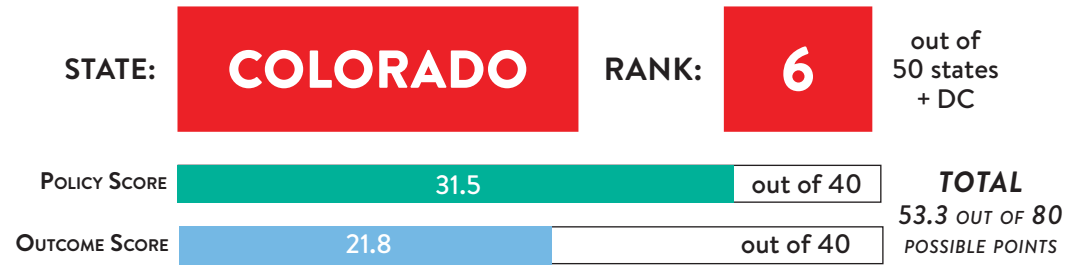
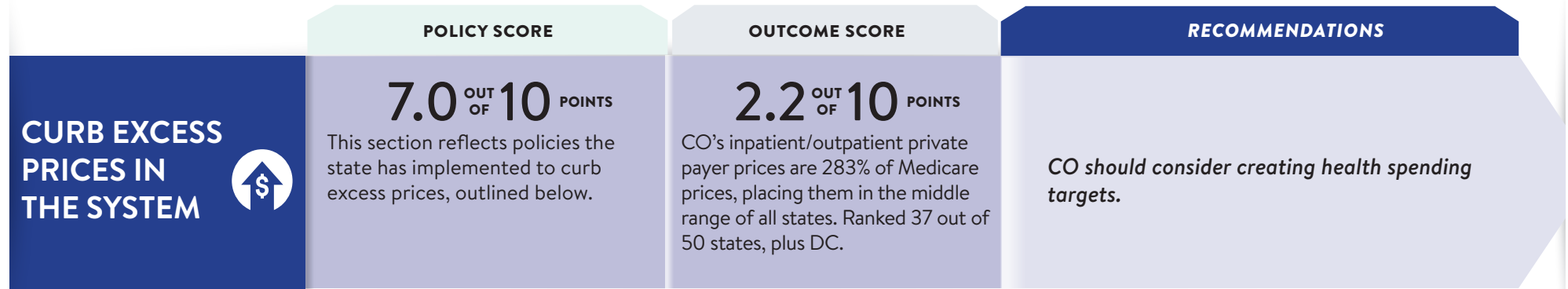


2022 Healthcare Affordability State Policy Scorecard





This Scorecard looks at both policies and related outcomes across four affordability-related areas that were implemented as of Dec. 31, 2021. Lawmakers, regulators, consumer advocates, and the public can use the Scorecards to understand how their state performs when it comes to healthcare affordability policies and outcomes relative to other states and identify opportunities to improve.



Setting the Stage: According to the Healthcare Value Hub's 2019 CHES survey, 58% of Colorado adults experienced healthcare affordability burdens. According to the Personal Consumption Expenditure, healthcare spending per person in Colorado grew 38% between 2013 and 2021, totaling \$7,364 in 2021. Please note some of the outcome measures in this Scorecard include data from 2020, which may have been impacted by the COVID-19 pandemic.



THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

	Create an all-payer or multi-payer claims database to analyze healthcare price inflation, price variation and utilization Colorado has an all-payer claims database (APCD) that captures 65% of all insured residents. Some data is released publicly through dashboards and annual reports, and some is available at a cost. Select dashboards assess cost per person by geography and service category, with additional payer breakouts and spending categories such as long term care and dental services. Looking Ahead: In 2022, Colorado passed SB22-068 requiring the creation of a web-based tool to make it easier for providers and consumers to find certain health claims reimbursement data.
	Create a permanently convened health spending oversight entity Colorado has a permanently convened health spending oversight entity that targets all spending. Colorado's Office of Saving People Money on Health Care works in conjunction with the Department of Health Care Policy & Financing (HCPF) and other cabinet offices to reduce patient costs for hospital stays and expenses, improve price transparency, lower the price of prescription drugs and make health insurance more affordable. HCPF is actively issuing reports on hospital spending and prices, including "Hospital Cost, Price & Profit Review" in 2021. In 2021, Colorado established a Prescription Drug Affordability Board tasked with setting upper payment limits to reduce prescription drug costs.
	Create all-payer healthcare spending and quality benchmarks for the state Colorado did not have active health spending benchmarks as of Dec. 31, 2021. In 2019, Colorado established a Primary Care Reform Payment Collaborative tasked with developing an affordability standard and targets for commercial payer investments in primary care. Their 2020 recommendations include requiring commercial payers "to increase the percentage of total medical expenditures (excluding pharmacy) spent on primary care by at least one percentage point annually through 2022." However, these recommendations have not yet been enacted.
	Implement free, public-facing healthcare price transparency that reflects negotiated rates and features treatment- and provider-specific prices Colorado's tool met the criteria to receive credit as of Dec. 31, 2021. To receive credit, a state's tool has to be public-facing, searchable by specific procedure and hospital and show the negotiated rate paid by insurance plans/patients (not chargemaster rate).

KEY:  = implemented by state  = not implemented by state  = the state has implemented policies, but could be enhanced

Full report and additional details at www.HealthcareValueHub.org/Affordability-Scorecard/Colorado

Healthcare Affordability State Policy Scorecard

STATE:

COLORADO

RANK:

6

out of 50 states + DC

POLICY SCORE

8.7 OUT OF **10** POINTS

CO has taken important steps to measure the extent of low-value care being provided. They require some forms of patient safety reporting. 92% of hospitals have adopted antibiotic stewardship.

OUTCOME SCORE

7.1 OUT OF **10** POINTS

Colorado was among the states with the least low-value care, with 13% of residents having received at least one low-value care service. Ranked 7 out of 50 states, plus DC.

RECOMMENDATIONS

CO is the rare state that has taken the key initial steps to identify low-value care. CO should consider enacting a multi-stakeholder campaign to reduce the use of the services identified.

REDUCE LOW-VALUE CARE



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 **Analyze claims and electronic health records data to understand how much is spent on low- and no-value services**

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.

 **Require validated patient-safety reporting for hospitals**

Central line-associated bloodstream infections (CLABSI) and catheter-associated urinary tract infections (CAUTI) are two common forms of hospital-acquired infections. Colorado mandates patient safety reporting for CLABSI/CAUTI but does not require validation.

 **Universally implement antibiotic stewardship programs using CDC's 7 Core Elements**

Improper use of antibiotics is another type of low-value care. Antibiotic stewardship is the effort to measure and improve how antibiotics are prescribed by clinicians and used by patients, and states were scored on what share of their hospitals follow the CDC's stewardship program. 92% of Colorado hospitals have adopted antibiotic stewardship. States with 90% adoption or more get the most credit.

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POLICY SCORE

7.2 OUT OF **10** POINTS

CO Medicaid coverage for childless adults extends to 138% of FPL. Only lawfully residing immigrant children/pregnant women can access state coverage options. CO uses reinsurance to reduce costs in the non-group market.

OUTCOME SCORE

6.5 OUT OF **10** POINTS

8% of CO residents are uninsured. Ranked 26 out of 50 states, plus DC.

RECOMMENDATIONS

CO should ensure that upcoming public plans for undocumented immigrants are affordable at all income levels.

EXTEND COVERAGE TO ALL RESIDENTS



THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

	Expand Medicaid to cover adults up to 138% of the federal poverty level
	Colorado has expanded Medicaid.
	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
	Colorado's reinsurance program decreased individual marketplace premiums by an average of 20.2% in 2020. A 2020 law established the Health Insurance Affordability Enterprise to fund a reinsurance program and provide subsidies to certain low-income individuals, among other things, beginning in 2021. Subsidies for certain low-income individuals, regardless of immigration status, will be available beginning in 2023. Looking Ahead: Colorado passed public option legislation in 2021, which will create individual and small group health plans starting in 2023 over three years and establish 15% premium reduction targets for carrier plans. after which premiums will be held to medical inflation in 2026 and beyond.
	Provide options for immigrants that don't qualify for the coverage above
	Colorado provides Medicaid coverage for eligible lawfully residing immigrant pregnant women and children without a 5-year wait. The state does not currently offer coverage options for undocumented children, pregnant people or adults. However, Senate Bill 9 passed in 2021 allows undocumented immigrants to receive contraceptives through Medicaid, and additional expansions are forthcoming. Looking Ahead: In 2021, Colorado passed a public option bill including plans that will be available to adult undocumented immigrants starting in 2023, including state-based subsidies for low-income enrollees up to 150% FPL which will expand to higher income groups in the future. In 2022, Colorado passed legislation that will expand Medicaid to undocumented children and pregnant people regardless of immigration status starting in 2025.
	Conduct strong rate review of fully insured, private market options
	Colorado has effective rate review as classified by CMS but does not incorporate affordability criteria into rate review. In 2019, Colorado passed House Bill 19-1233 requiring the Commissioner of Insurance to factor consumer affordability into the rate review process in order to reduce health disparities, including establishing affordability standards informed by recommendations from the Primary Care Payment Reform Collaborative, and evaluate whether insurers have implemented strategies to ensure their products are affordable. The Collaborative issued affordability standard recommendations in 2020, including suggesting that Colorado's rate review process ensure carriers direct savings to consumers through premium decreases, reduced cost sharing and improved or enhanced benefits. However, all of these rate review reforms were put on hold due to the COVID-19 pandemic, and it is unknown when activities will resume.

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POLICY SCORE

8.6 OUT OF **10** POINTS

CO has banned or heavily regulated short-term, limited-duration health plans; has comprehensive protections against surprise medical bills and No Surprises Act loopholes; and caps cost-sharing for some high-value services.

OUTCOME SCORE

6.0 OUT OF **10** POINTS

CO ranked 14 out of 50 states, plus DC on affordability burdens—22% of adults faced an affordability burden: not getting needed care due to cost (7%), delaying care due to cost (7%), changing medication due to cost (7%), problems paying medical bills (12%) or being uninsured due to cost (54% of uninsured population).

RECOMMENDATIONS

CO is a leader in select policies intended to make out-of-pocket costs more affordable, but residents still experience affordability problems. CO should consider exploring new policies targeting high deductibles, although there are limits to state influence on employer insurance and Medicare.

MAKE OUT-OF-POCKET COSTS AFFORDABLE



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Limit the availability of short-term, limited-duration health plans

Colorado has heavily regulated short-term, limited duration health plans (STLDs) to the point that no plans are offered. Some people choose STLD health plans for their lower monthly premiums compared to ACA-compliant plans. However, they offer poor coverage, can discriminate against people with pre-existing conditions and pose financial risks for consumers. States received credit depending on how much they limit these plans. States who have enacted complete bans on STLD plans receive full points.



Protect patients from inadvertent surprise out-of-network medical bills

Colorado has comprehensive protections against surprise medical bills (SMBs), plus additional protections for ground ambulance bills not covered by the federal No Surprises Act. 'Comprehensive' 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. The federal No Surprises Act prohibits SMBs in most plans effective January 2022. However, it does not cover ground ambulances. States can still implement protections in this area—70% of ground ambulance rides in CO charged to commercial insurance plans had the potential for SMBs (2021).



Waive or reduce cost-sharing for high-value services

In 2021, Colorado passed a law offering eligible individuals access to one emergency prescription insulin supply within a 12-month period at a cost not to exceed \$35 for a 30-day supply. This also creates the insulin affordability program, through which eligible individuals can obtain prescription insulin for 12 months at a cost of no more than \$50 for a 30-day supply. In 2019, Colorado capped cost-sharing for insulin at \$100/month in fully insured plans.



Require insurers in a state-based exchange to offer evidence-based standard plan designs

Looking Ahead: Colorado expects their standardized plans to be available in 2023. Colorado 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 and affordability of the standardized health benefit plan. Standard plan design makes cost-sharing the same across plans within metal tiers, making it easier for consumers to compare plans. They also help regulators and exchanges negotiate or set rates with insurance carriers, which may translate to lower prices for consumers.

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