

2019

Report to the Colorado General Assembly



Colorado Health Insurance Exchange Oversight Committee



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Colorado Health Insurance Exchange Oversight Committee

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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/ Senator Leroy Garcia
Chair

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This report is also available online at:

<http://leg.colorado.gov/committees/colorado-health-insurance-exchange-oversight-committee/2019-regular-session>

Committee Charge

In March 2010, the federal Patient Protection and Affordable Care Act (PPACA), was adopted by the U.S. Congress and signed by the President. The 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

The committee held two meetings on August 1, 2019. During these meetings, the committee received briefings from members of the Connect for Health Colorado Board of Directors and staff of the exchange about the history of the exchange, emerging issues facing the exchange, and its Fiscal Year 2019-20 budget. Details about the meetings are discussed in the following section.

History and Overview of Connect for Health Colorado

Staff from the exchange discussed the creation of the exchange and pointed out that the exchange's primary role is to help consumers identify and enroll in health insurance plans that best fit their needs and to administer the federal Advance Premium Tax Credit (APTC). The committee learned about the exchange's strategic plan, which includes improving access to coverage in rural areas of Colorado; maximizing the number of consumers and employers who shop and enroll through the health insurance marketplace and apply for available financial assistance; improving the ability of customers to attain and retain the right coverage for their needs; and ensuring that the exchange is a healthy and thriving organization. Exchange staff discussed the future goals of the exchange, including

modernizing the enrollment platform, making the exchange website more consumer friendly, and improving customer service support. The committee learned that the exchange offers 124 medical plans and 13 dental plans to individuals and families and 76 percent of individuals who enrolled in insurance through the exchange in 2019 receive financial assistance. In addition, the average net premium per month after the tax credit was \$117, compared to \$136 in 2018.

Connect for Health Colorado Emerging Issues

Members of the Connect for Health Colorado Board of Directors and staff from the exchange presented on developments which are expected to enhance the effectiveness of the exchange, such as a new bilingual marketing website; enrollment platform modernization; and customer service support improvements. The committee learned about how staff and members of the board of directors are engaging in the various stakeholder processes related to 2019 legislation impacting the health insurance market, including House Bill 19-1004, concerning a proposal for implementing a competitive state option for more affordable health care coverage in Colorado; House Bill 19-1168, concerning the creation of the Colorado reinsurance program; House Bill 19-1176, concerning the enactment of the "Health Care Cost Savings Act of 2019" that creates a task force to analyze health care financing systems; and Senate Bill 19-004, concerning measures to address the high costs of health care, modify health care coverage cooperatives laws to include consumer protections, and allow consumers to collectively negotiate rates directly with providers.

Fiscal Year 2020 Connect for Health Colorado Budget

Exchange staff discussed issues related to the FY 2019-20 budget, including the projected cash flow of the exchange; the exchange's goal of bringing technology expertise in-house rather than depending on vendors for technology support; and plans for a one-time capital investment of \$15 million to modernized the call center's ticketing and voice response systems.

Summary of Recommendations

The committee did not make any statutory recommendations for the 2020 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

August 1, 2019 (The committee convened two meetings on this date.)

- ◆ Committee charge and deadlines
- ◆ History and overview of Connect for Health Colorado
- ◆ Connect for Health Colorado emerging issues
- ◆ Update on FY 2019-20 Connect for Health Colorado budget