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September 5, 2025

To the Board of Directors for Connect for Health Colorado:

Coloradoans are facing a crisis when it comes to affordable health insurance premiums for 2026. I would like to urge Connect for Health Colorado to develop reasonable and time-effective solutions for customers to access Catastrophic plans through the Affordability Hardship Exemptions.

CMS recently released guidance describing circumstances that will support a hardship exemption for individuals who find themselves ineligible for advance payments of the premium tax credit (APTC) **or** cost-sharing reductions (CSRs) due to their projected annual household incomes. In theory this guidance is to help streamline the application process, however after I read the guidance (attached for your reference), it appears that most of the streamlining is through the FFM rather than for State Based Exchanges like ours.

Although I have mentioned the process of applying for a Hardship Exemption (and thereby also applying for a Catastrophic plan) in board meetings, broker calls, and to anyone who would listen, I have not yet written down exactly why I believe it to be so important.

Prior to the expanded subsidies provided through the ARPA and the IRA, I helped many clients complete these applications. They cannot be started prior to Open Enrollment. Many customers will not start the process right on November 1st – Realistically I have had people start the process as late as December 1st! Even if 4 weeks is a good timeline for all of the processing that this takes to get approval (which it's not), Open Enrollment is simply too short for the majority of people who could qualify for the exemption to actually get approved for it.

Why is it important?

Connect for Health Colorado is anticipating a loss of up to 90,000 customers simply because they will no longer be able to afford the monthly premium. If C4HC can minimize administrative burden in order to help customers keep some level of coverage, that loss may be smaller.

Here is an example of an actual family in Weld County:

- Age: 55, 55, tax household of 2
- Income in 2025: $85,000 (this is 401% of the Federal Poverty Level)
- Plan: Cigna Colorado Option Bronze
- **Net Premium: $325.42 per month**

Here's what the same plan would look like in 2026 (based on rates filed with the DOI but *not yet approved*):

- Age: 56, 56, tax household of 2
- Income in 2026: $85,000 (this is 401% of the Federal Poverty Level)
- Plan: Cigna Colorado Option Bronze
- **Net Premium with ZERO Tax Credits: $1,782.66 per month**
- If the client was to choose the lowest cost Catastrophic plan available in Weld County, the **net premium: $1,168.55 per month**

Although the difference in monthly premium between the 2025 plan and the Catastrophic plan is over $840, *it is still nearly $600 per month less than the current plan without the tax credits*. That is $600 that they can use for groceries, utilities, or gas. $600 per month may be the difference between this family keeping or cancelling their insurance coverage altogether (especially since these plans should be eligible for HSA contributions in 2026).

I would like to remind you that Catastrophic plans cannot be shopped for or compared on an anonymous tool. The ONLY way to know the cost of a Catastrophic plan prior to approval is to use the approved rate sheets. Customers can't easily access those, and to be honest, neither can brokers.

The customers who decide to take the risk of applying for the Exemption are likely doing so with little to no knowledge about how much monthly premium it will save them, nor will the brokers who are helping them know how much this will save them. I believe that most customers who could utilize this pathway to affordability will likely just not go through the hoops to get it done. I have attached my experiences in both a step-by-step process on how to apply for the exemption, as well as a couple of timelines that can be expected for processing.

I urge you to consider solutions to this difficult situation that many Coloradoans will find themselves in. As always, I am more than willing to discuss my experiences with Connect for Health Colorado to make it a better experience for all.

Thank you for your consideration regarding this matter.

Sincerely,

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