

# 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. 
- Create all-payer healthcare spending and quality benchmarks for the state. 

### 2. REDUCE LOW-VALUE CARE:

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

### 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.<sup>1,2</sup> 
- Provide options for recent immigrants that don't qualify for the coverage above.<sup>3</sup> 
- Conduct strong rate review of fully insured, private market options.<sup>4</sup> 

### 4. MAKE OUT-OF-POCKET COSTS AFFORDABLE:

- Protect patients from inadvertent surprise out-of-network medical bills. 
- Limit the availability of skimpy and confusing short-term, limited-duration health plans. 
- Waive or reduce cost-sharing for high-value services. 
- Require insurers in a state-based exchange to offer evidence-based standard plan designs.<sup>5</sup> 

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Additional detail is available at:

[WWW.HEALTHCAREVALUEHUB.ORG/AFFORDABILITY-SCORECARD/COLORADO](http://WWW.HEALTHCAREVALUEHUB.ORG/AFFORDABILITY-SCORECARD/COLORADO)

## NOTES

1. In July 2019, Colorado 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%. See: Colorado Department of Regulatory Agencies, Reinsurance Program, <https://doi.colorado.gov/insurance-products/health-insurance/health-insurance-legislation/reinsurance-program> (accessed on March 15, 2021). See also: Colorado Health Institute, “2020 Colorado Insurance Rates and the Role of Reinsurance,” News Release (Jan. 16, 2020).
2. In June 2020, Colorado 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.
3. Colorado provides coverage options to some undocumented and recent immigrants. Low-income refugees, asylees, trafficking victims and Cuban/Haitian entrants are eligible for Medicaid and CHP+ and exempt from the 5-year waiting period. In addition, lawfully present pregnant women and children are also eligible without a 5-year waiting period. Medicaid also covers emergency services for individuals who meet all eligibility criteria for Medicaid except that they are undocumented or do not meet qualifying immigration criteria.
4. A 2019 law allows the 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.
5. Colorado passed legislation to establish a standardized plan design in 2021.



### ABOUT ALTARUM'S HEALTHCARE VALUE HUB

With support from 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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