



Support HB 18-1392 State Innovation Waiver Reinsurance Program Reps. Kennedy and Rankin; Sens Coram and Donovan

The Problem:

The cost of health insurance premiums on the individual market (the Health Exchange) has reached crisis levels. According to the [Colorado Division of Insurance](#), the issue is being felt statewide, with three years of annualized premium increases in excess of 20 percent, and even higher in rural communities.

High cost health premiums are impeding people's ability to save for retirement, buy a home and save for college. Some are working under the table or turning away work in order to stay below the 400% of poverty threshold for the subsidy. Others are moving or using a friend's address in a lower cost area to be able to afford health insurance. Some small businesses have closed, and others are contemplating closing to get a job with health benefits. Many of these hold together the very fabric of our community like child care providers.

The Solution: HB 1392:

High cost re-insurance is not an all-in-one solution, but it is the necessary step to stabilize the market, so we may then focus on cost containment. Re-insurance is making a difference in other states.

This is a non-partisan strategy that is being among both Republican and Democratic governors and elected insurance commissioners alike in Alaska, Minnesota, and Oregon, all of which have implemented re-insurance programs; Wisconsin and Maryland just passed bills for re-insurance; and Louisiana is expected to pass legislation this session.

The purpose of establishing a high-risk reinsurance program is to foster competition among health insurance companies and provide more choice for consumers to develop market stability.

- **A high-risk coverage program reduces premiums by providing funds to counterbalance the highest cost claims.** This will benefit consumers through reduced premiums with the most benefit received by consumers not eligible for the advance premium tax credits (APTC) or employer provided coverage.
- **A reduction in overall individual market premiums creates a more stable individual insurance coverage market.** Market stability encourages insurers to remain in all areas of the state, while also attracting carrier competitors to underserved areas.

While there are larger conversations necessary to address cost containment, establishing a high-risk reinsurance program is a first step to solving our health care crisis.

Please SUPPORT HB 1392 – Our Communities Can't Wait!

Submitted April 16, 2018

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CCAT

Counties & Commissioners Acting Together

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Counties and Commissioners Acting Together

Colorado Children's Campaign

Healthier Colorado

The Bell Policy Center

Supporting Local Officials

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