



December 3, 2015

Connect for Health Colorado® launched in 2013, funded largely by a federal grant. The primary sources of recurring revenue are: an **administrative fee** on plans sold through Connect for Health Colorado and a **general assessment** on all private health insurance policies in Colorado

General Assessment:

- The 2015 assessment is \$1.25 per policy/per month
- In 2016, it will be \$1.80 per member/per month
- \$1.80 per policy/per month will bring in about \$20 million in fiscal year 2016
- 2016 is the last year this assessment is available under current statute

Background on CoverColorado and the general assessment

CoverColorado was established by the Legislature in 1991 as a non-profit organization to provide a health insurance program for Coloradans whose health status prohibited them from buying private insurance.

Premiums ranged from 124 percent to 200 percent of market rates. Premiums were subsidized by interest from the unclaimed property fund and, in 2001, the Legislature established an assessment on commercial insurance to provide additional subsidy. The Legislature passed the authority for this assessment to Connect for Health Colorado in 2013. The assessment is lower than it was with CoverColorado and goes to support insurance for more “covered lives” under Connect for Health Colorado.

	Per policy/per month	Covered Lives	Recipient
2010	\$2.47	12,732	CoverColorado
2011	\$3.22	(Unavailable)	CoverColorado
2012	\$3.79	13,651	CoverColorado
2013	0	13,670	CoverColorado
2014	0	150,000	Connect for Health Colorado
2015	\$1.25	150,000	Connect for Health Colorado
2016	\$1.80	217,000* (projected)	Connect for Health Colorado

Administrative Fee

- The 2015 fee is 1.4%. It is charge on all plans sold through the Marketplace.
- In 2016, the fee will be 3.5%, charged on the monthly premiums for plans bought through the Marketplace
- The 3.5% fee on plans sold through the Marketplace will bring in about \$9.6 million in revenue in fiscal year 2016