

Colorado Health Insurance Option

One in five Coloradans went without needed health care due to cost before COVID-19.¹ The pandemic has worsened this reality. **The Colorado Health Insurance Option ensures all Coloradans can access the quality, affordable health care they need.** The Colorado Health Insurance Option allows the healthcare industry the opportunity to work collaboratively to improve our healthcare system by lowering healthcare costs and insurance rates for individuals and employers in Colorado. This proposal holds the healthcare industry accountable to keep their prices reasonable, and only if they do not lower prices, it adds competition by introducing a public health insurance option that will make healthcare more affordable.

When will the Colorado Health Insurance Option be available to Coloradans?

- Insurers would offer the Colorado Health Insurance Option for coverage beginning on January 1, 2023. There will be goals for price reduction during plan years 2023 and 2024. Insurers will have the option to work with hospitals, Pharma, and others to negotiate the premiums that meet the targets.
- If insurers are unable to meet the targets during plan years 2023 or 2024, the state would offer the Colorado Health Insurance Option for coverage beginning January 1, 2025. If they are able to meet the targets, any creation of a state-backed Colorado Option will be delayed until the targets are no longer met.

Who will offer the Colorado Health Insurance Option?

- Insurance carriers will be accountable for meeting premium reduction targets and ensuring there that the Colorado Health Insurance Option is offered in each Colorado county.
- Our hope is that the private market can reach these goals without state intervention or rules. If the private market cannot achieve these requirements, the state will create a quasi-governmental entity to offer the Colorado Health Insurance Option in all counties.
 - The entity will reimburse providers according to a fee schedule set by the DOI and HCPF and will be able to contract with state agencies to provide health insurance plan functions.
 - The entity will be transparent and accountable to the public. An advisory group will recommend ways to equitably develop, implement, and operate the Colorado Health Insurance Option in the best interest of all Coloradans, with special consideration given to the interests of low-income Coloradans and communities of color.

What benefits will the Colorado Health Insurance Option cover?

- The Colorado Health Insurance Option will cover the essential health benefits and provide pre-deductible coverage for certain high value services.
- The Colorado Health Insurance Option will comply with state and ACA required consumer protections.

¹https://www.coloradohealthinstitute.org/sites/default/files/file_attachments/CHAS%20Storybook%202019%20for%20Web.pdf

- If offered by a quasi governmental entity, the Colorado Health Insurance Option will also be able to employ innovations such as centers of excellence, telehealth, and alternative payment models to improve the quality and affordability of coverage.

What markets would the Colorado Health Insurance Option be offered in?

- Individuals and small employers would be able to purchase the Colorado Health Insurance Option.
- If the state offers the Colorado Health Insurance Option, purchasing alliances would have the ability to access the fee schedules established by the DOI, in consultation with HCPF, if they meet certain requirements, which would help group and self-insured plans to reduce premiums.

How will the Colorado Health Insurance Option be financed?

- The State would apply for a 1332 waiver under the ACA and, if approved, would use that funding to set up the quasi-governmental entity.
- Any additional pass-through funding from the waiver will be used to make coverage more affordable for Coloradans.

Who will administer and oversee the Colorado Health Insurance Option?

- Private insurers will administer the Colorado Health Insurance Option, and if insurers cannot meet the premium and geographic targets, the state will offer the Colorado Health Insurance Option no sooner than 2025.
- The Colorado Health Insurance Option will be subject to DOI regulation.