

Colorado

2021 Healthcare Affordability Policy Checklist

KEY

-  = implemented by state
-  = the state has implemented policies, but could improve
-  = not implemented by state

polling data repeatedly shows that healthcare affordability is the number one issue that state residents, on both sides of the political aisle, want their policymakers to work on. This checklist identifies areas where Colorado is doing well and areas where it can improve.

1. CURB EXCESS HEALTHCARE PRICES:

- Implement free, public-facing healthcare price transparency that reflects negotiated rates and features treatment- and provider-specific prices. 
- Create an all-payer or multi-payer claims database to analyze healthcare price inflation, price variation and utilization. 
- Create a permanently convened health spending oversight entity.¹ 
- Create all-payer healthcare spending and quality benchmarks for the state. 

2. REDUCE LOW-VALUE CARE:

- Require validated patient-safety reporting for hospitals.² 
- Universally implement antibiotic stewardship programs using CDC's 7 Core Elements.³ 
- Analyze claims and EHR data to understand how much is spent on low- and no-value services.⁴ 

3. EXTEND COVERAGE TO ALL RESIDENTS:

- Expand Medicaid to cover adults up to 138% of the federal poverty level. 
- Provide high-quality, affordable coverage options for people whose incomes are too high to qualify for Medicaid, e.g., Basic Health Plan, reinsurance or augmented premium subsidies.^{5,6} 
- Provide options for immigrants that don't qualify for the coverage above.^{7,8} 
- Conduct strong rate review of fully insured, private market options.⁹ 

4. MAKE OUT-OF-POCKET COSTS AFFORDABLE:

- Protect patients from inadvertent surprise out-of-network medical bills.^{10,11} 
- Limit the availability of short-term, limited-duration health plans. 
- Waive or reduce cost-sharing for high-value services.¹² 
- Require insurers in a state-based exchange to offer evidence-based standard plan designs.¹³ 

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Additional detail is available at:

WWW.HEALTHCAREVALUEHUB.ORG/AFFORDABILITY-SCORECARD/COLORADO

NOTES

1. CO's Office of Saving People Money on Health Care works to reduce patient costs for hospital stays and expenses, improve price transparency, lower the price of prescription drugs and make health insurance more affordable. In 2021, CO established a Prescription Drug Affordability Board tasked with setting upper payment limits to reduce prescription drug costs.
2. Central line-associated bloodstream infections (CLABSI) and catheter-associated urinary tract infections (CAUTI) are two common forms of hospital-acquired infections. CO mandates patient safety reporting and validation for both CLABSI and CAUTI. For more information, see: https://www.cdc.gov/hai/data/portal/progress-report.html#Data_tables.
3. 86% of CO hospitals have adopted antibiotic stewardship. For more information, see: <https://www.cdc.gov/antibiotic-use/stewardship-report/current.html>.
4. In March 2020, Colorado's Center for Improving Value in Health Care (CIVHC) released a report analyzing spending on 48 low-value services using claims data. Moving forward, CIVHC plans to generate and share provider-specific data to encourage improvement at the local level.
5. In July 2019, CO received federal approval from the Centers for Medicare & Medicaid Services (CMS) to create a reinsurance program for 2020 and 2021. The goal of the program is to incentivize insurers to offer more health plans in parts of the state where there are few options (such as in the mountains and rural areas) and help cover costs for expensive claims in the insurance program. In 2020, the reinsurance program decreased individual marketplace premiums by an average of 20.2%.
6. In June 2020, CO established the Health Insurance Affordability Enterprise (SB 20-215), which will administer a health insurance affordability fee on certain insurers and hospitals to fund a reinsurance program; provide subsidies to low-income individuals who do not qualify for the premium tax credit or public insurance programs; and provide funding for consumer enrollment, outreach and education activities related to health coverage.
7. CO provides Medicaid coverage for eligible lawfully residing immigrant pregnant women and children without a 5-year wait. CO does not offer coverage options for undocumented children/pregnant people/adults.
8. Looking ahead: In 2021, CO passed a public option bill including plans that will be available to undocumented immigrants, as well as Senate Bill 9 allowing undocumented immigrants to receive contraceptives through Medicaid.
9. A 2019 law allows CO's Insurance Commissioner to consider whether a carrier's products are affordable and whether a carrier has implemented effective strategies to enhance the affordability of its products in determining if rates are excessive. Implementation was put on hold due to COVID-19.
10. CO has comprehensive protections against surprise medical billing. 'Comprehensive' surprise medical billing protections include emergency departments and hospitals, apply to all insurance types, hold consumers harmless/prevent balance billing and adopt adequate payment standard or dispute resolution process. States with only some of these policies have 'partial' protections. For more information, see: <https://www.commonwealthfund.org/publications/maps-and-interactives/2021/feb/state-balance-billing-protections>.
11. The Federal No Surprises Act prohibits surprise medical billing in most plans effective January 2022. However, it does not cover ground ambulances which often result in surprise bills. An analysis by Johns Hopkins University conducted specially for Altarum revealed that 70% of ground ambulance rides in CO charged to commercial insurance plans had the potential for surprise medical billing.
12. In 2019, CO capped cost-sharing for insulin at \$100/month in fully insured plans.
13. CO passed legislation in 2021 to establish a standardized plan design to be offered by carriers in the individual and small group markets. The law also establishes the Office of the Insurance Ombudsman to advocate for consumer interests in matters related to access to and affordability of the standardized health benefit plan.



ABOUT ALTARUM'S HEALTHCARE VALUE HUB

With support from Arnold Ventures and the Robert Wood Johnson Foundation, the Healthcare Value Hub provides free, timely information about the policies and practices that address high healthcare costs and poor quality, bringing better value to consumers. The Hub is part of Altarum, a nonprofit organization with the mission of creating a better, more sustainable future for all Americans by applying research-based and field-tested solutions that transform our systems of health and healthcare.

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