

## About this guide

This guide provides price comparisons for the Colorado mandated small group health benefit plans marketed in the Grand Junction and Pueblo geographic areas. The figures quoted were drawn from a November 2003 survey of health carriers that write small employer group health products in Colorado. The carriers quoted in this guide were asked to provide monthly premium quotes for the following plans<sup>1</sup>:

- Basic Indemnity Health Benefit Plan
- Basic Preferred Provider Organization (PPO) Health Benefit Plan
- Basic Health Maintenance Organization (HMO) Health Benefit Plan
- Standard Indemnity Health Benefit Plan
- Standard PPO Health Benefit Plan
- Standard HMO Health Benefit Plan

This guide provides premiums that would be quoted for single coverage for employees ages 36 and 62 years-old. It also provides premium quotes for family coverage for a 34-year-old employee and for a 54-year-old employee.

## Who is a "Small Employer"?

### • Employers with 2 – 50 employees

Any employer with 2 – 50 employees who work 24 hours or more a week on a permanent basis (including household employees); and

### • Business groups of one

A business group of one includes both the sole employee of an employer and a self-employed individual who works 24 hours per week on a permanent basis; has carried on significant business activity for at least one year before applying for coverage; and has derived a substantial part of their income which is sufficient enough to pay for annual health insurance premiums.

## How do I read the chart?

The charts show premiums for the selected ages and for both a single employee and a family (i.e., employee, spouse and one or more children). Look at the premiums for employees that most closely mirror the composition of your employer group.

## Is price the only factor to consider?

No. Other important factors include how an insurance carrier handles claims and consumer complaints, the carrier's experience in the small group market, restrictions on access to providers, and the company's financial condition.

## What does the premium comparison show?

It pays to shop around. There is a wide variation in rates charged for identical plans. For example, coverage under a Standard Indemnity Plan for a Grand Junction employee, age 54, with spouse and children, ranges from \$1,370 to \$3,719 per month. Under a Standard HMO Plan, coverage for a single Pueblo employee, age 36, ranges from \$414 to \$622. Some plans have competitive rates for young people but not for older people. Some have competitive rates for single individuals but not for families.

## If a carrier has low standard plan premiums, will it also have low rates for its other small group products?

Carriers are required to set new business premiums for small group products based on plan design. Thus, if a carrier has competitive premiums for its Standard Plans, it should also have competitive premiums for both richer and leaner plans. However, it is difficult to compare the premiums charged for the carriers' other plans as the plan designs are non-standardized.

## As a small employer, do I only have guaranteed access to the Basic and Standard plans?

No. All small employers with 2-50 employees must be sold any plan a carrier actively markets.

With respect to business groups of one, a carrier must offer all of its small group plans but if your application indicates any health problems, the carrier can limit your choice of plans to the Basic and Standard Plans only. Additionally, small employer carriers may limit the guaranteed issuance of the Basic and Standard Plans to an open enrollment period, which is defined as the 31 days following the birth date of the applicant, or within 31 days of any one of three other "qualifying" events. [See Section 10-16-105(7.3)(i), C.R.S.]

## What's new?

### Benefits

As of January 1, 2004, the benefit levels for all of the Basic and Standard health benefit plans underwent significant revisions due to a change in the law [Section 10-16-105(7.2), C.R.S.] that requires the Commissioner to survey small group carriers on an annual basis to determine the range of health benefit plans available.

The standard health benefit plans reflect the average level of coverage offered in the small group market and the basic health benefit plans reflect the lowest level of coverage offered in the small group market.

In addition, the basic plans no longer include the following mandated benefits: low-dose mammography; mental illness (except for biologically-based mental illness); hospice care and home health services; alcoholism; prostate screening; and anesthesia and hospitalization for dental procedures for children.

Complete benefit summaries for all plans can be found in Regulation 4-6-5, which is available on the Division's website.

### Rates

Three new rating factors can be used by carriers in calculating rates: health status, claims experience and industrial classifications.

**Health Status** – If a carrier uses health status to calculate rates, only one factor is permitted for each small group. A health questionnaire, requesting reasonable information, may be used to help determine this factor.

**Claims Experience** – If a carrier uses claims experience to calculate rates, only one factor is permitted for each small group.

**Industrial Classifications** – If the carrier uses the standard industrial classifications to calculate rates, only one factor is permitted for each small group. No enrolled employee should be charged directly for any such adjustment.

More information regarding small group rating rules can be found in Regulation 4-6-7, which is available on the Division's website.

# Small Employer Group Health Premium Comparison

## A Survey of Costs for the Mandated Standard Health Benefit Plan for GRAND JUNCTION and PUEBLO



A publication of the  
Department of Regulatory Agencies  
Colorado Division of Insurance  
1560 Broadway, Suite 850  
Denver, CO 80202  
303-894-7490  
800-930-3745  
[www.dora.state.co.us/insurance](http://www.dora.state.co.us/insurance)

<sup>1</sup> Benefit summaries can be found in Regulation 4-6-5 on the Division website.

**JANUARY 2004 SMALL GROUP HEALTH BENEFIT PLAN PREMIUM SURVEY -- GRAND JUNCTION MSA <sup>1</sup>**

Company Name	Basic Indemnity				Basic Preferred Provider				Basic HMO				Standard Indemnity				Standard Preferred Provider				Standard HMO			
	Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4	
	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54
Aetna Life Insurance	307	785	1,020	1,325	200	513	667	866	-	-	-	-	524	1,343	1,788	2,318	318	816	1,041	1,358	-	-	-	-
Anthem BC/BS	-	-	-	-	242	628	788	1,091	-	-	-	-	-	-	-	-	343	889	1,115	1,544	-	-	-	-
Guardian Life Ins. Co.	357	923	739	1,101	205	522	627	895	-	-	-	-	468	1,176	931	1,370	302	767	899	1,257	-	-	-	-
HMO Colorado, Inc.	-	-	-	-	-	-	-	-	419	1,087	1,363	1,888	-	-	-	-	-	-	-	-	486	1,258	1,579	2,186
Humana Insurance	319	819	985	1,272	239	599	730	937	-	-	-	-	431	1,117	1,335	1,729	330	843	1,015	1,310	-	-	-	-
Mega Life & Health	646	1,758	1,506	2,565	641	1,745	1,494	2,546	-	-	-	-	790	2,151	1,842	3,139	887	2,415	2,068	3,523	-	-	-	-
Mid-West National Life	641	1,745	1,494	2,546	645	1,756	1,504	2,561	-	-	-	-	887	2,417	2,068	3,523	829	2,256	1,933	3,292	-	-	-	-
New England Life	643	1,679	2,108	2,779	438	1,145	1,437	1,895	-	-	-	-	860	2,248	2,821	3,719	648	1,694	2,126	2,803	-	-	-	-
Pacific Life & Annuity	-	-	-	-	182	510	598	729	-	-	-	-	-	-	-	-	264	739	877	1,060	-	-	-	-
Pacificare Life Assurance	-	-	-	-	181	492	698	843	-	-	-	-	-	-	-	-	253	689	976	1,179	-	-	-	-
Principal Life Ins. Co.	284	816	965	1,343	270	777	918	1,277	-	-	-	-	412	1,186	1,401	1,950	364	1,047	1,237	1,722	-	-	-	-
RM Healthcare Options	-	-	-	-	153	363	443	662	-	-	-	-	-	-	-	-	201	475	581	867	-	-	-	-
Rocky Mountain HMO	-	-	-	-	-	-	-	-	272	644	787	1,175	-	-	-	-	-	-	-	-	300	708	866	1,293
Trustmark Life Ins. Co.	236	624	775	1,035	248	655	813	1,086	-	-	-	-	357	944	1,171	1,564	354	934	1,159	1,548	-	-	-	-
Trustmark Ins. Co.	236	624	775	1,035	248	655	813	1,086	-	-	-	-	357	944	1,171	1,564	354	934	1,159	1,548	-	-	-	-
United Healthcare Ins. Co.	384	1,024	1,251	1,816	231	616	752	1,092	-	-	-	-	484	1,290	1,575	2,287	291	774	946	1,373	-	-	-	-
United Healthcare of CO	-	-	-	-	-	-	-	-	378	1,007	1,230	1,786	-	-	-	-	-	-	-	-	414	1,103	1,347	1,955
United Wisconsin Life	367	767	1,046	1,485	328	684	934	1,325	-	-	-	-	450	941	1,284	1,822	459	959	1,309	1,857	-	-	-	-
<b>AVERAGE</b>	<b>\$402</b>	<b>\$1,051</b>	<b>\$1,151</b>	<b>\$1,664</b>	<b>\$297</b>	<b>\$777</b>	<b>\$881</b>	<b>\$1,259</b>	<b>\$356</b>	<b>\$913</b>	<b>\$1,127</b>	<b>\$1,616</b>	<b>\$547</b>	<b>\$1,432</b>	<b>\$1,581</b>	<b>\$2,271</b>	<b>\$413</b>	<b>\$1,082</b>	<b>\$1,229</b>	<b>\$1,749</b>	<b>\$400</b>	<b>\$1,023</b>	<b>\$1,264</b>	<b>\$1,811</b>
<b>MEDIAN</b>	<b>\$357</b>	<b>\$819</b>	<b>\$1,020</b>	<b>\$1,343</b>	<b>\$242</b>	<b>\$628</b>	<b>\$788</b>	<b>\$1,086</b>	<b>\$378</b>	<b>\$1,007</b>	<b>\$1,230</b>	<b>\$1,786</b>	<b>\$468</b>	<b>\$1,186</b>	<b>\$1,401</b>	<b>\$1,950</b>	<b>\$343</b>	<b>\$889</b>	<b>\$1,115</b>	<b>\$1,544</b>	<b>\$414</b>	<b>\$1,103</b>	<b>\$1,347</b>	<b>\$1,955</b>

**JANUARY 2004 SMALL GROUP HEALTH BENEFIT PLAN PREMIUM SURVEY -- PUEBLO MSA <sup>1</sup>**

Company Name	Basic Indemnity				Basic Preferred Provider				Basic HMO				Standard Indemnity				Standard Preferred Provider				Standard HMO			
	Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4	
	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54
Aetna Life Insurance	307	785	1,020	1,325	200	513	667	866	-	-	-	-	524	1,343	1,788	2,318	318	816	1,041	1,358	-	-	-	-
Anthem BC/BS	-	-	-	-	227	588	737	1,021	-	-	-	-	-	-	-	-	321	832	1,044	1,446	-	-	-	-
Cigna Healthcare of CO	-	-	-	-	-	-	-	-	543	1,410	1,785	2,064	-	-	-	-	-	-	-	-	622	1,615	2,045	2,364
Guardian Life Ins. Co.	357	923	739	1,101	205	522	627	895	-	-	-	-	468	1,176	931	1,370	302	767	899	1,257	-	-	-	-
HMO Colorado, Inc.	-	-	-	-	-	-	-	-	365	945	1,185	1,641	-	-	-	-	-	-	-	-	422	1,094	1,372	1,900
Humana Insurance	309	792	954	1,231	225	562	686	879	-	-	-	-	417	1,080	1,292	1,673	310	789	953	1,228	-	-	-	-
Mega Life & Health	565	1,538	1,318	2,245	561	1,527	1,307	2,227	-	-	-	-	691	1,882	1,612	2,746	776	2,113	1,810	3,083	-	-	-	-
Mid-West National Life	561	1,527	1,307	2,227	645	1,756	1,504	2,561	-	-	-	-	776	2,113	1,810	3,083	829	2,256	1,933	3,292	-	-	-	-
New England Life	427	1,117	1,401	1,848	244	637	800	1,054	-	-	-	-	572	1,494	1,876	2,473	361	942	1,182	1,559	-	-	-	-
Pacific Life & Annuity	-	-	-	-	192	540	633	771	-	-	-	-	-	-	-	-	280	782	928	1,121	-	-	-	-
Pacificare Life Assurance	-	-	-	-	174	473	670	809	-	-	-	-	-	-	-	-	243	661	937	1,132	-	-	-	-
Principal Life Ins. Co.	278	799	944	1,314	266	766	905	1,260	-	-	-	-	403	1,160	1,370	1,908	359	1,032	1,220	1,698	-	-	-	-
RM Healthcare Options	-	-	-	-	237	561	686	1,024	-	-	-	-	-	-	-	-	311	735	898	1,341	-	-	-	-
Rocky Mountain HMO	-	-	-	-	-	-	-	-	421	995	1,217	1,817	-	-	-	-	-	-	-	-	463	1,095	1,339	1,999
Trustmark Life Ins. Co.	236	624	775	1,035	248	655	813	1,086	-	-	-	-	357	944	1,171	1,564	354	934	1,159	1,548	-	-	-	-
Trustmark Ins. Co.	236	624	775	1,035	248	655	813	1,086	-	-	-	-	357	944	1,171	1,564	354	934	1,159	1,548	-	-	-	-
United Healthcare Ins. Co.	384	1,024	1,251	1,816	231	616	752	1,092	-	-	-	-	484	1,290	1,575	2,287	291	774	946	1,373	-	-	-	-
United Healthcare of CO	-	-	-	-	-	-	-	-	378	1,007	1,230	1,786	-	-	-	-	-	-	-	-	414	1,103	1,347	1,955
United Wisconsin Life	390	814	1,111	1,576	292	609	832	1,180	-	-	-	-	478	999	1,363	1,934	409	854	1,165	1,654	-	-	-	-
<b>AVERAGE</b>	<b>\$368</b>	<b>\$961</b>	<b>\$1,054</b>	<b>\$1,523</b>	<b>\$280</b>	<b>\$732</b>	<b>\$829</b>	<b>\$1,187</b>	<b>\$427</b>	<b>\$1,089</b>	<b>\$1,354</b>	<b>\$1,827</b>	<b>\$502</b>	<b>\$1,311</b>	<b>\$1,451</b>	<b>\$2,084</b>	<b>\$388</b>	<b>\$1,015</b>	<b>\$1,152</b>	<b>\$1,643</b>	<b>\$480</b>	<b>\$1,227</b>	<b>\$1,526</b>	<b>\$2,055</b>
<b>MEDIAN</b>	<b>\$357</b>	<b>\$814</b>	<b>\$1,020</b>	<b>\$1,325</b>	<b>\$237</b>	<b>\$609</b>	<b>\$752</b>	<b>\$1,054</b>	<b>\$400</b>	<b>\$1,001</b>	<b>\$1,224</b>	<b>\$1,802</b>	<b>\$478</b>	<b>\$1,176</b>	<b>\$1,370</b>	<b>\$1,934</b>	<b>\$321</b>	<b>\$832</b>	<b>\$1,044</b>	<b>\$1,446</b>	<b>\$443</b>	<b>\$1,099</b>	<b>\$1,360</b>	<b>\$1,977</b>

1. MSA is a Metropolitan Statistical Area.