

# Phase 1 Health Insurance Affordability Enterprise Update

Connect for Health Colorado, Board Presentation January 10, 2022



# Senate Bill 20-215: Legislative Background

- In 2021, the Federal Insurance Fee on issuers was scheduled to expire. A coalition passed Senate Bill 20-215 issuing a new state fee on issuers to replace the federal fee.
- Senate Bill 20-215 authorized the creation of the Colorado Health Insurance Affordability Fund (the Fund) housed in the Colorado Division of Insurance (DOI).
- The Fund is overseen by the Health Insurance Affordability Enterprise (HIAE) within the Division of Insurance (DOI).
- This Enterprise is governed by the HIAE Board, which makes recommendations to the Commissioner of Insurance regarding the collection and distribution of Enterprise Funds.

# HIAE Goals

Increase the number of insured Coloradans

Increase the affordability of coverage

Advance health equity by focusing on marginalized populations and reducing health disparities

Increase awareness of affordable insurance options through outreach and education

# Health Insurance Affordability Enterprise

SB20-215

- The Health Insurance Affordability Enterprise administers a health insurance affordability fee assessed on certain health insurers and a special assessment on hospitals to fund measures to reduce consumer costs for individual health coverage plans.
- The fee will provide:
  - Funding for the Colorado reinsurance program;
  - **Payments to carriers to increase the affordability of health insurance on the individual market for Coloradans who receive the premium tax credit available under federal law;**
  - Subsidies for state-subsidized individual health coverage plans purchased by qualified low-income individuals who are not eligible for the premium tax credit or public assistance health care programs;
  - Payment for administrative costs of the enterprise and the Division of Insurance for implementing and administering the Act, limited to 3% of the enterprise's revenues; and
  - Funds for consumer enrollment, outreach, and education activities regarding health care coverage.

# HIAE Phase 1: Subsidies for Connect for Health Colorado customers

- C4HCO customers with income between 150-200% FPL are eligible for this program
  - Customers must be enrolled in a silver plan to receive HIAE Phase I subsidies
  - Eligible customers auto-renewed into a silver plan automatically receive the benefit
- Cost sharing reduction enhancements
  - Increase from 87% to 94% actuarial value

# Key Project Implementation Milestones

- Timely project implementation. Available to customers for Open Enrollment for Plan Year 2022.
  - All issuers are able to identify these customers once enrolled
- Expanded outreach and marketing. HIAE Board awarded C4HCO \$1.15M to perform Outreach and Marketing for HIAE Phase 1.
  - Advertising campaign conducted in 2021
  - Increased funding to enrollment assistance for these customers
- Email campaign from October to now to current CSR-eligible customers to educate them and encourage their enrollment.
  - Email open rates have ranged from 38%-49% (standard marketing email open rates are in the 20-25% range)

## Next Steps

- Next HIAE Board meeting is January 21, 2022.
- HIAE Board discussion and decision on expanding income eligibility for the enhanced CSR expected.
- C4HCO continuing to conduct outreach and track progress on project success measures.



Questions?