase 1: Plan Year 2022 Phase 2: Plan Year 2023
HR 1319 American Rescue Plan (ARP)	Expanded financial help available for all people on the individual market.	Plan Years 2021 and 2022

Standardized Health Benefit Plans

- With the proposed introduction of standardized plans into the Colorado market, we can leverage other states' experiences.
- Other states that offer standardized plans, including Connecticut, Massachusetts, New York, and Oregon identified three policy goals that standardization helps achieve.
 1. Streamline consumers' shopping experiences and make comparing plans easier.
 2. Improve access to valued services, such as primary care and prescription drugs.
 3. Increase the affordability of coverage.

Sources: <https://www.urban.org/sites/default/files/publication/82611/2000862-Missed-Opportunities-State-Based-Marketplaces-Fail-to-Meet-Stated-Policy-Goals-of-Standardized-Benefit-Designs.pdf>; <https://www.shvs.org/standardizing-health-plan-benefit-design-opportunities-and-implications-for-states/>



Questions about HB21-1232:

What are the financial and operational considerations?

How does this proposal meet or not meet Connect for Health Colorado's mission and strategic goals?

What does this mean for rural communities?

Are we gaining enrollments on Exchange with this bill?

Questions on HB21-1232

- What are the financial and operational considerations?

Branding/Marketing and website updates	\$188,000
Shopping platform updates	\$45,800
Survey costs concerning standard plans	\$15,000
Quick Cost Plan Finder (QCPF) updates	\$3,535
In Fiscal Year 2023	\$252,335

- How does this proposal meet or not meet Connect for Health Colorado's mission?
 - Based on the staff evaluation, this bill aligns with our mission and strategic goals.
 - In particular, the proposal increases choice, and is expected to increase affordability.
 - No provisions that conflict with C4HCO's mission.

- Will we gain enrollments on the Exchange with this bill?
 - The required decrease in premiums and the requirement that the plans be offered through the Exchange, lead us to expect an increase in enrollments.
- What about subsidized customers who do not enroll in a standard benefit plan?
 - The exact impacts on this population are unknown, but there are some safeguards.
 - The Commissioner of Insurance has authority under the bill to make policy changes to prevent net premium increases for customers with low and moderate incomes.
 - This supplements existing rulemaking authority.
 - The bill gives the Commissioner the authority to direct passthrough funds from a 1332 waiver to the Health Insurance Affordability Enterprise.

How will this bill
affect subsidized
customers?

Connect for Health's Strategic Goals and HB21-1232

- **Goal #1: Improve access to coverage to increase enrollments in rural areas of Colorado.**
 - Lower cost of coverage expected to result in increased enrollment.
 - Benefit design will involve stakeholders from across every region in the State.
- **Goal #2: Maximize the number of consumers who shop and enroll through the health insurance marketplace and apply for available financial assistance.**
 - Expected increase in enrollment. Some uncertainty re: affect on net premiums overall, but safeguards for subsidized customers.
 - Potential increase in customer satisfaction from stakeholder driven benefit design.
- **Goal #3: Improve the ability of customers to attain and retain coverage based on their health care needs and circumstances.**
 - Research from other states indicates that standardized plans streamline consumers' shopping experiences and make comparing plans easier.

Requirements for Connect for Health Colorado to take a position on a Bill:

1. Connect for Health Colorado will not take a position on legislation unless the legislation will have a direct and significant impact on the continued operation of the Exchange.
2. If a piece of legislation is anticipated to have a direct and significant impact on the continued operation of the Exchange, the Board may discuss whether a position and/or public testimony is warranted.
3. The CEO has the authority to communicate the potential impacts of the legislation to legislators, even if the board does not take a position on the legislation.
4. If it is determined appropriate for the Board to take a position on a piece of legislation, then the Board Chair, CEO or other Board designee will have the authority to represent the Board as required in working with legislators, administration officials, the Governor, as well as other parties through the legislative process.



Staff Recommendation: Connect for Health Colorado staff recommends a “Support” position on HB 21-1232.