



# HB20-1349 COLORADO AFFORDABLE HEALTH CARE OPTION ACT OVERVIEW

BOARD MEETING  
MARCH 9, 2020



# HB 1349 Colorado Affordable Health Care Option Act

## Overview

- The bill is very similar to the recommendations that came out HCPF's and DOI'S Proposal for Affordable Health Coverage Option.
- Requires carriers to offer the Colorado Option plan in each county where they offer plans in the individual market. Commissioner of Insurance is required to ensure that there are at least two Colorado Option Plans in each county.
- The Colorado Option Plan must be a standardized QHP that includes pre-deductible coverage for certain services and offered at Bronze and Silver levels of coverage, both on and off the Exchange. It is expected to be priced lower than other plans due to some controls.
- Authorizes the Commissioner of Insurance to adopt rules to mitigate any adverse impact the Colorado Option plan has on the purchasing power of financially assisted Exchange customers.

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## Overview , cont'd

- Creates an advisory board that will advise the commissioner on development, implementation, and operations of the Colorado Option plan. The CEO of the Exchange is named as a board member.
- The advisory board will also consist of 8 other governor and legislative leadership appointed members with expertise in various health care roles across all regions of the State.
- Authorizes the commissioner to expand the Colorado Option into the small business market in 2023.

# Wakely Consulting Group, LLC Analysis

Department of Healthcare Policy and Financing (HCPF) and Division of Insurance (DOI) commissioned an analysis of the potential impacts of the Colorado Option plan. Below are some of the findings.

- Potential to bring down premiums by an average of 12% statewide and as much as 19.8% in certain areas.
- Potential enrollment increase of 18,000 in the individual market. This includes both non-financially assisted and financially assisted consumers.
- The overall decrease of Premium Tax Credit in 2022 is estimated to be \$42.7 million, which could be used as pass-through funding through a 1332 waiver. Analysis indicates that some of the waiver funds could be used for a premium or cost-sharing wrap administered by the Exchange.

# Discussion

- Are there elements to the bill that you need clarified?
- What elements of the bill do you think are most impactful to the Exchange?
- What concerns do you have about the impacts this bill would have on our customers, specifically the financially assisted?
- What are the Exchange's desired outcomes of this bill?