



COLORADO

Department of
Regulatory Agencies

Division of Insurance

Bulletin No. B-4.145

Concerning Preliminary Disbursement of Colorado Reinsurance Program Payments for Plan Year 2024 in January 2025

I. Background and Purpose

The purpose of this Bulletin is to inform health insurance carriers participating in Colorado's state-based reinsurance program about changes to the reinsurance payment process for Plan Year 2024. Specifically, the Division of Insurance (Division) will issue preliminary reinsurance payments to carriers by January 17, 2025, based on data available to the Division as described in Section III of this Bulletin, and will issue final 2024 reinsurance payments by August 15, 2025, as required by statute. The reinsurance payment process and timeline found in Colorado Amended Insurance Regulation 4-2-77 will remain the same.

Bulletins are the Division's 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 applies to all carriers that participate in the Colorado Reinsurance Program, pursuant to Title 10, article 16, part 11, during Plan Year 2024.

III. Division Position

Section 10-16-1105(1)(e)(II), C.R.S., requires the Commissioner of Insurance to notify eligible carriers of reinsurance payments to be made for the applicable benefit year no later than June 30 of the year following the applicable benefit year, and to disburse all applicable reinsurance payments to eligible carriers no later than August 15 of the year following the applicable benefit year.

Based on the Division's monitoring of 2024 health insurance claims data, and to help address potential carrier cash flow issues due to higher than normal utilization in 2024, the Division will issue preliminary reinsurance payments for Plan Year 2024 in January 2025. Reinsurance payments to carriers are based on claims data in the federal Centers for Medicare and Medicaid Services (CMS) External Data Gathering Environment (EDGE) server database. For the January 2025 payments, the Division will calculate preliminary amounts owed to each carrier based on claims data available in the EDGE server as of December 19, 2024.

The Division may also apply adjustments to each carrier's EDGE data when calculating the January 2025 payments. The purpose of these adjustments would be to prorate carriers' EDGE data - which will not yet be fully complete for 2024 - to amounts closer to each

carrier's estimated final 2024 reinsurance payment. Adjustments may be necessary if EDGE data is, for example, less than two-thirds of a carrier's estimated final reinsurance payment. To better estimate the January 2025 payment amounts, the Division will issue a data call to carriers in December 2024, requesting reinsurance claims completion estimates from carriers.

Federal rules require carriers to submit data to the EDGE server by specific deadlines throughout the year. Carrier compliance with these federal data submission deadlines will help ensure the accuracy and completeness of the Division's preliminary reinsurance payments to carriers in January 2025.

The Division will follow the reinsurance payment process and timeline found in Colorado Amended Insurance Regulation 4-2-77 to calculate the final reinsurance payments. This includes notifying carriers of their final 2024 reinsurance payment amounts by June 30, after which a 30-day reconsideration request period ensues.

All Colorado reinsurance program payments are disbursed electronically. To receive preliminary reinsurance payments in January 2025, carriers must have a current account set up in the Colorado Operations Resource Engine (CORE), which includes submission of a W-9 and a signed electronic funds transfer (EFT) form. Additionally, carriers must be in good standing with the Federal Government in order to receive Federal 1332 Waiver funds designated for the Colorado reinsurance program. Any organization that has been debarred, suspended, or otherwise found to be ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension," may not receive federal funds, pursuant to 45 C.F.R. 75.212.

IV. Additional Resources

Questions regarding this bulletin may be directed to Laura Mortimer, Reinsurance Program Director, Health Insurance Affordability Enterprise Director, at: laura.mortimer@state.co.us.

- A. **For More Information**
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- B. [Colorado Amended Insurance Regulation 4-2-77](#)

V. History

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