

## Fact Sheet H.B.1205: Financial Relief Defray Individual Health Plan Costs

Sponsors: Reps. Roberts (Willett), Sens. Donovan (Crowder)

**Background:** *Rural Coloradans pay significantly higher premiums for health insurance on the individual market and have fewer plan choices than do Front Range metro Coloradans, often creating a significant cost burden.*

Currently, premiums for individually purchased health insurance vary significantly across the nine health care rating regions in Colorado, as do the number of insurance carriers available and the number and variety of plans offered, both on and off the Colorado Health Benefits Exchange (Exchange).

Premiums for individually purchased health insurance plans in rural areas, especially the Eastern Plains and the Western Slope, are considerably higher than premiums in metro areas due in part to lack of competition. The number of carriers and the diversity of plans they offer are very limited. **Only one carrier currently offers plans on the exchange in all rural areas.**

**Thus, there is little choice along with the higher prices for consumers.**

Many constituents in rural areas whose incomes fall between 400 and 500% of the Federal Poverty Line are cost burdened, defined as 20% or more of their income. They earn too much to qualify for federal stipends and too little to afford these premiums. This situation is an emergency for them.

### What HB18-1205 does:

**Serves as a short-term, temporary solution for cost-burdened people facing a personal financial crisis due to high premiums. The general assembly is to appropriate money from the general fund to provide financial assistance to individuals who qualify under the program.**

The bill creates a financial relief program, available from **July 1, 2018 through December 31, 2019** to provide temporary financial assistance to individuals and their families **who spend more than 20% of their household income on individual health insurance premiums and live in one of the three most costly geographic insurance rating areas in the state.** The Colorado Health Benefits Exchange is to oversee the program, including the special **open enrollment period beginning on June 1<sup>st</sup>, 2018, and ending August 1<sup>st</sup> 2018.** Individual counties may elect to administer the program in their county. For any county that opts not to administer the program, the Exchange is to administer the program in that county.

**State support is limited in the following ways:**

- Limited to appropriation set by General Assembly – current request is \$6 million
- Must reside in one of the three highest cost geographic rating areas:
  - Region 9: Moffat, Routt, Jackson, Rio Blanco, Garfield, Eagle, Grand, Summit, Pitkin, Lake, Delta, Gunnison, Montrose, Ouray, San Miguel, Hinsdale, Dolores, San Juan, Montezuma, San Miguel, La Plata, Archuleta.
  - Region 8: Morgan, Logan, Sedgewick, Phillips, Yuma, Kit Carson, Cheyenne, Washington, Lincoln, Crowley, Kiowa, Otero, Bent, Prowers, Baca, Las Animas, Huerfano, Costilla, Conejos, Alamosa, Rio Grande, Mineral, Saguache, Custer, Fremont, Chaffee.
  - Region 5: Grand Junction/Mesa County
- Limited to residents with income between 400 and 500% of federal poverty level (Federal subsidy support stop at the 400% level)
- May not be eligible for any other health insurance including VA, Medicaid, Medicare or group policies impacted
- Only for purchase of the lowest price ‘Bronze’ plan on the state exchange, if the price of that policy exceeded 20% of the family or individual’s annual income.
- Sunsets in two years on August 1, 2020

**The graphic below shows the three regions with the highest health care premiums for 2018 bronze-level plans (5, 8, & 9) compared to the Metro region (3). The data shown demonstrates premium rates paid by Coloradans over the age of 40, with a family size of one & two members. Similar DOI data is available for all nine health care regions.**

Top 3 Regions with the Most Expensive Bronze Plans + Metro Region Based on Colorado Plan Year 2018 Individual Market On-Exchange Monthly Premiums												
Family Size	Age Person 1	Age Person 2	Region 3 (Metro)		Region 5	Region 8				Region 9		
			Douglas*, E	Denver, Ad	Mesa	Alamosa, B	Crowley*, C	Fremont*, I	Logan, Phil	Archuleta, J	Delta, Dolo	Eagle*, Rou
1	45	N/A	\$347.08	\$381.42	\$605.66	\$556.08	\$446.26	\$406.08	\$575.16	\$665.37	\$730.38	\$495.84
2	45	45	\$694.16	\$762.84	\$1,211.32	\$1,112.16	\$892.52	\$812.16	\$1,150.32	\$1,330.74	\$1,460.76	\$991.68
1	55	N/A	\$536.00	\$589.03	\$935.33	\$858.77	\$689.16	\$627.12	\$888.23	\$1,027.54	\$1,127.93	\$765.74
2	55	55	\$1,072.00	\$1,178.06	\$1,870.66	\$1,717.54	\$1,378.32	\$1,254.24	\$1,776.46	\$2,055.08	\$2,255.86	\$1,531.48
1	65	N/A	\$721.07	\$792.41	\$1,258.29	\$1,155.30	\$927.12	\$843.65	\$1,194.93	\$1,382.34	\$1,517.40	\$1,030.13
2	65	65	\$1,442.14	\$1,584.82	\$2,516.58	\$2,310.60	\$1,854.24	\$1,687.30	\$2,389.86	\$2,764.68	\$3,034.80	\$2,060.26

\* The monthly premium shown is only available in certain zip codes within these counties.

Household Size	400-500% FPL (2018)
1	\$55,440 - \$69,300
2	\$74,680 - \$93,350

**Please support HB18-1205, and help bring solutions to rising premiums for folks in all corners of our state. For more information contact Rep. Roberts x2923 or [repydylanroberts@gmail.com](mailto:repydylanroberts@gmail.com).**