



Colorado Individual Exchange Renewals

2024 Consumer Impact Analysis

PRESENTED BY:

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Going Beyond the Numbers

Overview

- Connect for Health Colorado (C4) contracted Wakely Consulting Group, LLC (Wakely) to analyze the individual market rate changes for 2024 before and after federal premium subsidies
- Analysis was performed using QHP templates provided by the Colorado Department of Regulatory Agencies (DORA) and enrollment data provided by C4

Caveats and Limitations

- Wakely relied on plan data provided by DORA and plan information provided by C4; any errors in the underlying data could have any impact on the results. Wakely performed reasonability checks of the data but did not audit the data for accuracy.
- This presentation and attachments should only be shared in their entirety and should only be utilized by qualified individuals
- Analysis is meant to approximate rather than replicate premiums from C4 system
- Analysis does not explicitly account for plans with elective abortion coverage for which federal funding is not available
- Enrollment data includes duplicates if same Member ID appears in multiple Family IDs
- Enrollment data had some individuals with no valid plan ID or no valid county, which are excluded from any premium analysis

Key Changes

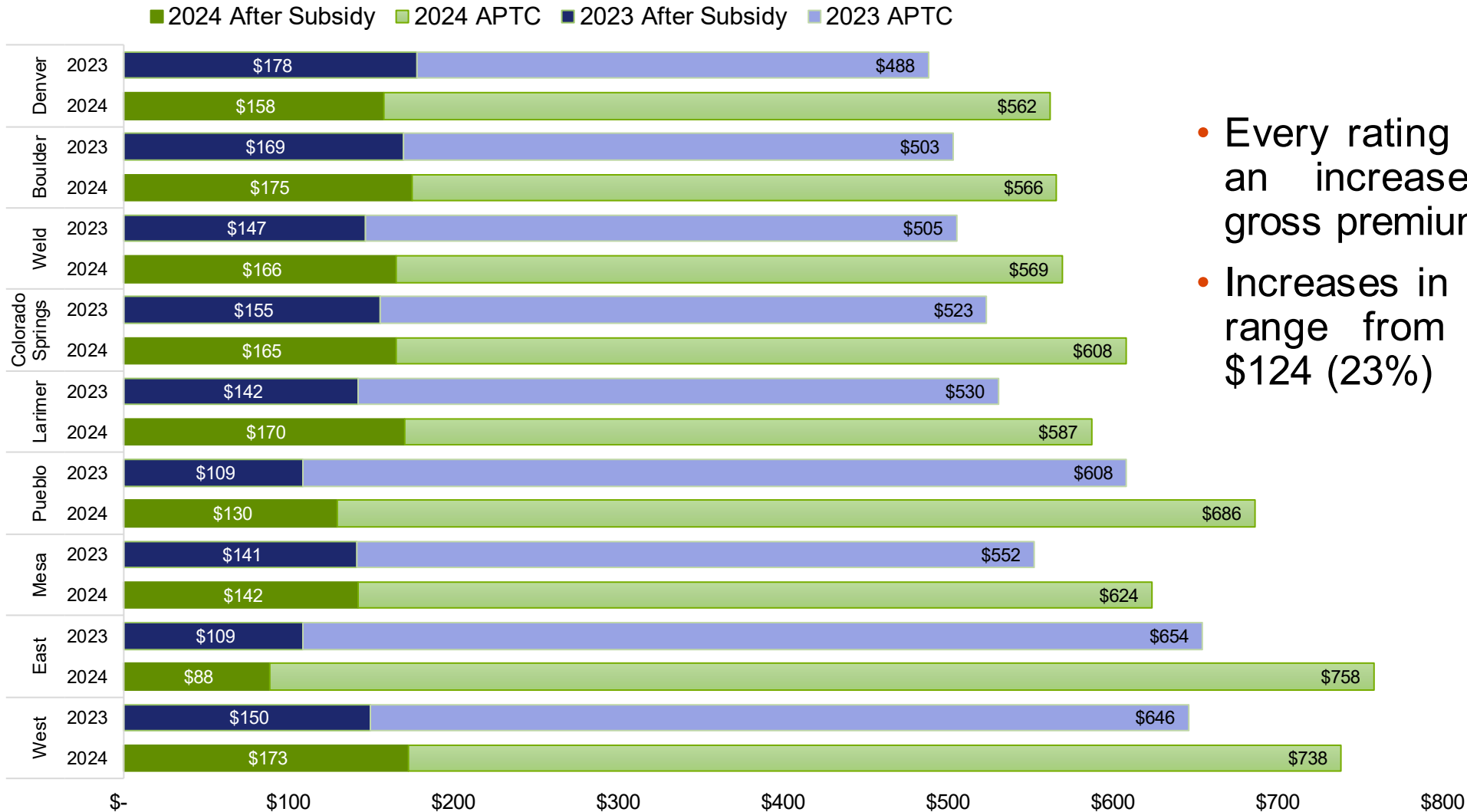
Key Changes 2023 to 2024

	2023	2024
Issuers	6	6
Plans		
On Exchange	166	149
Substantially Similar Off Exchange	21	16
Colorado Option Plans	44	52
Counties with One Issuer	19	25
Average Rate Change (Non-Subsidy Eligible)	+9% (+\$35)	+12% (+\$49)
Average Rate Change (Subsidy Eligible)	-1% (-\$1)	-1% (-\$1)
Statewide Rate Change (Average)	+3% (+\$5)	+4% (+\$8)
Average Rate Change (Colorado Option)	NA	-5% (-\$10)

- ARPA refers to the American Rescue Plan Act, IRA refers to the Inflation Reduction Act
- “Non-Subsidy Eligible” eligible individuals are defined based on their eligibility at the beginning of 2023; those reporting utilization of subsidies or those with Federal Poverty Levels greater than zero in the data provided by C4HCO were considered subsidized whereas those members reporting no subsidy were considered unsubsidized
- “Substantially Similar Off-Exchange” refers to silver plans which have a nearly identical cost-sharing structure as an on-exchange silver counterpart. These Off-Exchange options do not have CSR loads, however consumers are not eligible for premium tax credits (APTC) if they enroll in these options. (Colorado Bulletin B 4.100)

Consumer Impact

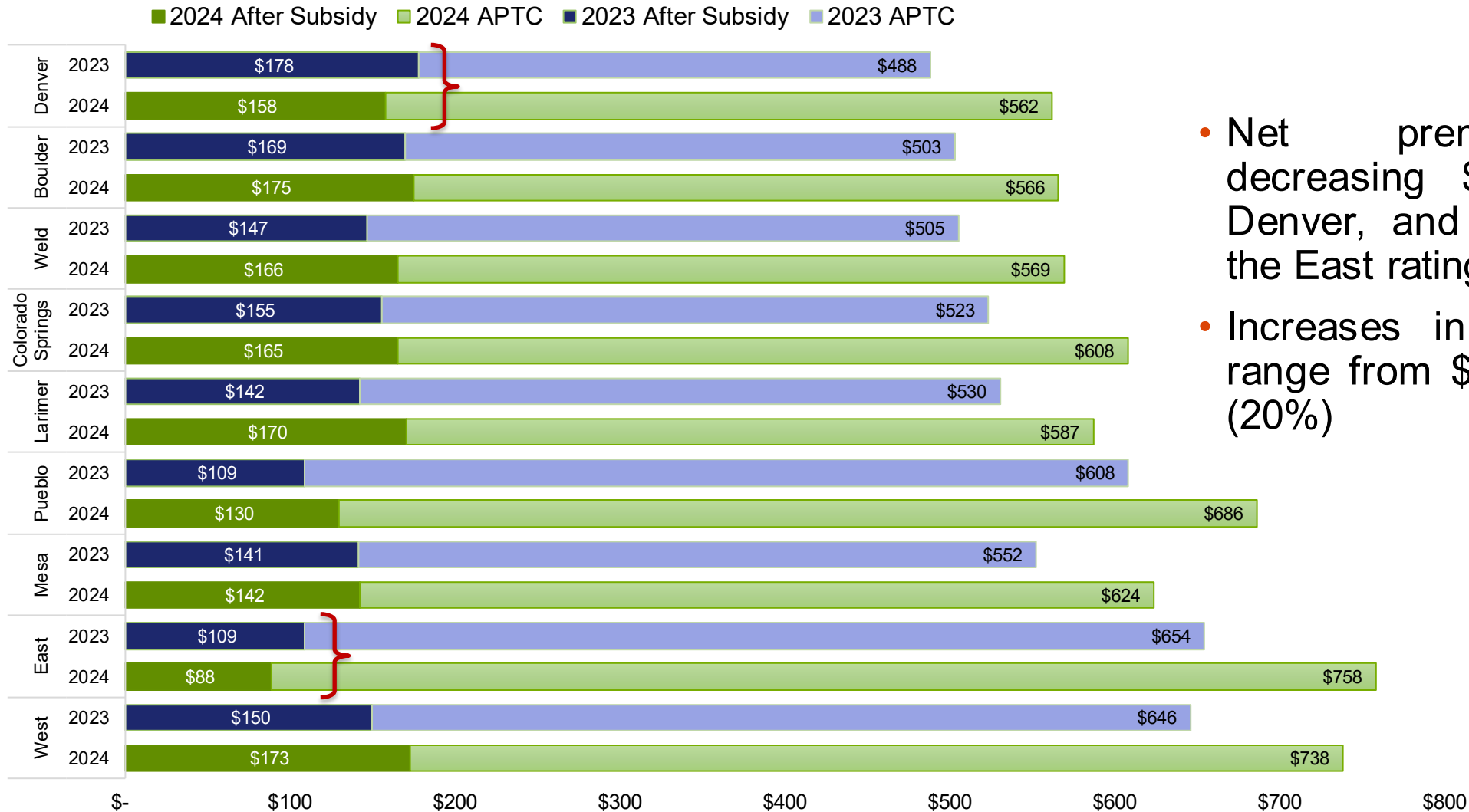
2023 to 2024 Auto-Renew Premium Changes



- Every rating area is seeing an increase in average gross premium
- Increases in gross premium range from \$29 (7%) to \$124 (23%)

Consumer Impact

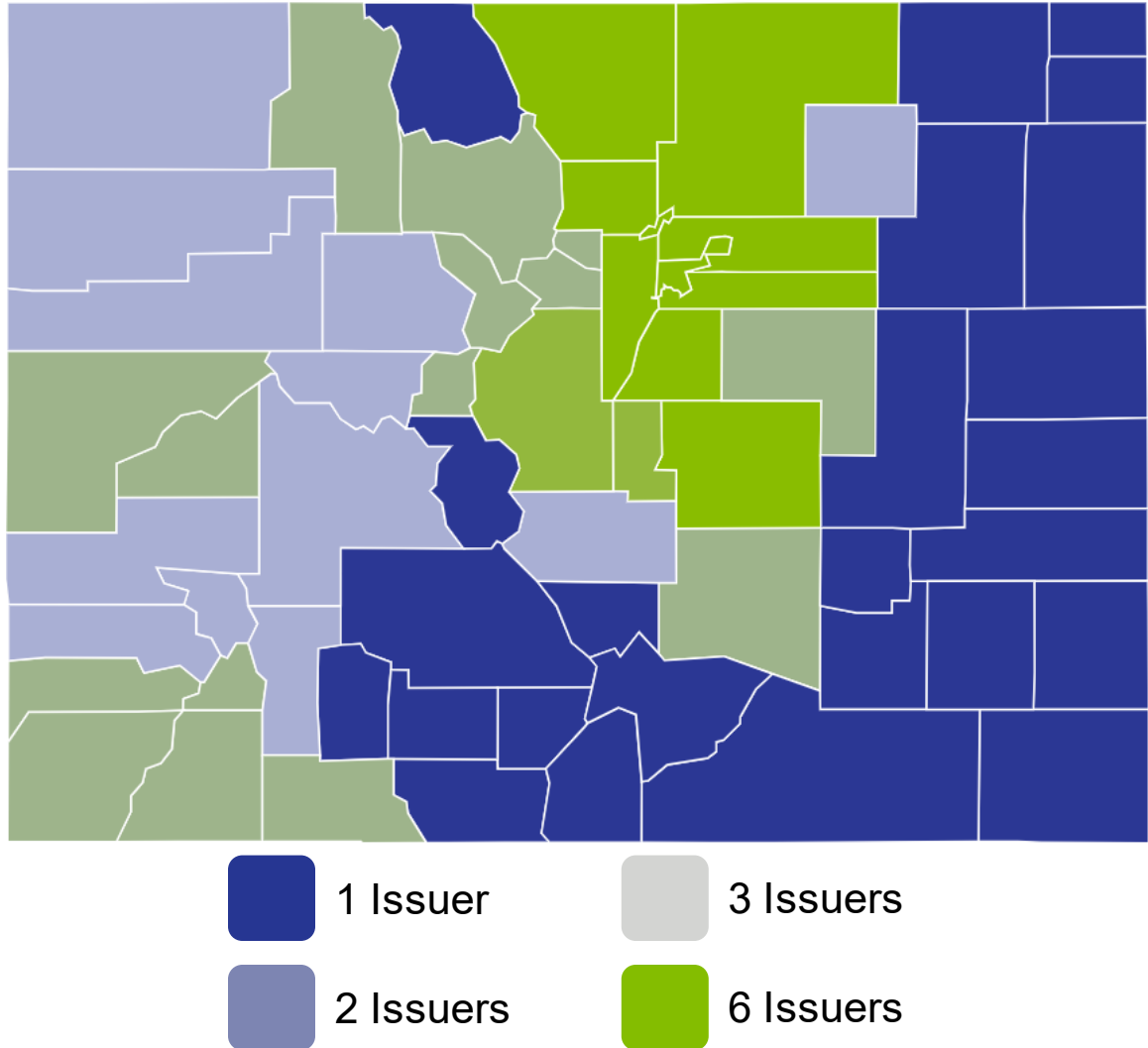
2023 to 2024 Auto-Renew Premium Changes



- Net premiums are decreasing \$21 (12%) in Denver, and \$21 (19%) in the East rating area
- Increases in net premium range from \$1 (1%) to \$28 (20%)

Consumer Choice

Issuers per County

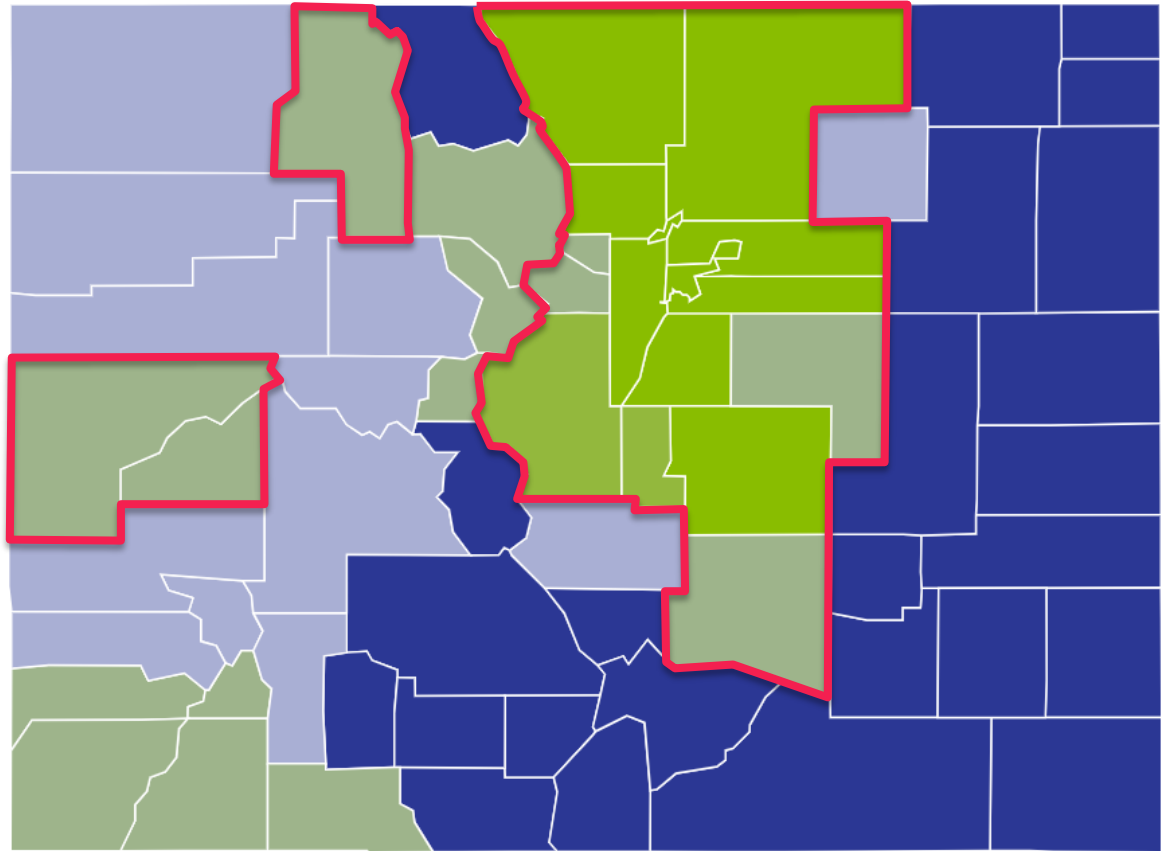


Issuers in County	Number of Counties	% of 2023 Enrollment
1	25	3.7%
2	12	7.9%
3	15	12.0%
4+	12	76.4%

- Only one issuer has plan options in every county of the state in 2023 and 2024
- Due to the exit of Friday Health Plan, and Kaiser's withdrawal from some counties, there are now 25 counties with only one issuer (4% of enrollment)

Consumer Choice

Issuers per County

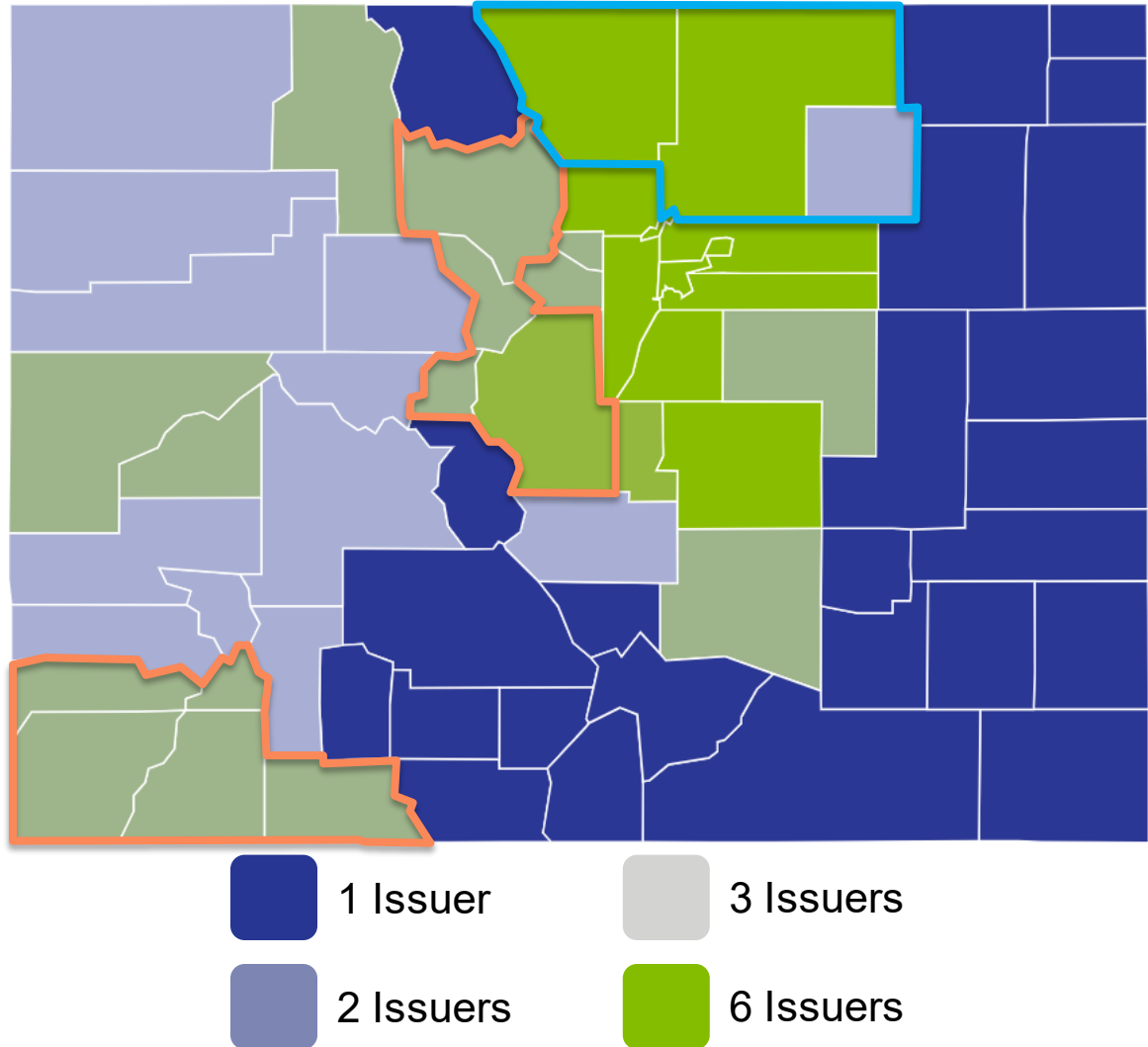


Issuers in County	Number of Counties	% of 2023 Enrollment
1	25	3.7%
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3	15	12.0%
4+	12	76.4%

- A new issuer (Select) entered the market in the counties highlighted in red

Consumer Choice

Issuers per County

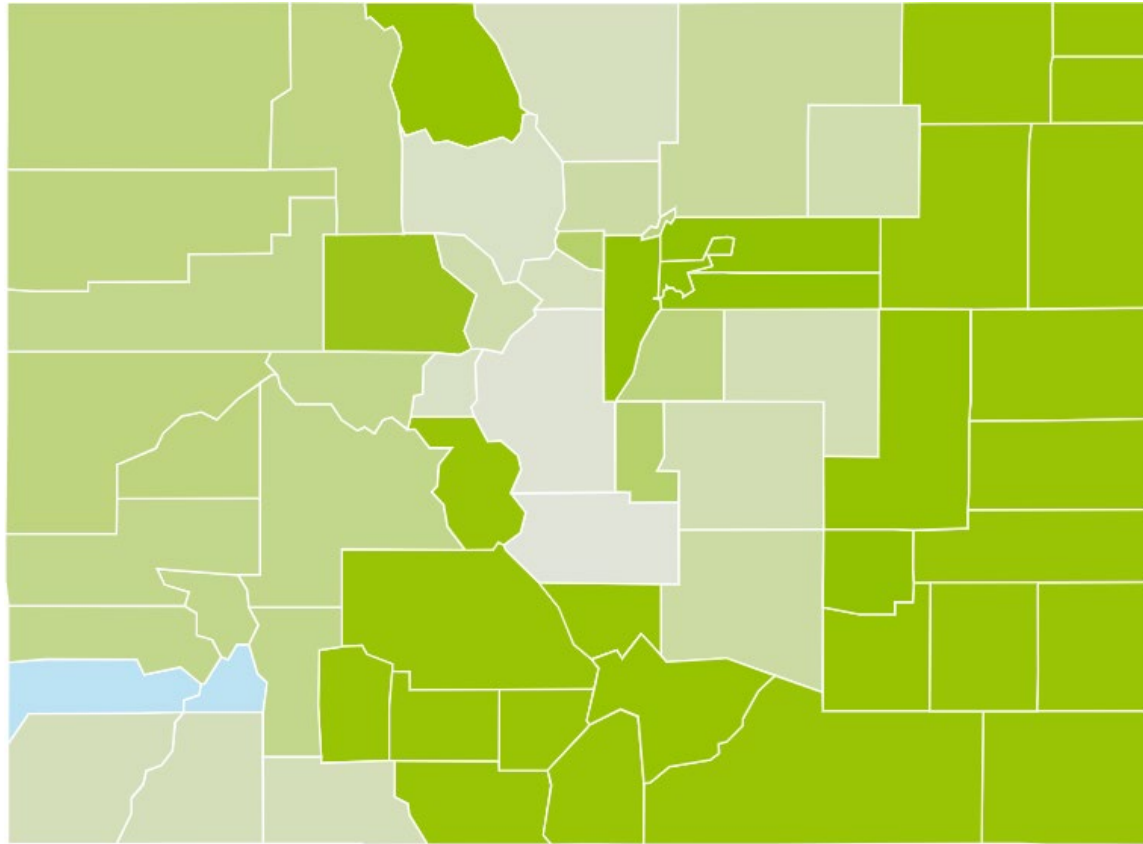


Issuers in County	Number of Counties	% of 2023 Enrollment
1	25	3.7%
2	12	7.9%
3	15	12.0%
4+	12	76.4%

- Denver Health is expanding into the counties highlighted in orange, to offer services through the Peak Health Alliance
- Rocky Mountain Health Plan is expanding into the counties highlighted in blue.

Consumer Impact

Weighted Average Change in Second Lowest Silver (SLS) by County



Decrease in SLS (-0.3%)

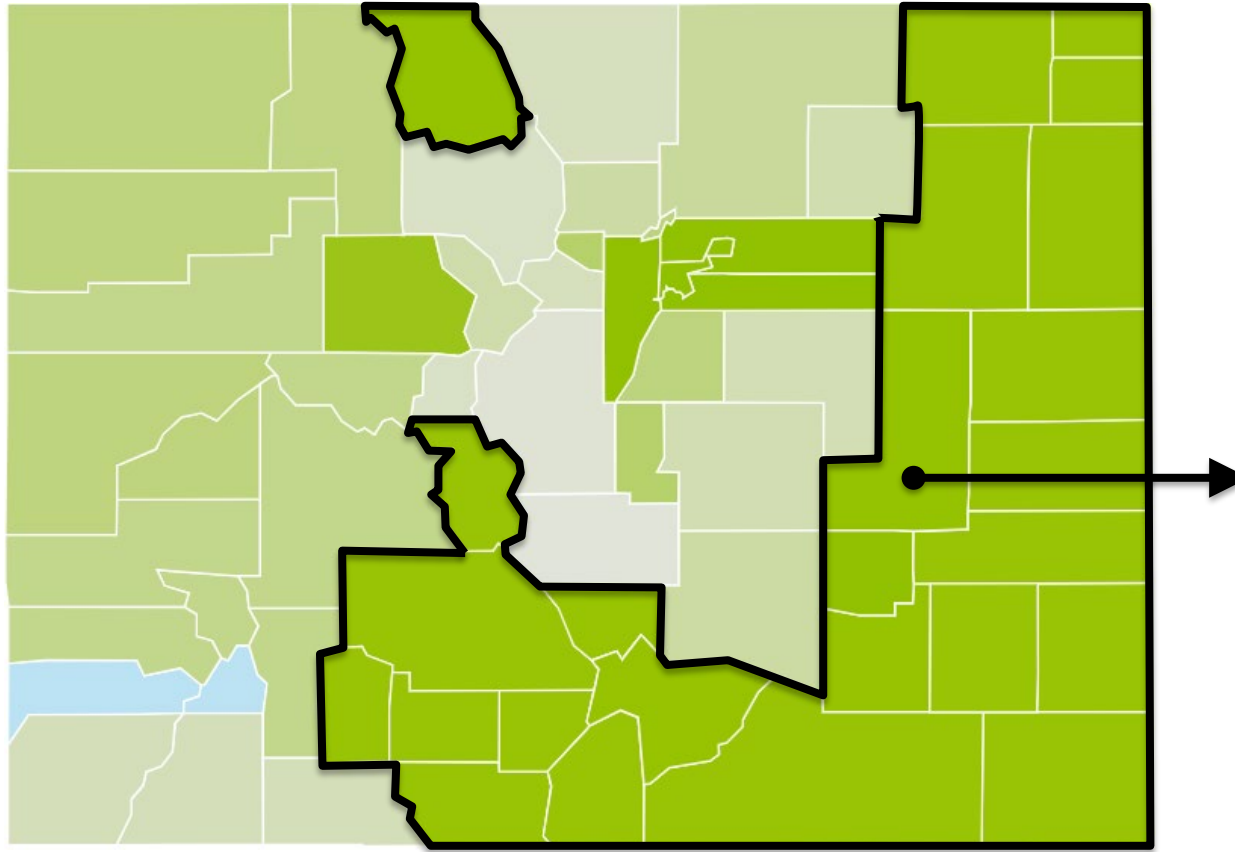


Increase in SLS (+27%)

- Almost all enrollees will see an increase in the Second Lowest Silver (SLS) rates.
- Enrollees in Dolores, San Juan and parts of El Paso, Fremont and Park will have a decrease in SLS.
- 63% of enrollees will see a change in the SLS issuer.
- Statewide net premiums are increasing on average 4% or \$8 for subsidy and non-subsidy eligible enrollees.

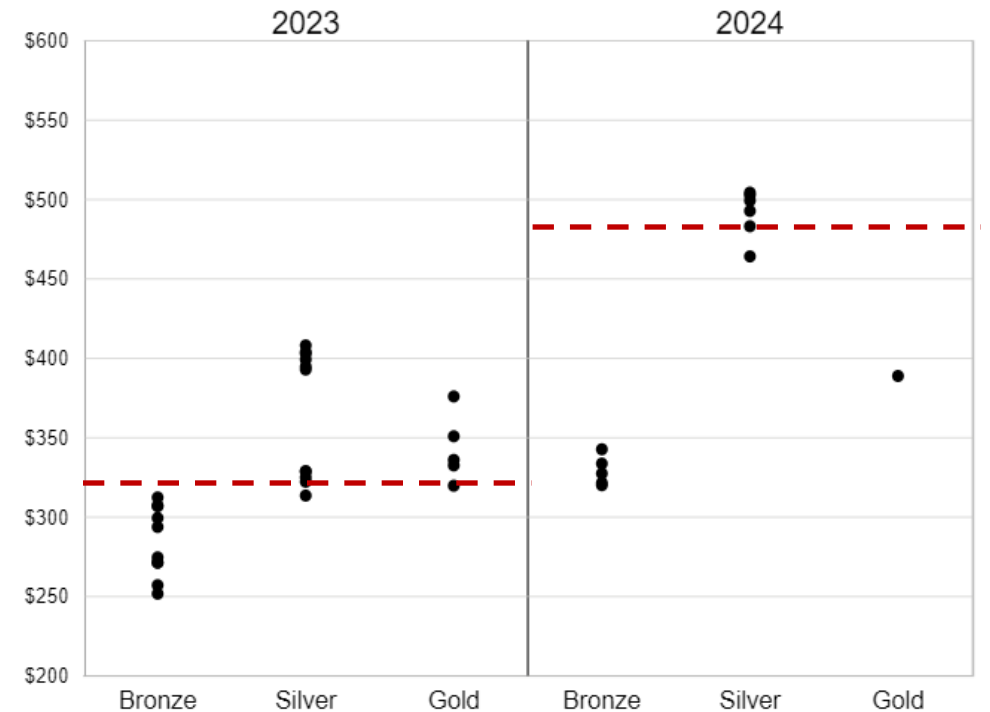
Consumer Impact

Weighted Average Change in Second Lowest Silver (SLS) by County



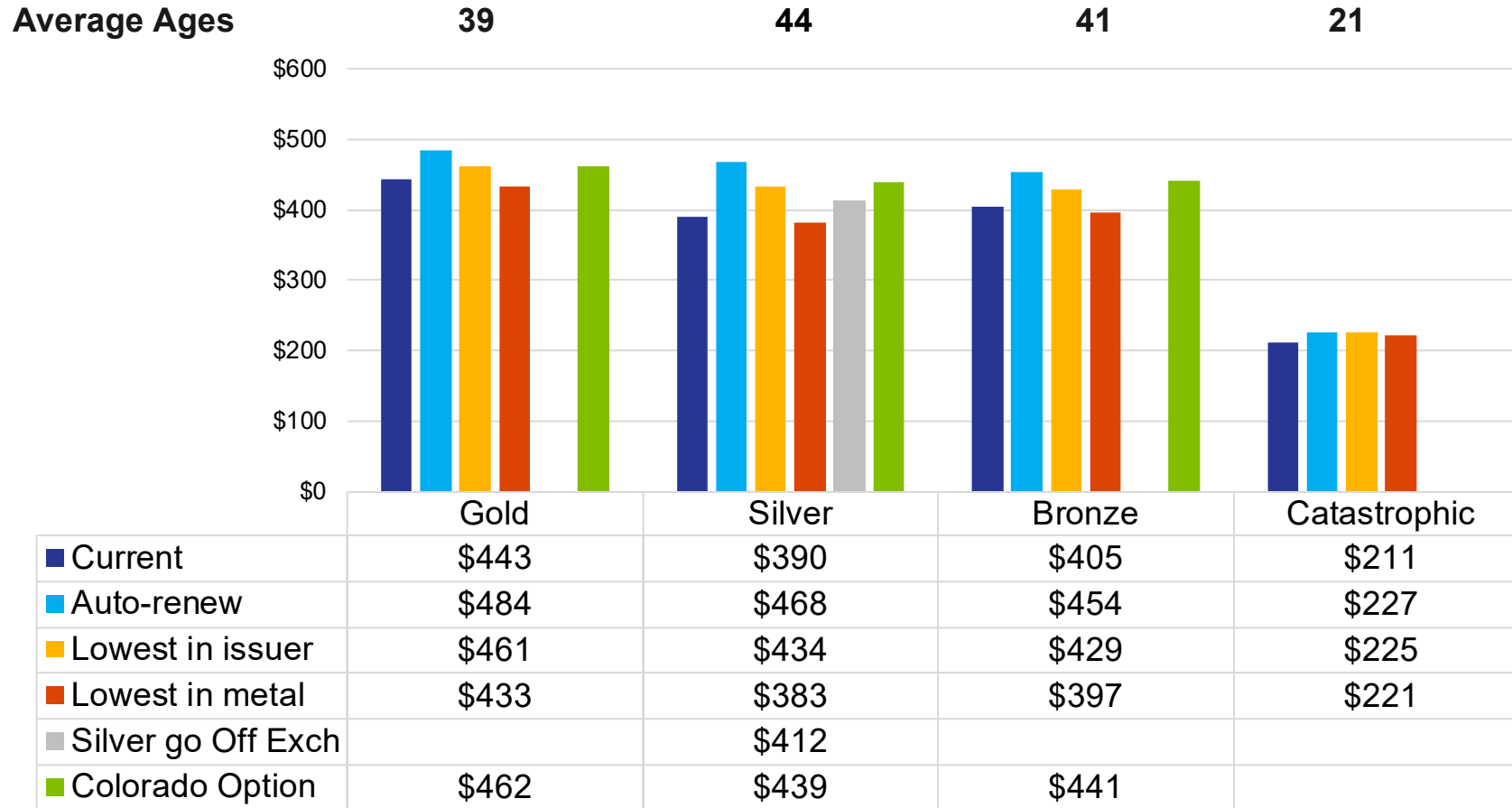
Decrease in SLS (-0.3%) Increase in SLS (+27%)

- Regions with only one issuer (highlighted) are seeing substantial increases to their SLS rate. Due to reduced competition, Silver premiums are more compressed, which increases the impact of the subsidy. This is a driver in the net premium decreases in the East rating area



Consumer Impact - Non-Subsidy Eligible By Metal

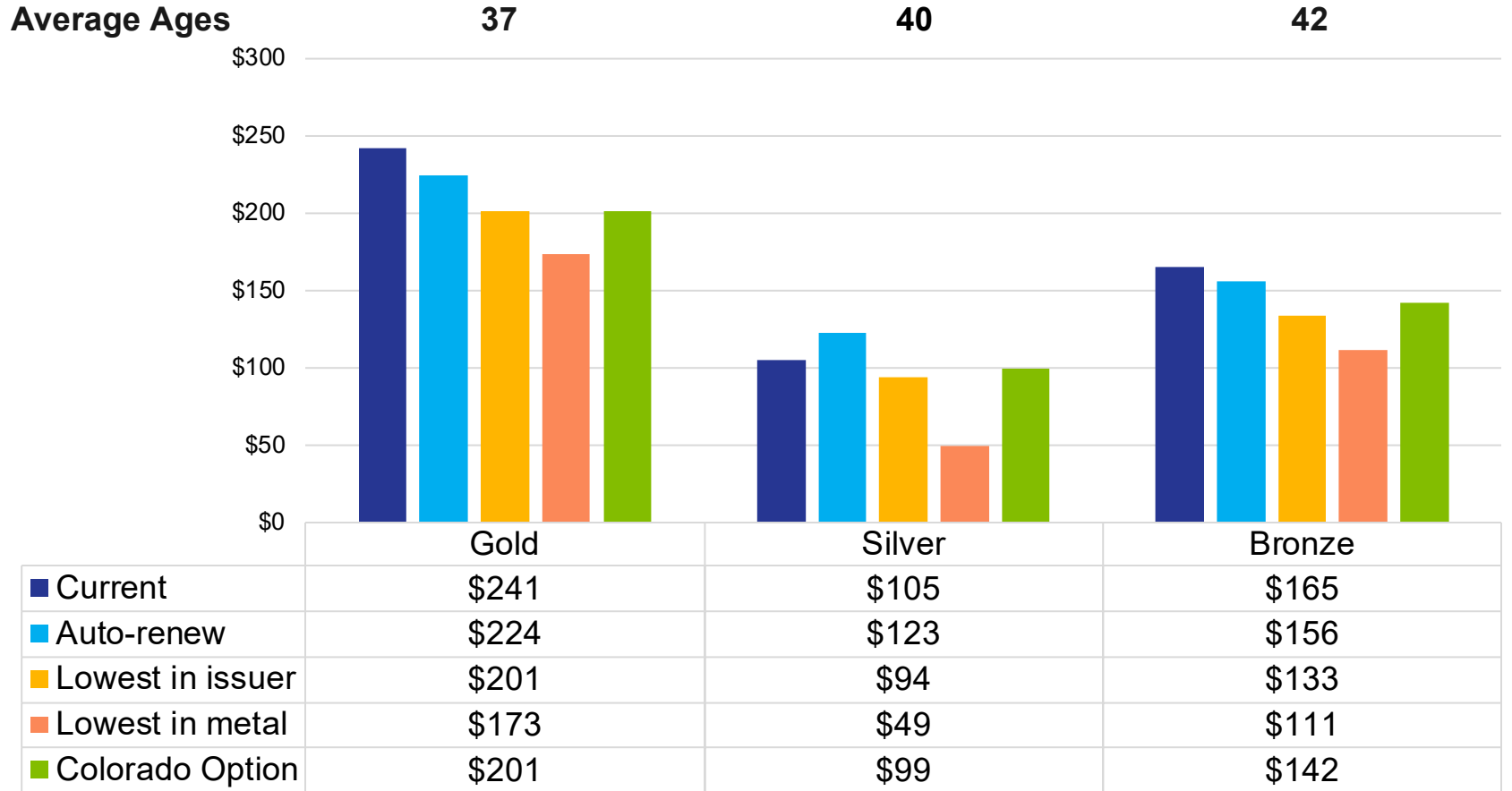
Premium Changes and Shopping Impact



- All metal tiers, other than catastrophic, could benefit from shopping, with more savings available if willing to move from current issuer.

Consumer Impact - Subsidy Eligible By Metal

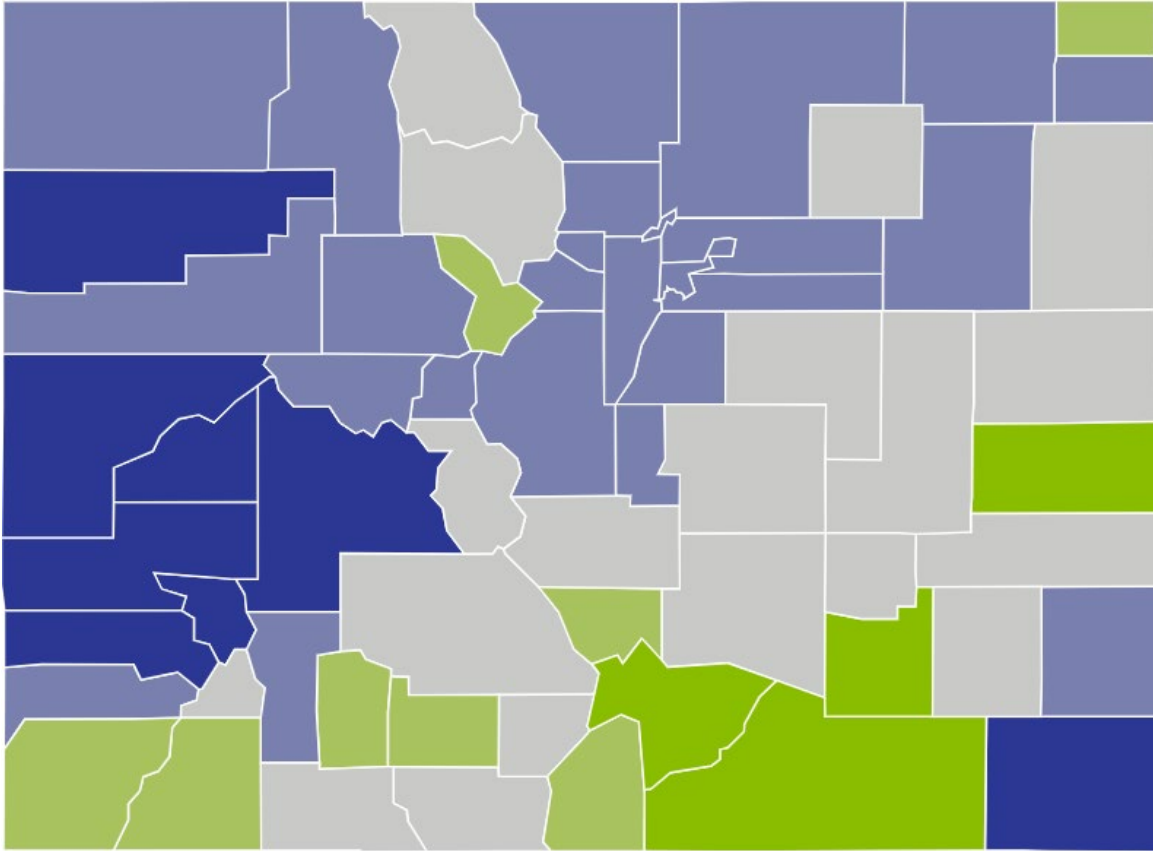
Premium Changes and Shopping Impact



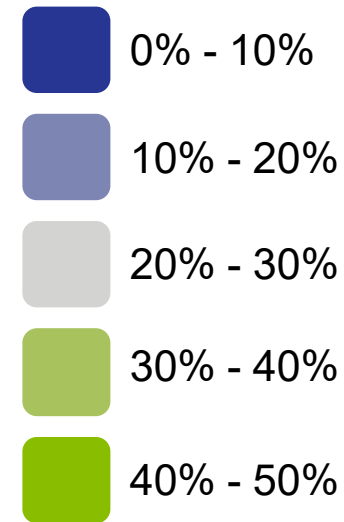
- Subsidy eligible individuals that auto-renew to their current plan are likely to see a net premium increase
- All metal tiers could benefit from shopping

Consumer Impact

Selection of Colorado Option Plans



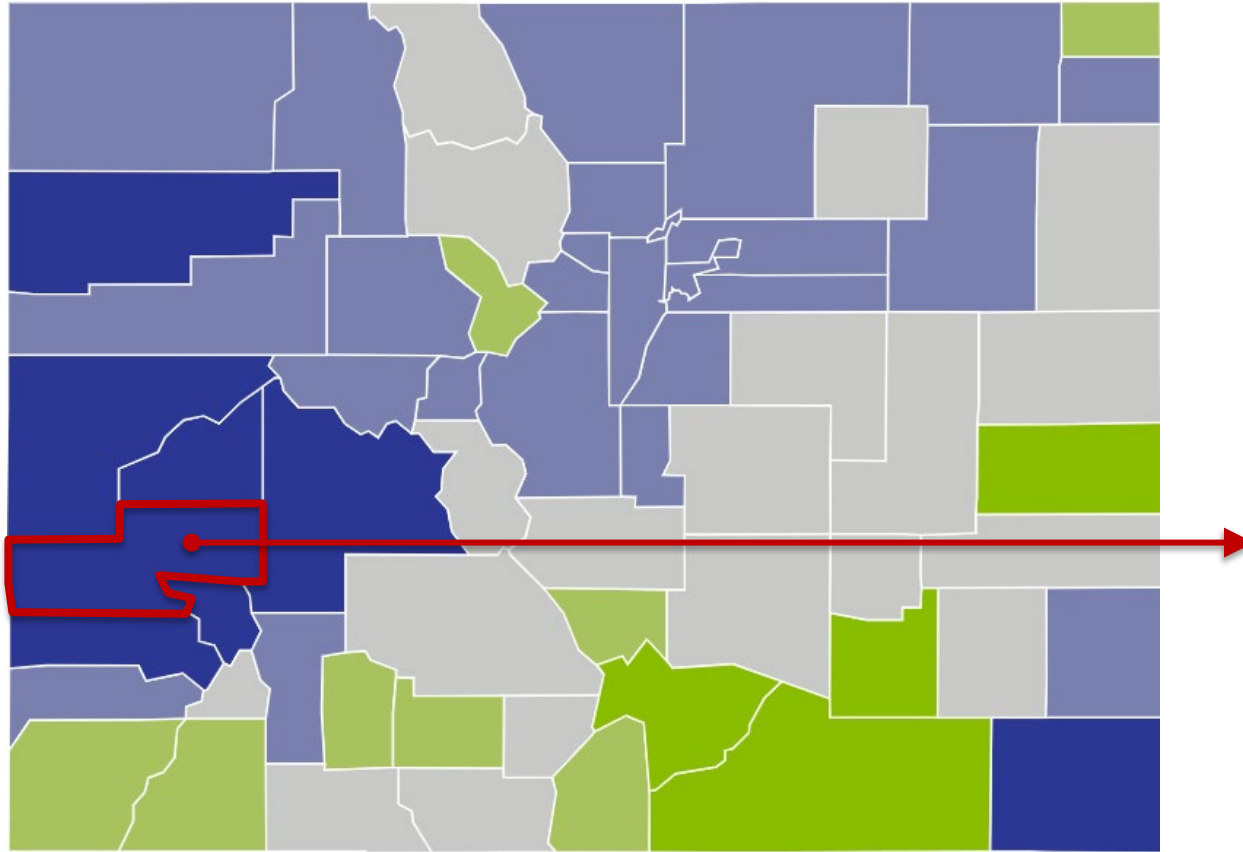
Enrollment in Colorado Option plans as a percentage of total county enrollment



- 18% of 2023 enrollment was in Colorado Option plans

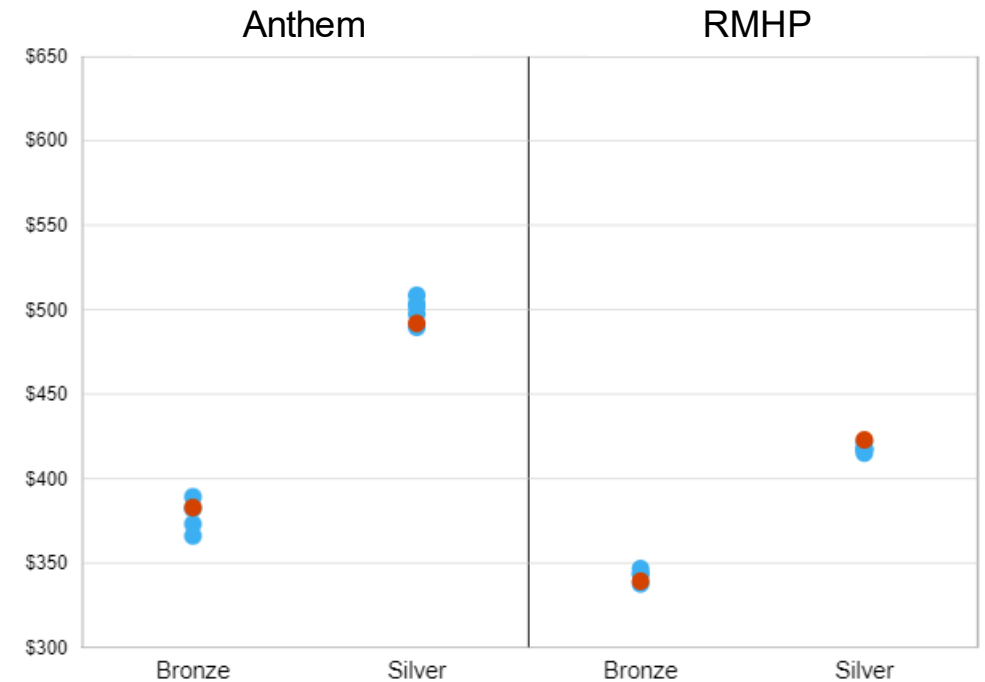
Consumer Impact

Selection of Colorado Option Plans



2023 plan offerings in Montrose county

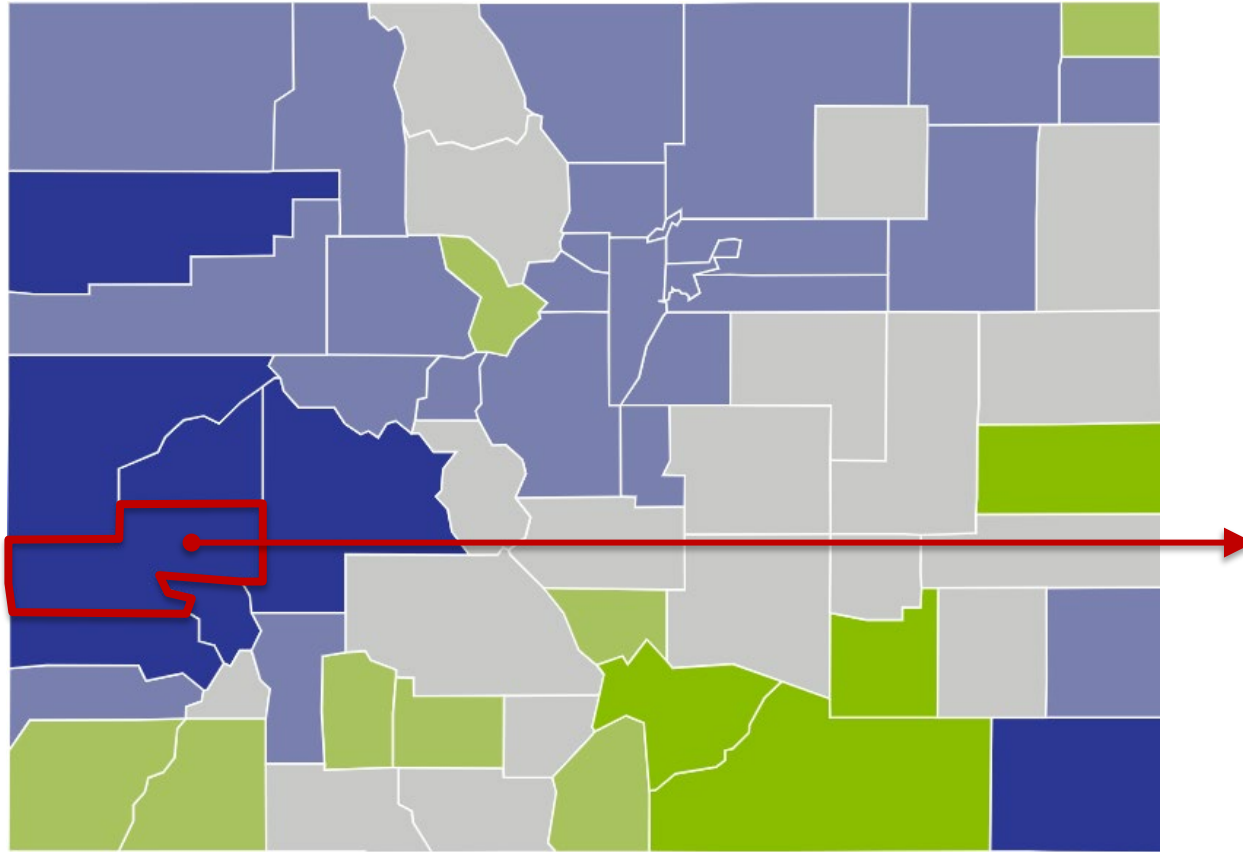
Colorado Option plans are highlighted **red**



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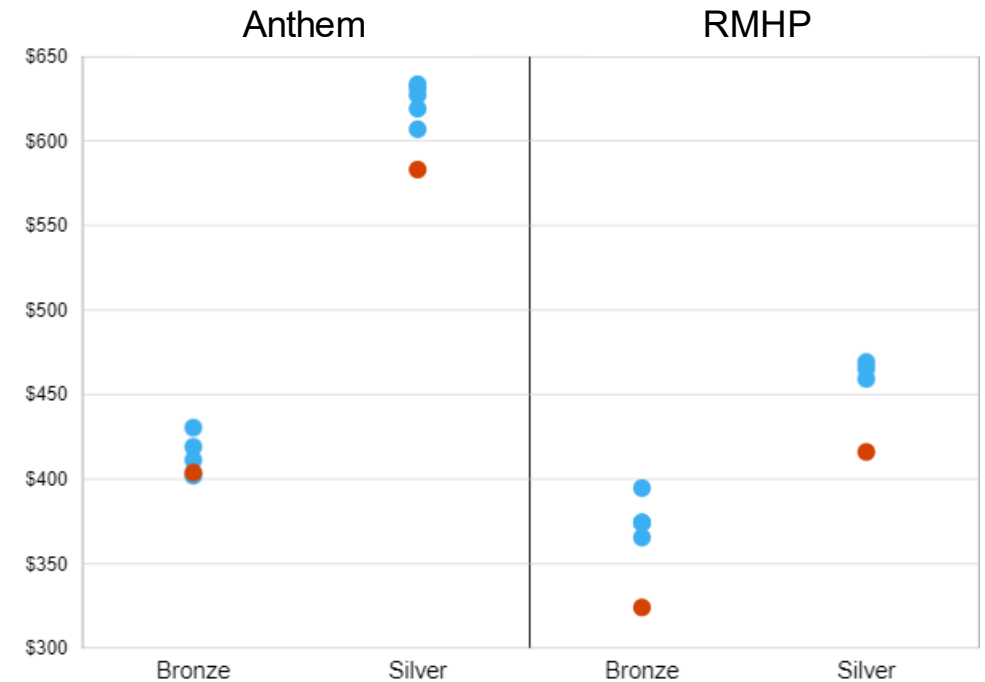
Consumer Impact

Selection of Colorado Option Plans



2024 plan offerings in Montrose county

Colorado Option plans are highlighted **red**



- 18% of 2023 enrollment was in Colorado Option plans

Key Findings

Subsidy Use

- Approximately 13,011 (15,205 in 2022) enrollees appear to be eligible for Cost Sharing Reduction (CSR) plans but are not enrolled in Silver plans so they cannot take advantage of CSRs
 - Roughly 7,626 of these are in Bronze plans
 - Roughly 5,385 of these are in Gold plans
- No enrollees appear to be eligible for premium subsidies but are enrolled in Catastrophic plans



Appendix

Definitions

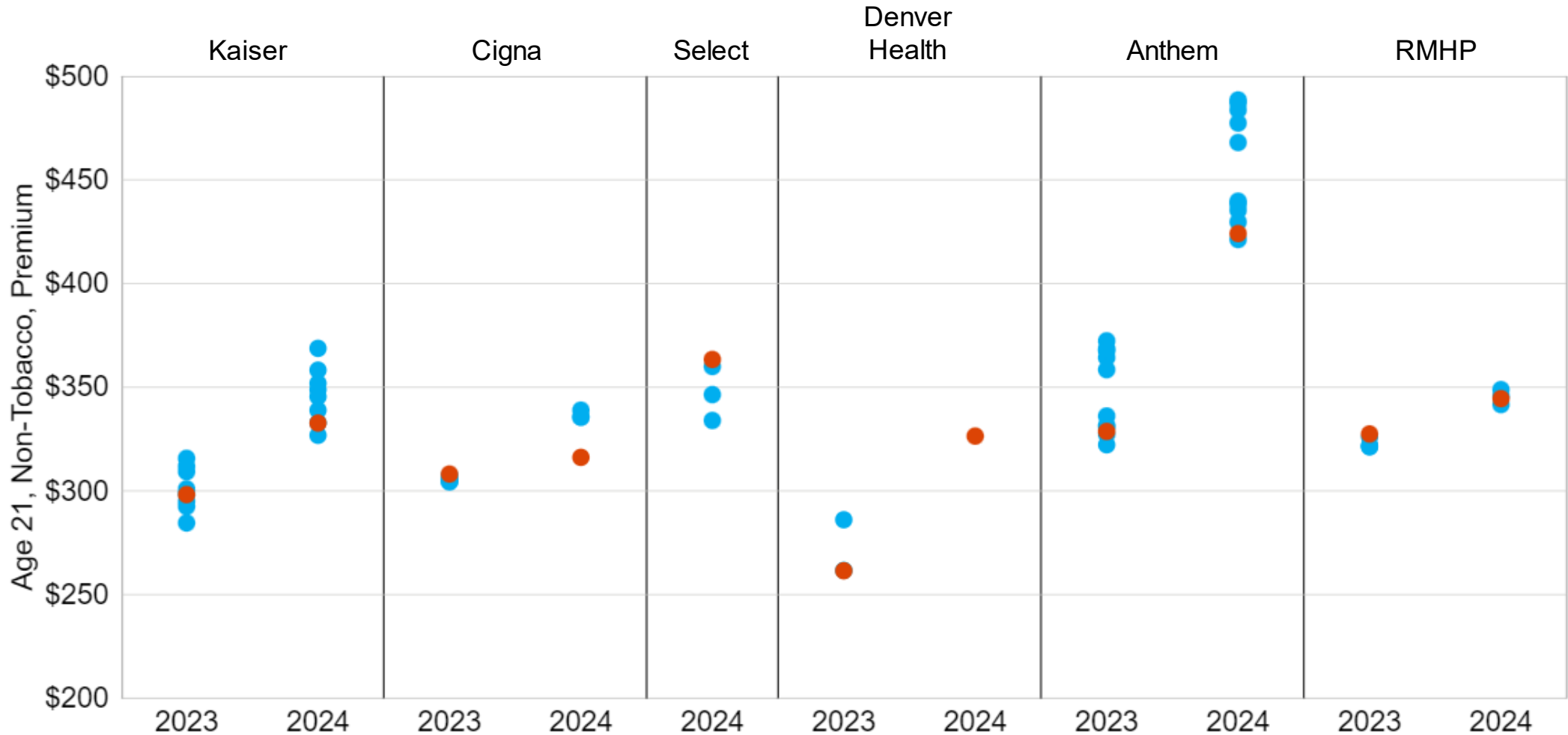
- Subsidy eligible: Individuals are defined based on their eligibility at the beginning of 2023; those reporting utilization of subsidies in the data provided by C4HCO were considered subsidy eligible
- Non-Subsidy eligible: Individuals are defined based on their eligibility at the beginning of 2023; those not reporting utilization of subsidies in the data provided by C4HCO were considered non-subsidy eligible
- Enrollee: Individual member enrolled in a plan
- Household: Group of family members covered by same plan
- County/zip group: Subset of zip codes within a county where all zip codes have same benchmark plan
- Discontinued Plans:
 - Plans that are not cross-walked to a 2024 plan on the exchange

What Percent of Subsidy Eligible Households Will be Able to Find a Plan in Each Metal Tier for a Given “After Net Premium Amount”?

After Subsidy Premium	Bronze		Silver		Gold	
	Households	% of Households	Households	% of Households	Households	% of Households
\$0	58,231	59%	21,852	22%	33,393	34%
\$10	59,593	60%	25,548	26%	36,161	37%
\$25	61,469	62%	30,968	31%	40,057	40%
\$50	64,418	65%	36,925	37%	44,935	45%
\$75	66,999	68%	42,588	43%	49,139	50%
\$100	69,514	70%	46,295	47%	52,770	53%

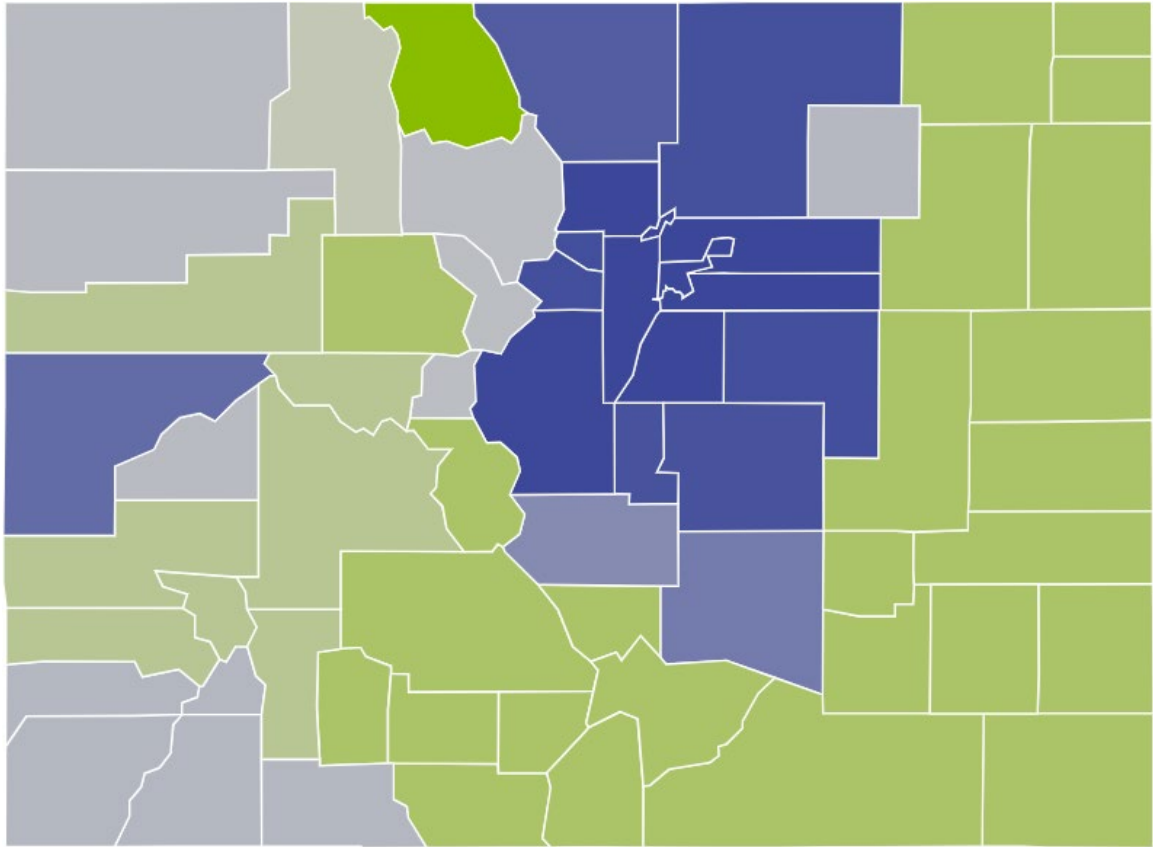
Competitive Landscape

Silver Premiums – **Denver County** - Colorado Option plans are highlighted **red**

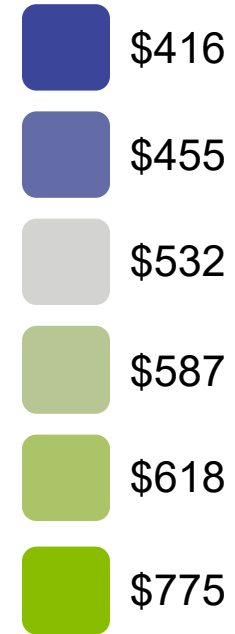


Premiums

Regional Differences in Rates



Average Second Lowest Silver for Age 40 in rating area before advance premium tax credits



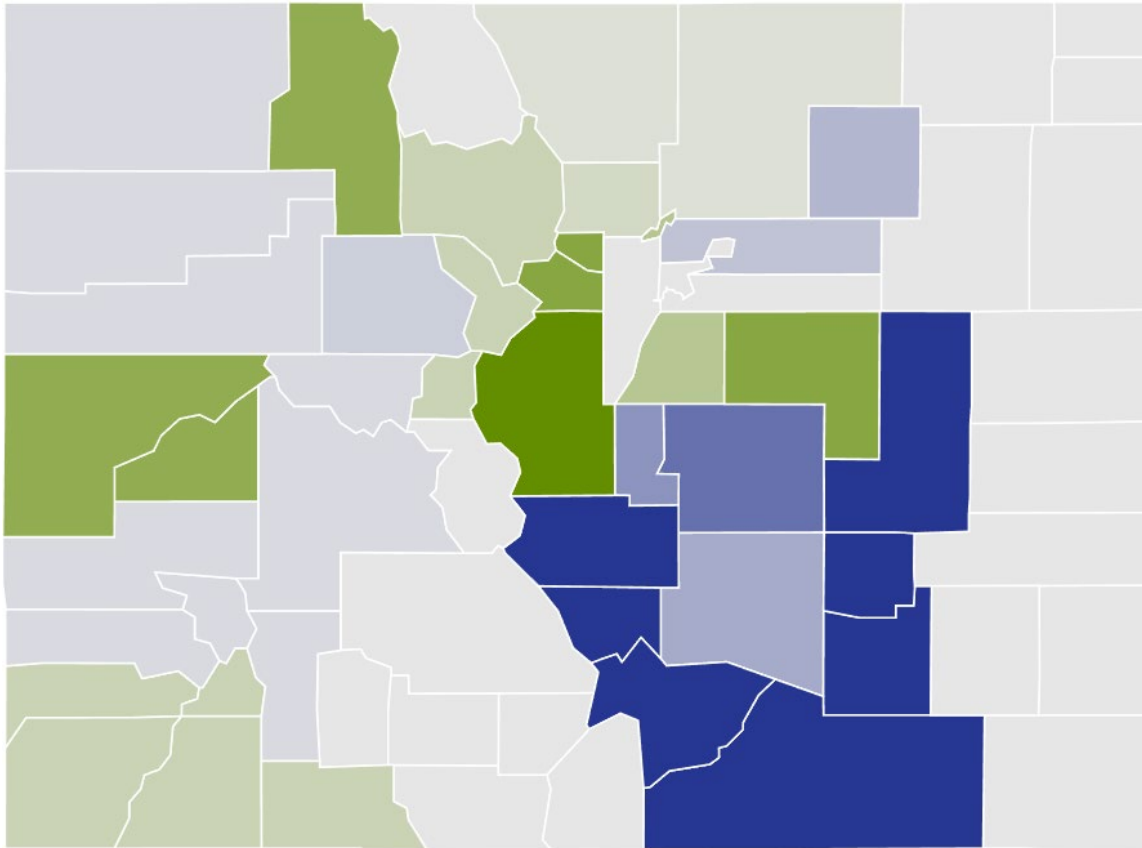
Comparison of Plan Offerings

- There were 166 plans offered on the exchange in 2023 and 149 in 2024
- Plans identified as continuing include plans replaced with new plans
- Discontinued plans in the table are those where enrollees will need to select new plan, and include 14,928 enrollees, or 8% of 2023 enrollees
- Not all plans are offered in all regions of the state

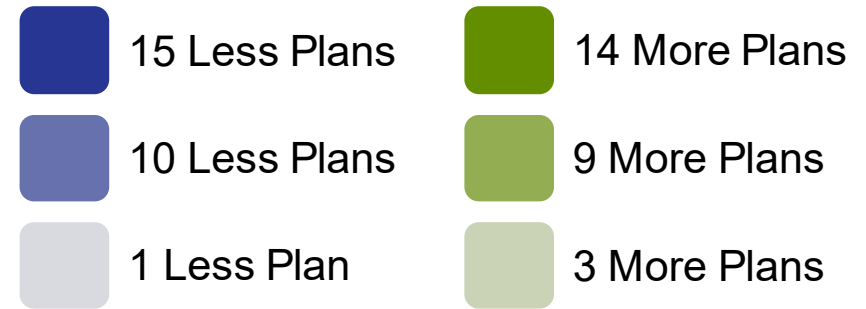
	Gold	Silver	Bronze	Catastrophic	Total
2023 Plans	35	64	62	5	166
Continued	22	46	47	4	119
Discontinued	13	18	15	1	47
New	10	9	11	0	30
2024 Plans	32	55	58	4	149
Net Change	-3	-9	-4	-1	-17
Colorado Option Plans	13	13	13	0	39

Consumer Choice

Change in Plan Availability by County

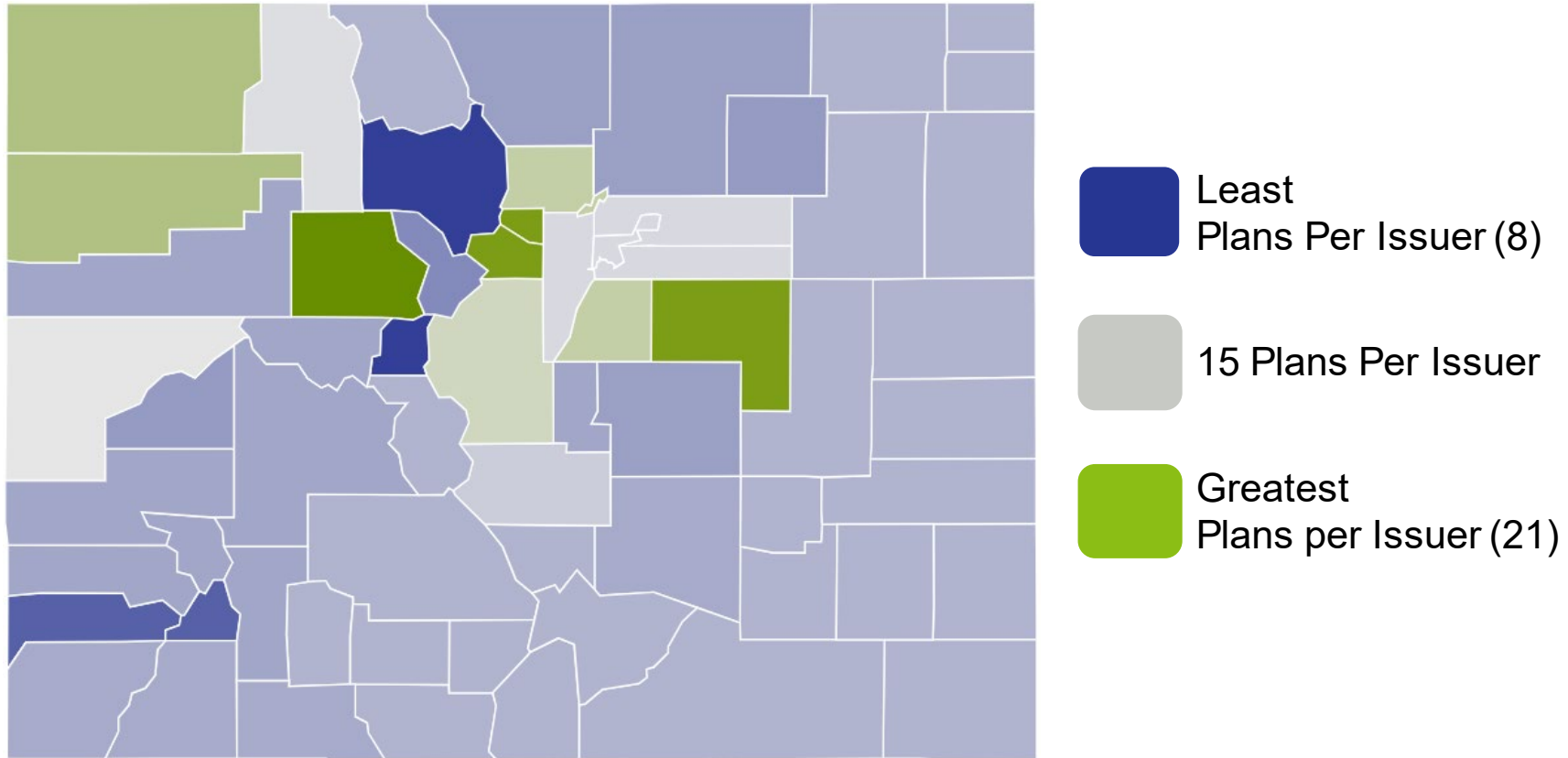


Plan Change by County	Number of Counties	% 2023 Enrollment
Increasing	20	40%
No Change	22	36%
Decreasing	22	24%

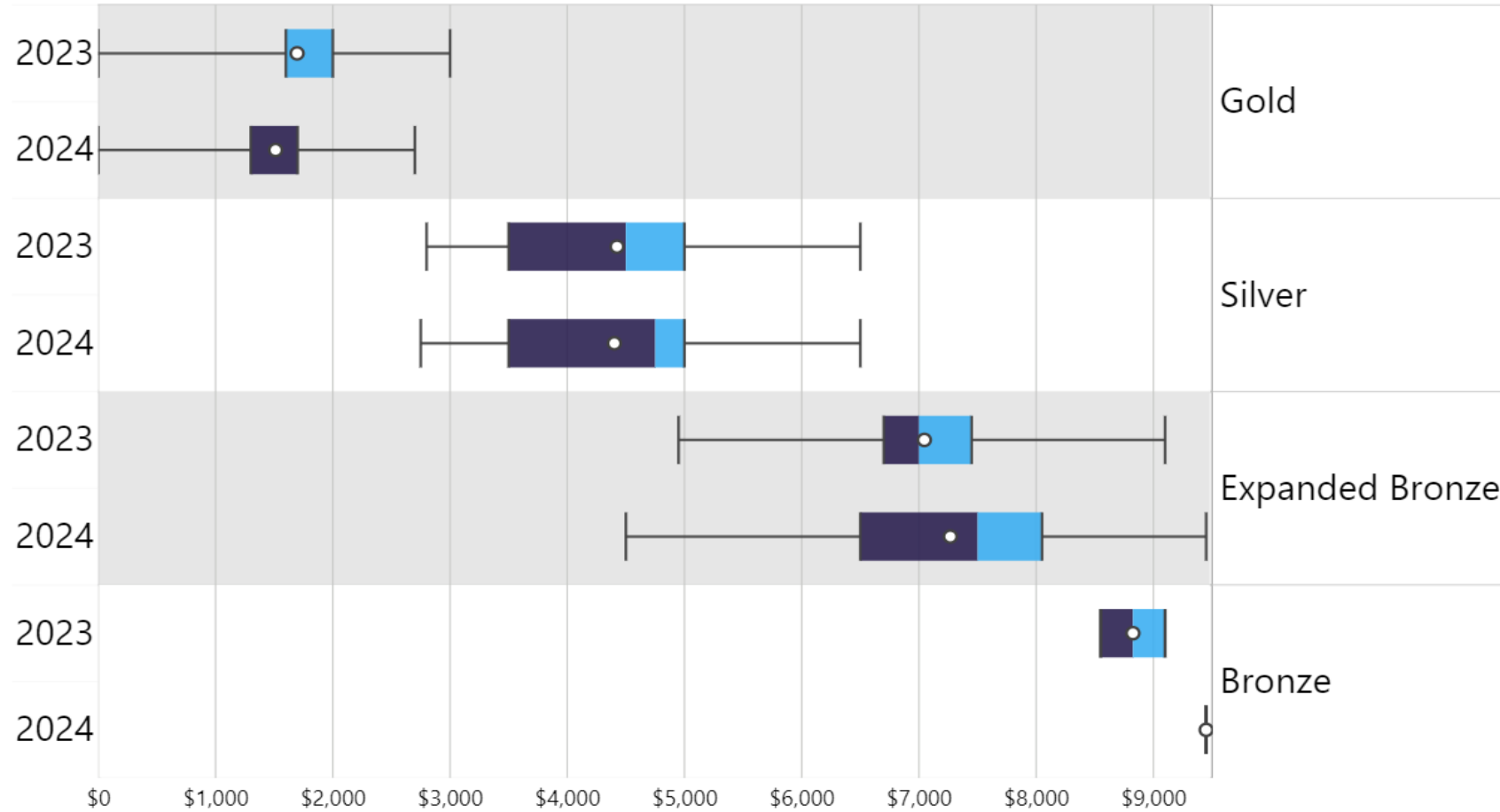


Consumer Choice

Average Plans Per Issuer



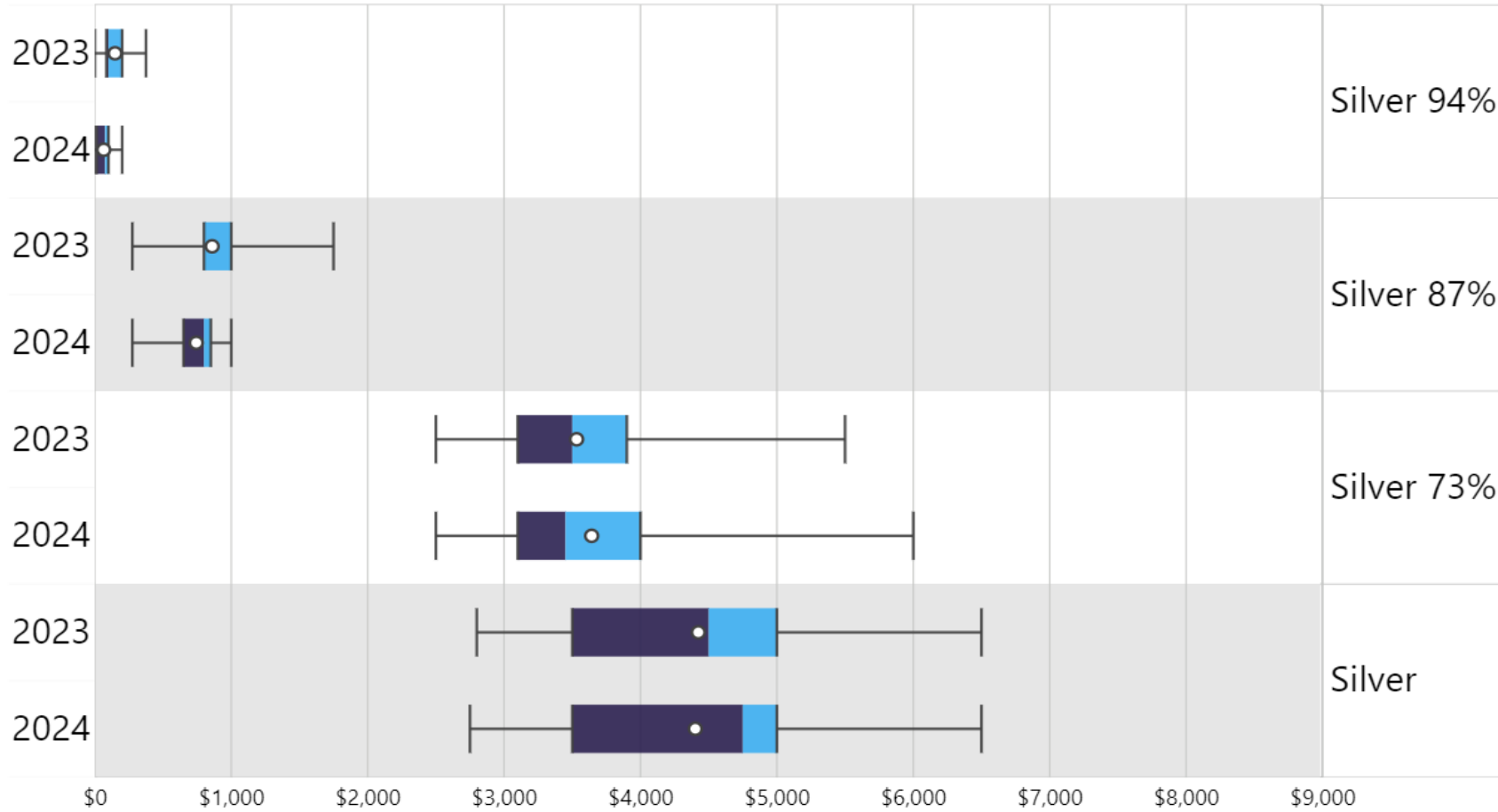
Plan Design



2024 Deductible Ranges

Gold	\$0 - \$2,700
Silver	\$2,750 - \$6,500
Expanded Bronze	\$4,500 - \$9,450
Bronze	\$9,450

Plan Design – Silver Variants



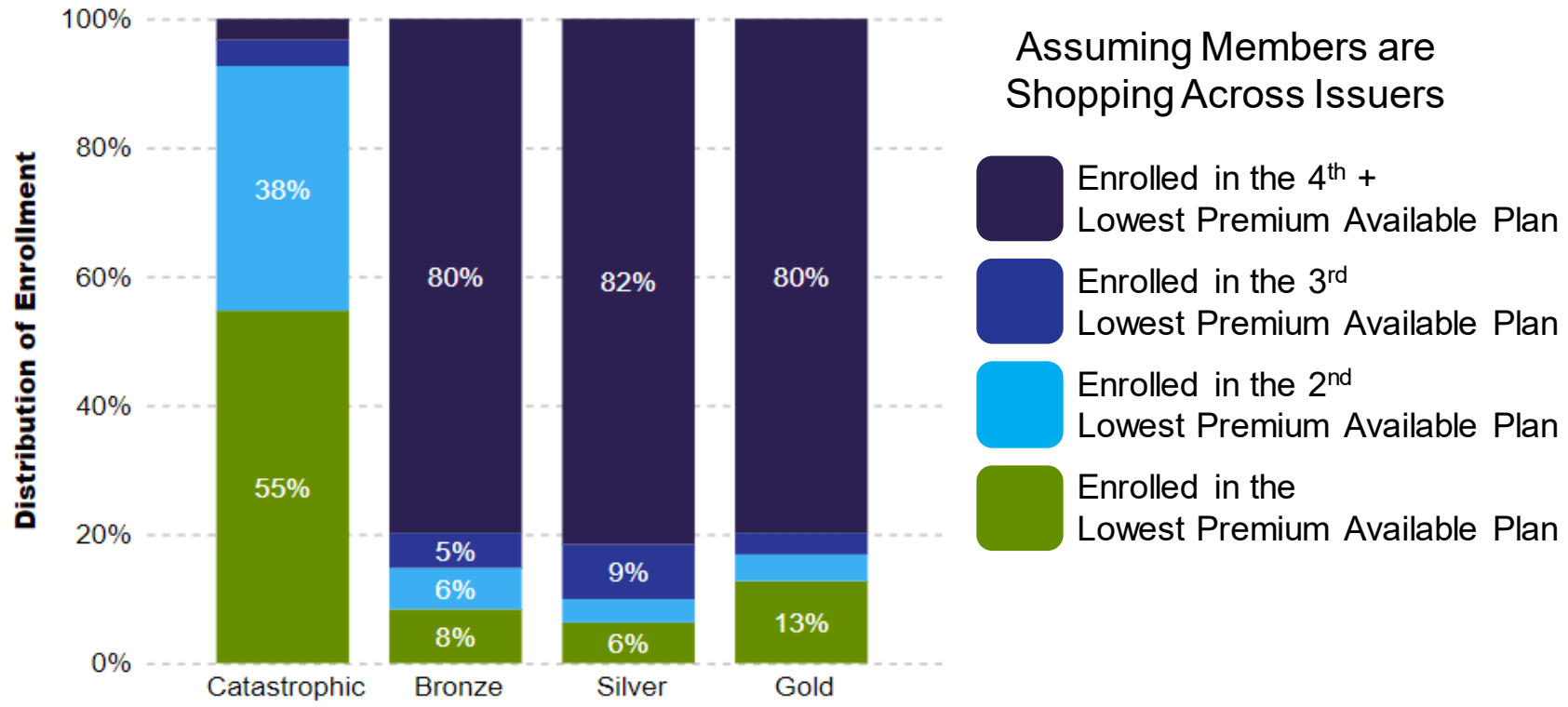
2024 Deductible Ranges

Silver 94% AV	\$0 - \$200
Silver 87% AV	\$275 - \$1,000
Silver 73% AV	\$2,500 - \$6,000
Standard Silver	\$2,750 - \$6,500

Consumer Impact

Enrollment by Plan Premium Rank

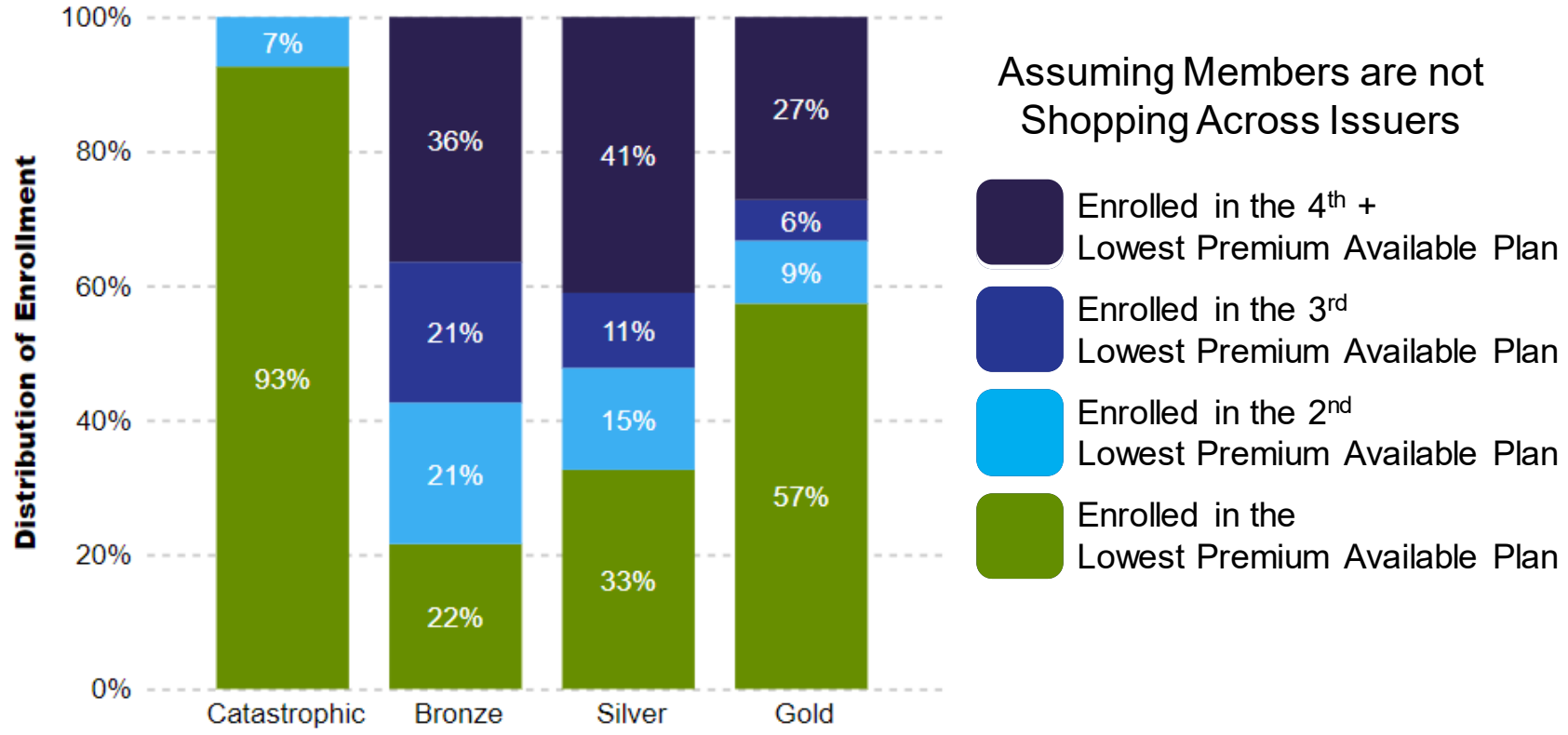
Non-Subsidy Eligible - By Metal



Consumer Impact

Enrollment by Plan Premium Rank

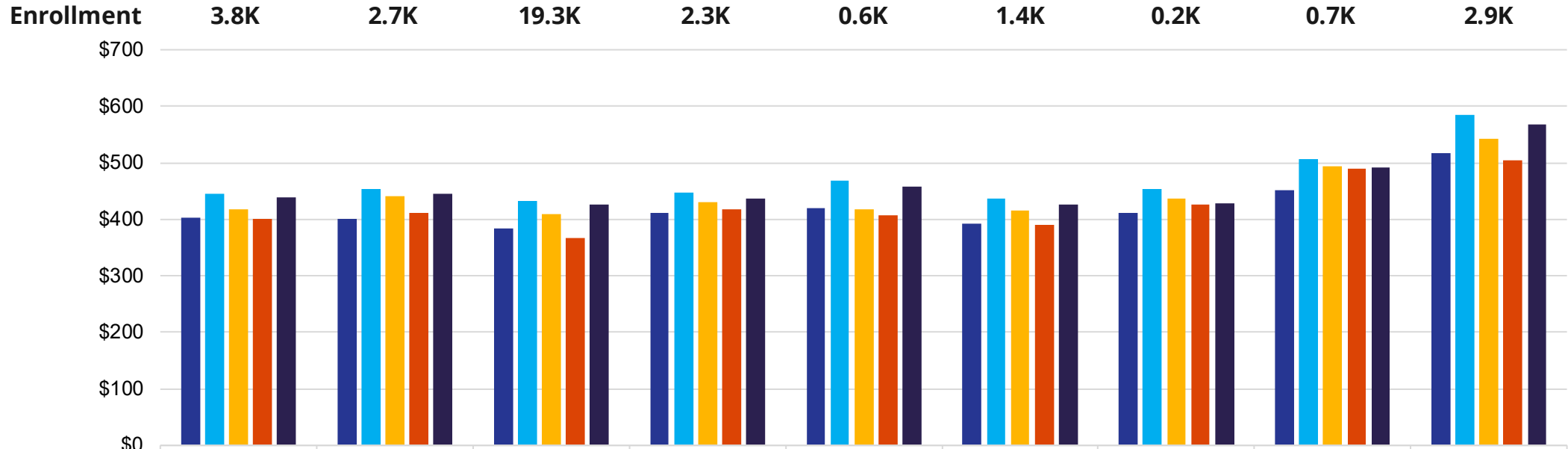
Non-Subsidy Eligible - By Metal and Issuer



Consumer Impact

Premium Changes and Shopping Impact

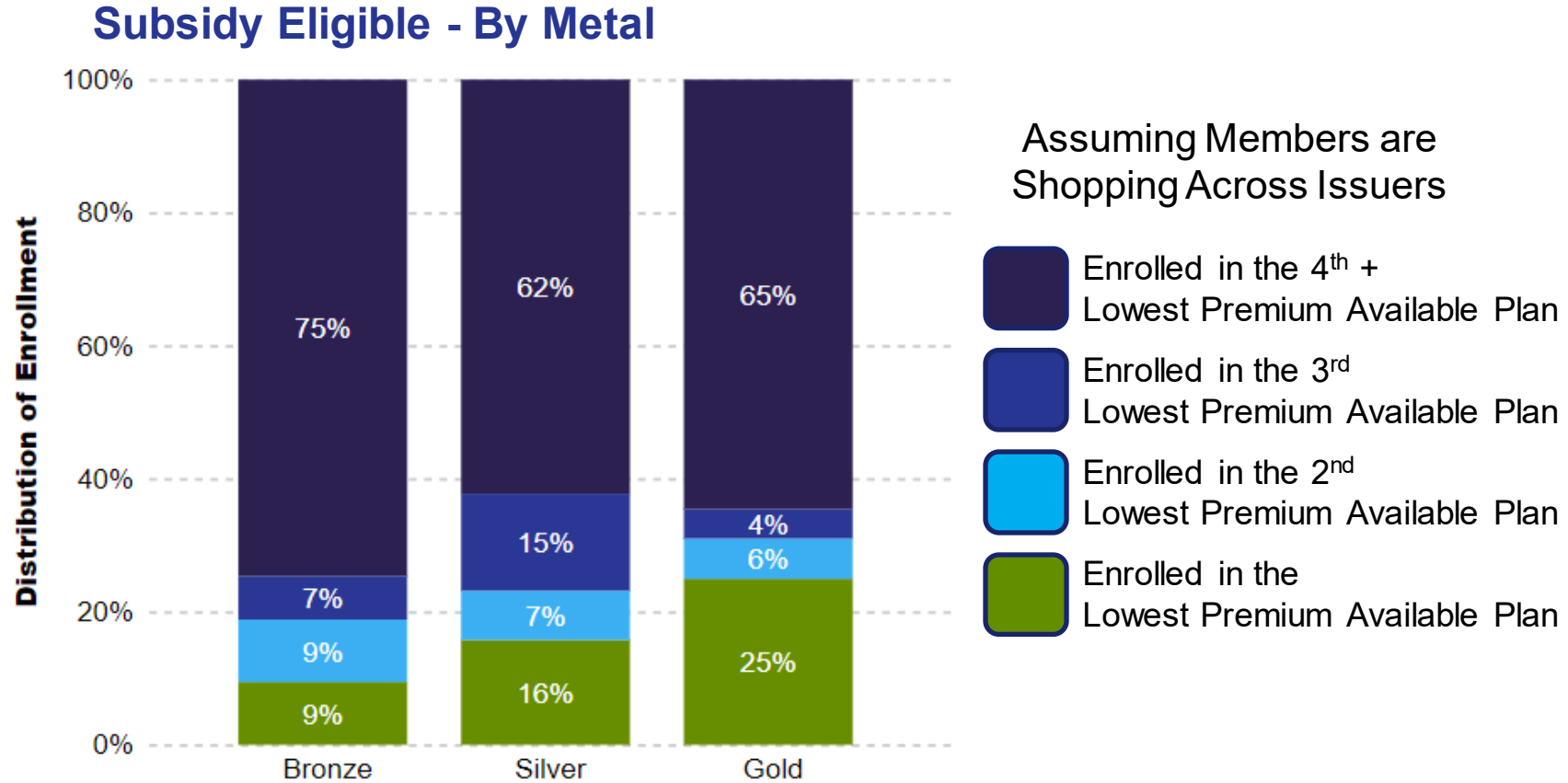
Impact of Shopping for Non-Subsidy Eligible Enrollees By Area



	Boulder	Colorado Springs	Denver	Fort Collins (Larimer)	Grand Junction (Mesa)	Greeley (Weld)	Pueblo	East	West
■ Current	\$403	\$401	\$383	\$411	\$419	\$393	\$412	\$453	\$518
■ Auto-renew	\$446	\$454	\$432	\$448	\$469	\$436	\$453	\$507	\$585
■ Lowest in issuer	\$417	\$441	\$409	\$430	\$417	\$416	\$436	\$494	\$544
■ Lowest in metal	\$400	\$411	\$368	\$417	\$408	\$391	\$426	\$490	\$505
■ Silver go Off Exch	\$438	\$446	\$427	\$436	\$458	\$426	\$429	\$492	\$568

Consumer Impact

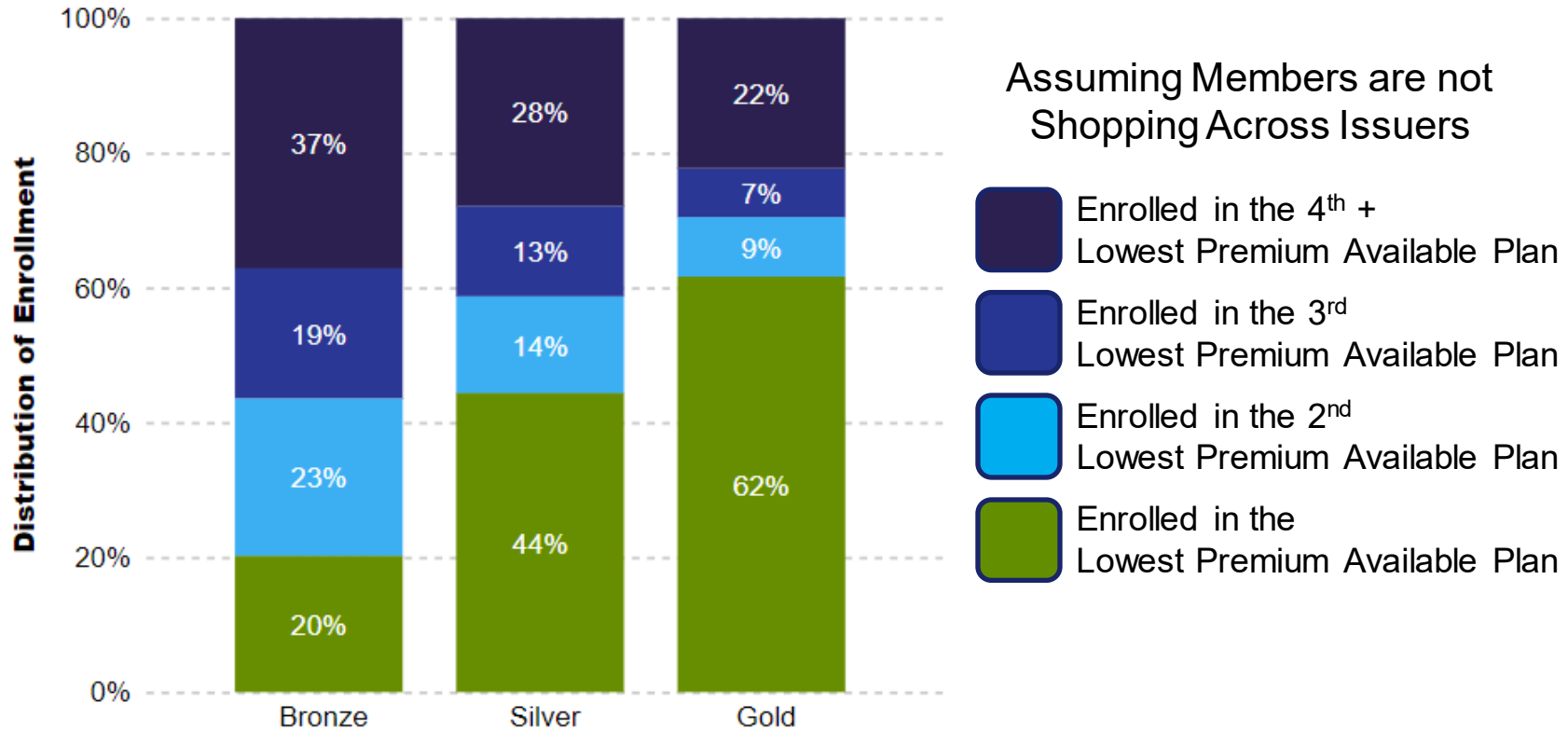
Enrollment by Plan Premium Rank



Consumer Impact

Enrollment by Plan Premium Rank

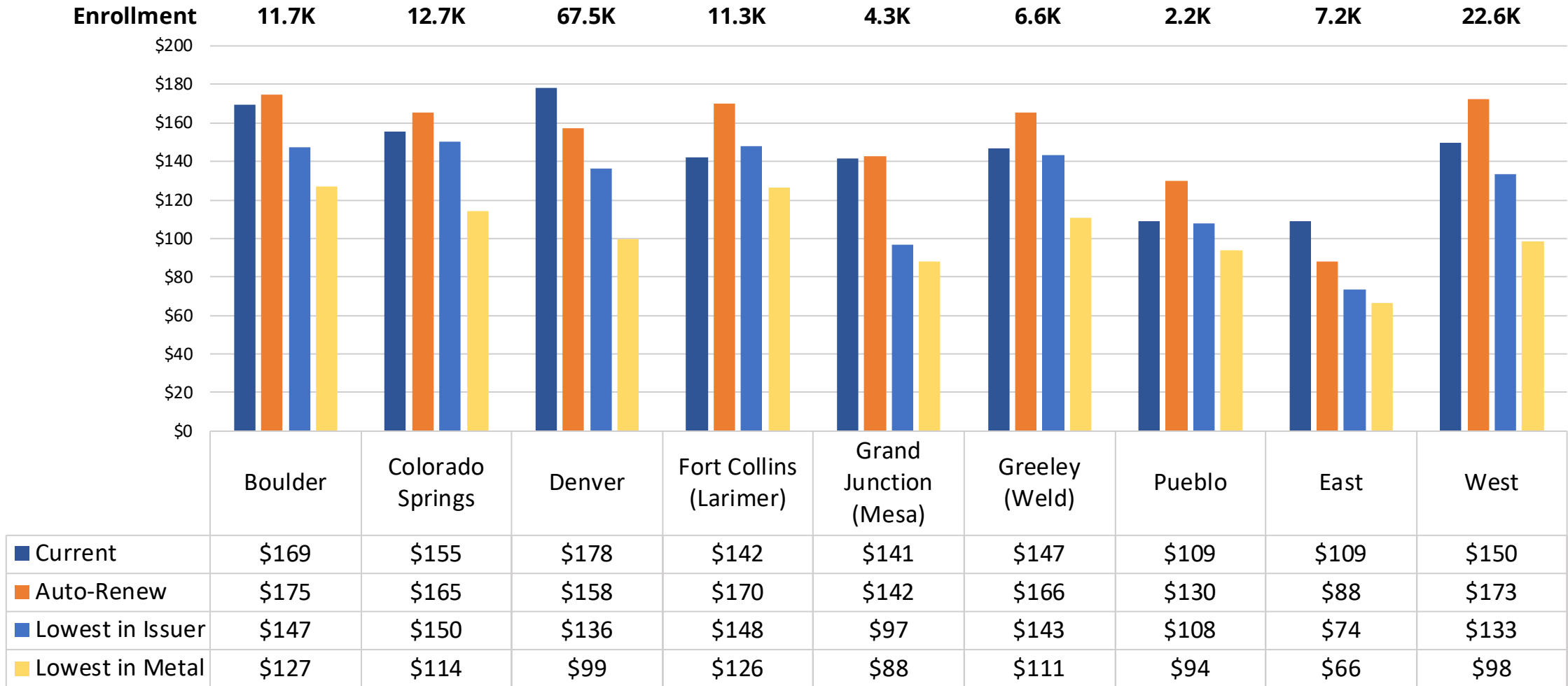
Subsidy Eligible - By Metal & Issuer



Consumer Impact

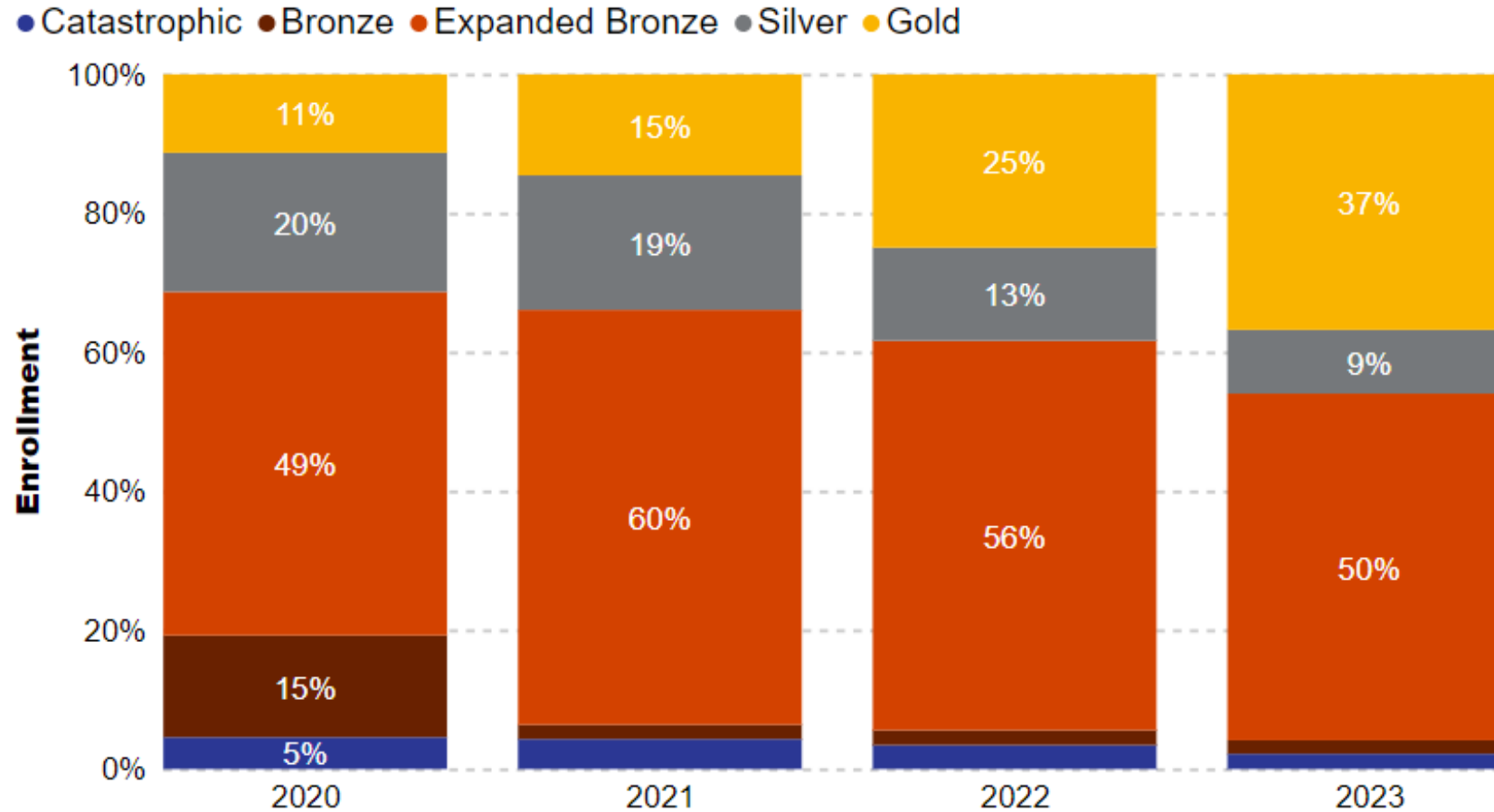
Premium Changes and Shopping Impact

Impact of Shopping for Subsidy Eligible Enrollees By Area



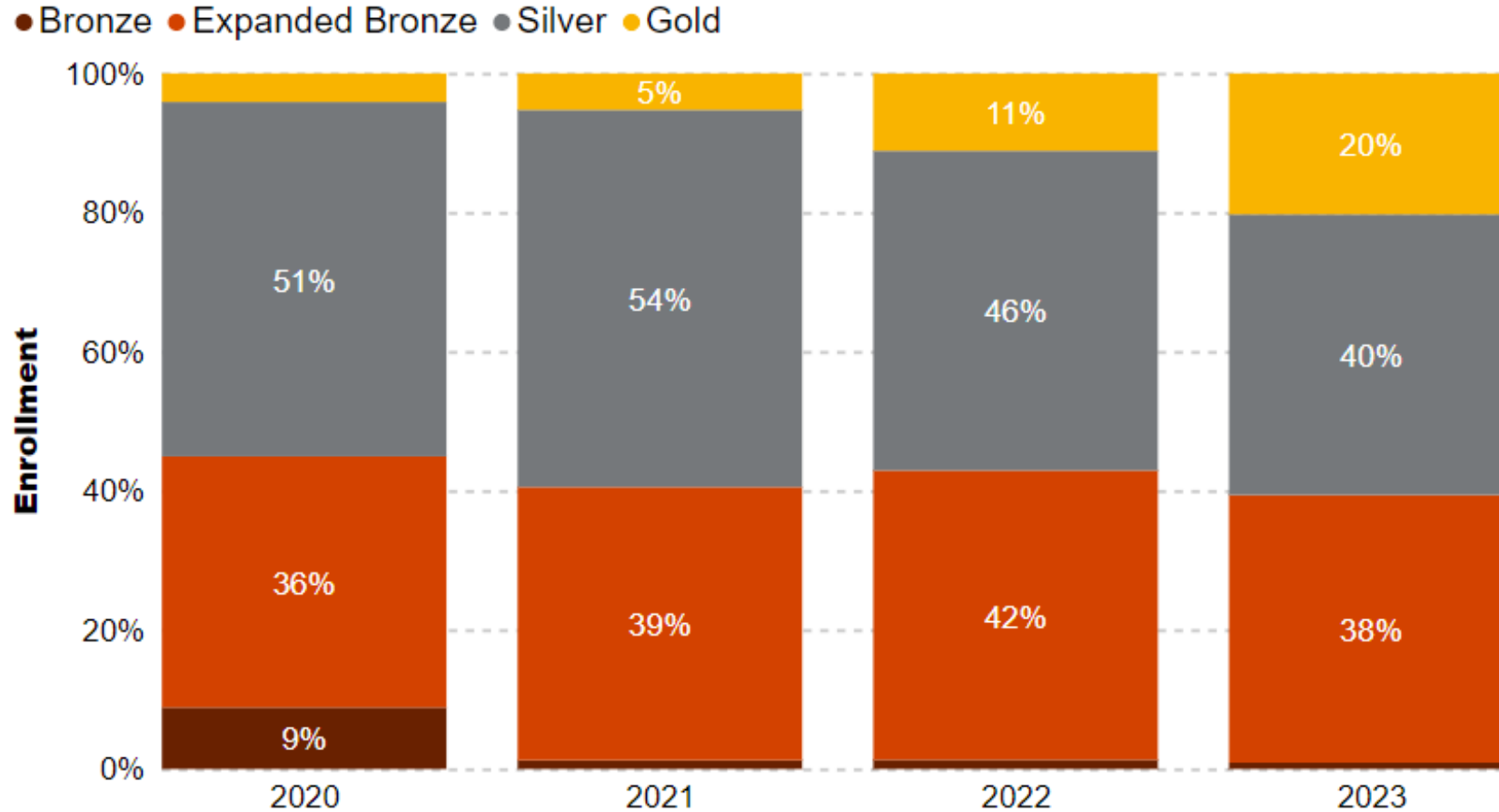
Enrollment Changes

Membership changes by Metal – Non-Subsidy Eligible Enrollees



Enrollment Changes

Membership changes by Metal – Subsidy Eligible Enrollees



Disclosures and Limitations

- **Responsible Actuary.** Julie Andrews is the actuary responsible for this communication. Julie is a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. She meets the Qualification Standards of the American Academy of Actuaries to issue this report.
- **Intended Users.** This information has been prepared for the use of Connect for Health Colorado (C4HCO) to discuss the potential impact of 2024 Rate Changes. Wakely does not intend to benefit third parties and assumes no duty or liability to those third parties. Any third parties receiving this work should consult their own experts in interpreting the results. This report, when distributed, must be provided in its entirety and include caveats regarding the variability of results and Wakely's reliance on information provided by Colorado issuers and C4HCO.
- **Risks and Uncertainties.** The assumptions and resulting estimates and conclusions included in this report are inherently uncertain. Users of the results should be qualified to use it and understand the results and the inherent uncertainty. Actual results may vary, potentially materially, from our estimates. It is the responsibility of the organization receiving this output to review the assumptions carefully and notify Wakely of any potential concerns.
- **Conflict of Interest.** Wakely provides actuarial services to a variety of clients throughout the health industry. Our clients include commercial, Medicare, and Medicaid health plans, the federal government and state governments, medical providers, and other entities that operate in the domestic and international health insurance markets. Wakely has implemented various internal practices to reduce or eliminate conflict of interest risk in serving our various clients. The responsible actuary is financially independent and free from conflict concerning all matters related to performing the actuarial services underlying this analysis. In addition, Wakely is organizationally and financially independent from C4HCO and any Colorado issuer.
- **Data and Reliance.** Wakely relied on publicly available sources in this assignment. We have reviewed the data for reasonableness but have not performed any independent audit or otherwise verified the accuracy of the data/information. If the underlying information is incomplete or inaccurate, our estimates may be impacted, potentially significantly. Any errors in the data will affect the accuracy of the analysis and the conclusions drawn in this report. When performing financial and actuarial analyses on the current data, assumptions must be made where there is incomplete data. Improvements in data will allow for more accurate analyses and consistent reporting.
- **Subsequent Events.** Filings received after the date indicated will result in variation in results.
- **Contents of Actuarial Report.** This document and the supporting exhibits constitute the entirety of the actuarial report and supersede any previous communications on the project. This report is provided to C4HCO to discuss the potential options to stabilize the marketplaces. Any other use of this report may not be appropriate. Wakely does not intend third parties to rely on this report for any other purpose and assumes no duty or liability to parties other than C4HCO who use or receive this work. This report should only be reviewed and considered in its entirety.
- **Deviations from ASOPS.** Wakely completed the analysis using sound actuarial practice. To the best of our knowledge, the report and methods used in the analysis are in compliance with the appropriate Actuarial Standards of Practice (ASOP) with no known deviations.