



COLORADO

Department of
Regulatory Agencies

Division of Insurance

Amended Bulletin No. B-4.123

Concerning the Pricing Actuarial Value Adjustment for the Premium Rate Reduction Requirements on the Colorado Option Standardized Health Benefit Plans

I. Background and Purpose

The purpose of this bulletin is to provide carriers with guidance to comply with the premium rate requirements of the Colorado Option Standardized Plans set forth in Colorado Insurance Regulation 4-2-85.

Bulletins are the Division of Insurance's (Division) interpretations of existing insurance law or general statements of Division policy. Bulletins themselves establish neither binding norms nor finally determine issues or rights.

II. Applicability and Scope

This Bulletin is intended for all carriers issuing small group and individual Colorado Option Standardized health benefit plans ("Colorado Option Plans") in the state of Colorado.

III. Division Position

The Division provides the following guidance to carriers:

Colorado Insurance Regulation 4-2-85, Section 5(C)(3)(e) outlines an adjustment for Pricing Actuarial Value (Pricing AV) differences between the 2021 benefit year plans and the 2026 benefit year Colorado Option Plans. The Division requested data from carriers on November 26, 2024 and December 2, 2024 to support the development of the Pricing AV adjustment for the Colorado Option premium rate reduction methodology. Carriers were required to provide the Federal and Pricing AV for each of their 2021 baseline plan designs and the corresponding Pricing AV for the 2026 Colorado Option Plan designs (Gold Colorado Option Plan, Silver On-Exchange Colorado Option Plan, Bronze Colorado Option Plan) in the corresponding 2025 plan year models.

Due to the confidentiality of carrier pricing models, an average adjustment will be applied to all carriers for the purposes of the premium rate reduction requirements. Based on the data submitted by carriers and an analysis completed by the Division, the Pricing AV adjustments will vary by individual and small group market and by metal level. The Pricing AV adjustments for benefit year 2026 are listed in the tables below:

Individual Market Pricing AV Adjustments

Metal Level	Pricing AV Adjustment
Bronze	0.994
Silver	1.003
Gold	0.987

Small Group Market Pricing AV Adjustments

Metal Level	Pricing AV Adjustment
Bronze	0.995
Silver	1.006
Gold	0.990

IV. History

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