

# 2018

## Health Insurance Exchange Oversight Committee



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# **Colorado Health Insurance Exchange Oversight Committee**

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Anne Wallace, Research Analyst

Elizabeth Haskell, Senior Research Analyst

Jimmy Reed, Research Analyst

## **Office of Legislative Legal Services**

Christy Chase, Managing Senior Attorney

Kristen Forrestal, Senior Attorney

Yelana Love, Staff Attorney

***December 2018***



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ROOM 029 STATE CAPITOL  
DENVER, COLORADO 80203-1784  
E-mail: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)  
303-866-3521 FAX: 303-866-3855 TDD: 303-866-3472

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To Members of the Seventy-second General Assembly:

Submitted herewith is the final report of the Colorado Health Insurance Exchange Oversight Committee. This committee was created pursuant to Article 22 of Title 10, Colorado Revised Statutes. The purpose of this committee is to guide Colorado's health insurance exchange, including reviewing the financial and operational plans of the exchange and approving the appointment of the executive director of the exchange.

Sincerely,

/s/ Representative Crisanta Duran  
Chair



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*This report is also available online at:*

*<https://leg.colorado.gov/committees/colorado-health-insurance-exchange-oversight-committee/2018-regular-session>*



## **Committee Charge**

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In March 2010, the federal Patient Protection and Affordable Care Act (PPACA), was adopted by the U.S. Congress and signed by the President. PPACA was intended to expand health care coverage by increasing access to private health insurance and public health programs through the use of the federal health insurance exchange and state-based health insurance exchanges. Health insurance exchanges are regulated marketplaces in which individuals and small businesses can shop for health insurance, or be referred to public health programs.

In 2011, Colorado passed Senate Bill 11-200 establishing the Colorado Health Benefit Exchange, which currently does business under the name Connect for Health Colorado (exchange), and its governance structure. The bill created the exchange as a nonprofit public entity with a board of directors responsible for its operation.

Senate Bill 11-200 also established the Legislative Health Benefit Exchange Implementation Review Committee. Senate Bill 15-256 changed the name of the committee to the Colorado Health Insurance Exchange Oversight Committee (committee). State law authorizes the committee to:

- meet at least two times a year; however, the committee can meet an unlimited number of times during the legislative session and up to seven times during the interim;
- approve the appointment of the executive director of the exchange by the Colorado Health Benefit Exchange board of directors (board);
- review and approve the board's initial financial and operational plans;
- review annual financial and operational plans of the exchange;
- review and approve any implementation grants for which the board wishes to apply; and
- recommend up to eight bills for consideration by the General Assembly each year.

## **Committee Activities**

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The committee met two times in 2018. During these meetings, the committee received briefings from staff of the exchange about its FY 2018-19 budget, the results of the plan year 2018 plan year open enrollment, and the status of the current plan year 2019 year open enrollment. The Department of Health Care Policy and Financing (HCPF) briefed the committee on health care coverage and enrollment challenges facing households with members enrolled in Medicaid or CHP+ and other members enrolled through the exchange who receive financial assistance.

The following sections discuss the committee's activities during the 2018 interim.

### **Committee Meeting – June 4, 2018**

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*Connect for Health Colorado.* Exchange staff presented the results of the plan year 2018 open enrollment and the Connect for Health Colorado FY 2018-19 budget to the committee. During the plan year 2018 open enrollment, seven carriers offered 124 health plans on the exchange. The exchange processed 165,777 submissions for medical plans and 34,585 submissions for dental plans.



Staff pointed to the geographic distribution of enrollments and explained that there were 42,676 individuals enrolled from rural areas of the state and 123,101 individuals enrolled from urban areas. Enrollees in rural areas received an average tax credit of \$685 per month, and enrollees in urban areas received an average tax credit of \$426 per month. Exchange staff provided information about improved wait times for callers and the reduction in overall calls to the service center during the 2018 open enrollment period. Exchange staff discussed areas identified for improvement for the 2019 open enrollment period, including creating a more intuitive system, improving transparency, expanding the focus on rural Colorado, investigating the possible roles of the exchange in working with direct primary care providers, and working with small businesses.

Exchange staff discussed the budget projections for fiscal years 2018, 2019, and 2020 and pointed out that the primary sources of revenue for the exchange are carrier fees, grants, and cost reimbursements. Information was provided on the operating expenses of the exchange, such as costs associated with technology and operations, customer service, marketing and outreach, and support services.

*Department of Health Care Policy and Financing.* HCPF provided information about the difficulty some families with mixed medical households experience accessing the exchange due to the different definitions of household and income that are used by federal and state agencies. For example, families who have a member that qualifies for the Child Basic Health Plan (CHP+) and another member who qualifies for a premium tax subsidy through the exchange may experience difficulty enrolling in a health plan. HCPF explained the state uses a retrospective view to determine income for Medicaid or CHP+, while the Internal Revenue Service uses a projected view to determine eligibility for premium tax credits. This discrepancy can cause confusion when determining eligibility for the various programs. There are approximately 1,150 mixed medical households in Colorado. HCPF suggested that, for best results, these households should receive ongoing case management and customer service through their county department of human services.

## **Committee Meeting – December 5, 2018**

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At its December 5 meeting, the committee heard testimony from exchange staff about the 2019 open enrollment period and Connect for Health initiatives. The 2019 open enrollment period began on November 1, 2018, and closes on January 15, 2019. Staff explained that seven health insurance providers are offering plans on the exchange for 2019, and provided data on 2019 premiums. Staff indicated that 44,652 people have enrolled in health plans through the exchange, as of November 29, 2018. Fifteen percent of the enrollees are new customers and 85 percent are returning customers. Approximately 82 percent of enrollees will receive financial assistance through tax credits. Premiums for the 2019 plans have increased by an average of 6 percent compared to 2018. Staff also discussed the average wait times for customers who call for enrollment assistance.

Exchange staff described planned updates to the exchange website to provide a better customer experience and to reduce IT costs. Staff also explained that the exchange continues to make improvements to its new eligibility system to better assist customers in determining whether they qualify for tax credits or other governmental insurance programs. Committee members discussed the accuracy of eligibility determinations and negative customer experiences using the website. Exchange staff discussed long-term goals of the exchange, including increasing rural participation, maximizing

the number of consumers utilizing the exchange, improving customers' ability to obtain and retain the appropriate insurance coverage, and ensuring the viability and longevity of the exchange. Committee members discussed the exchange's marketing strategies and outreach to local communities and rural areas.

Members of the Board of Directors of Connect for Health Colorado (board) provided a brief update on board membership and upcoming board vacancies that must be appointed by members of the legislature. A representative of the Board Advisory Group (advisory group), which was authorized through legislation in 2016, reported on recent activities of the advisory group.



## **Summary of Recommendations**

The Colorado Health Insurance Exchange Oversight Committee did not make any statutory recommendations for the 2019 legislative session.



## Resource Materials

Meeting summaries are prepared for each meeting of the committee and contain all handouts provided to the committee. The summaries of meetings and attachments are available at the Division of Archives, 1313 Sherman Street, Denver (303-866-2055). The listing below contains the dates of committee meetings and the topics discussed at those meetings. Meeting summaries are also available on our website at:

<https://leg.colorado.gov/content/committees>

### Meeting Date and Topics Discussed

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June 4, 2018

- ◆ Update on FY 2018-19 budget and 2018 open enrollment
- ◆ Discussion with Connect for Health Colorado and the Department of Health Care Policy and Financing regarding issues facing dually eligible households

December 5, 2018

- ◆ Update on 2019 open enrollment