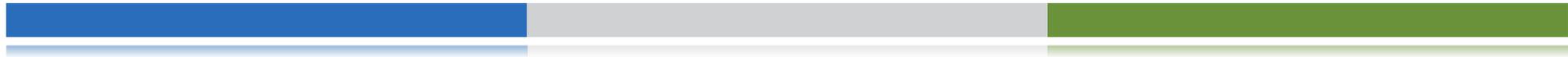




# COLORADO RURAL HEALTH INSURANCE RATES



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Colorado Rural Health Center  
August 2, 2016

# OVERVIEW

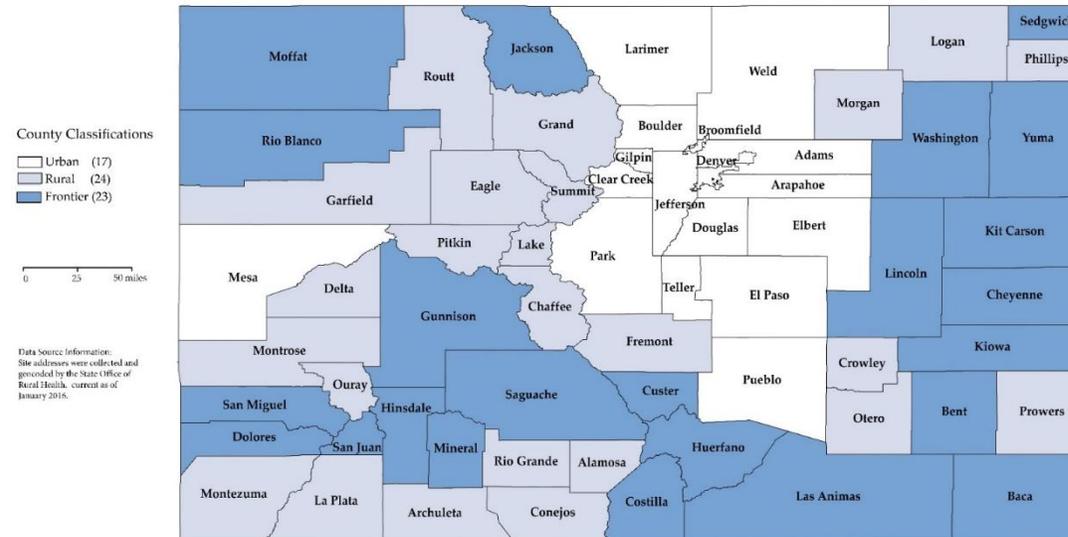
*challenges facing rural colorado*

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- Higher Insurance Premium Rates
  - Urban vs. Rural
  - Influences
- Consumers
  - Demographics
- Time and Access
  - Access to care
- Challenge Opportunities
  - Looking for ways to make rates affordable
  - Increasing access



# THE RURAL DIFFERENCE

*market influences*



- In Colorado, health insurance rates are set by geographic area.  
*There are 9 primary areas and several small sub-areas*
- In rural areas, there is less competition for providers, leading to significantly higher rates.
- The population is disproportionately older and a higher ratio of people employed or engaged in physically challenging or dangerous work (mining, fracking, skiing) leads to more expensive care.
- Health literacy and integration into rural communities is lacking, and many rural residents do not have the technology to communicate with the Colorado Exchange or individual carriers.

## 2016 Increase in Premiums

Region	Individual
Statewide	9.8%
Boulder	5.8%
Colorado Springs	10.0%
Denver	6.2%
Fort Collins	10.0%
Grand Junction	9.4%
Greeley	9.1%
Pueblo	6.2%
Eastern Plains	9.0%
Western Slope	25.8%

Source: Colorado Division of Insurance

# THE RURAL DIFFERENCE

## consumers

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- 14% of rural adults are low income and lack transportation
- 10% of rural families are living below the 2015 Federal Poverty Line (\$24,250 for a family of four)
- The median rural household income is 29% lower than the average urban household
- 13 counties in Colorado do not have a hospital.
- Access to mental health providers is significantly limited with only 1 provider per 6,008 residents.



In the last 5 years, the **cost of Medicare** per beneficiary has decreased by an average of \$249; it has increased for urban residents by \$214.

**household income** is \$14,107 less than an urban household

10% of families in rural Colorado live in **poverty**

\$14,107



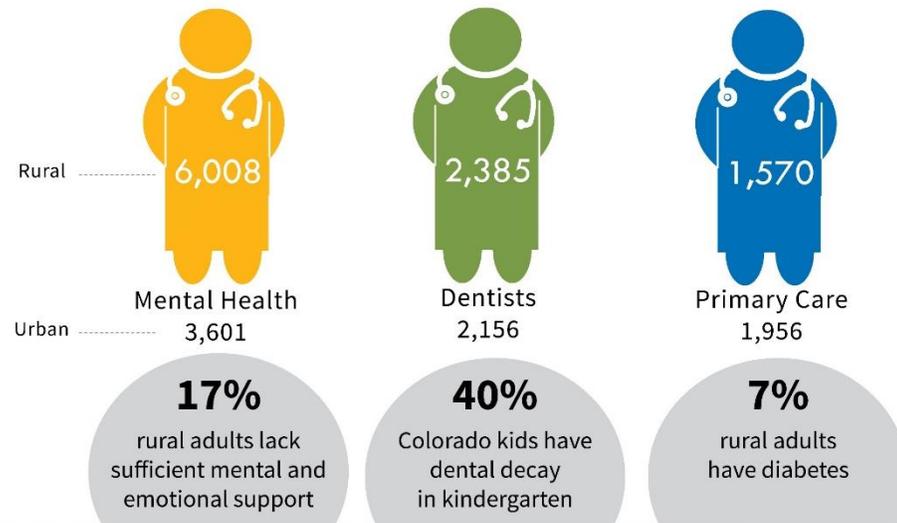
# THE RURAL DIFFERENCE

## *access to care*

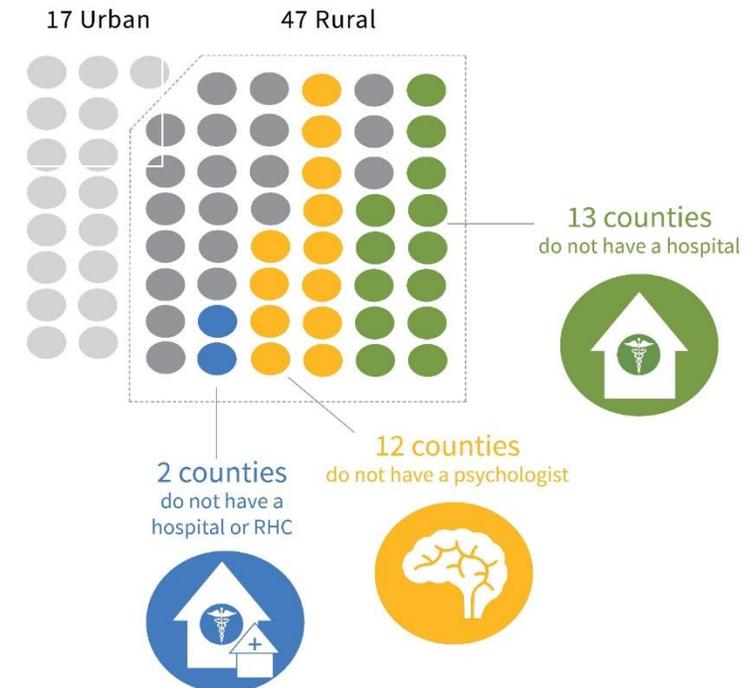
- Cost of care can be higher since patients do not often see a physician regularly or wait until an emergency arises
- Lower income residents are more likely to have chronic disease
- Approximately 10 percent of physicians practice in rural America despite nearly one-fourth of the populations lives in rural

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### *County Level Access to Care*



# THE RURAL DIFFERENCE

## *opportunities*



- Meet Rural Needs - Support policies that make health insurance more affordable for individuals, small businesses, and the unique populations found in rural areas.
- Increase Competition - Create one geographic rating factor or rate bands to spread risk and lower costs.
- Education and Transparency - It is critical to educate consumers, and using transparency as a tool for education. Education should begin before enrollment and follow through to ensure the consumer is aware of how to use their benefits.
- Preventative Care - The importance of preventative care and considering the social determinants driving health care needs.
- Case Managers – The importance of case managers for facilitating care in smaller or more rural communities.

