

# Creating Colorado's Standardized Plan

Colorado Division of Insurance

Michael Conway, Commissioner

November 4, 2021



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# Opening Remarks and Introductions

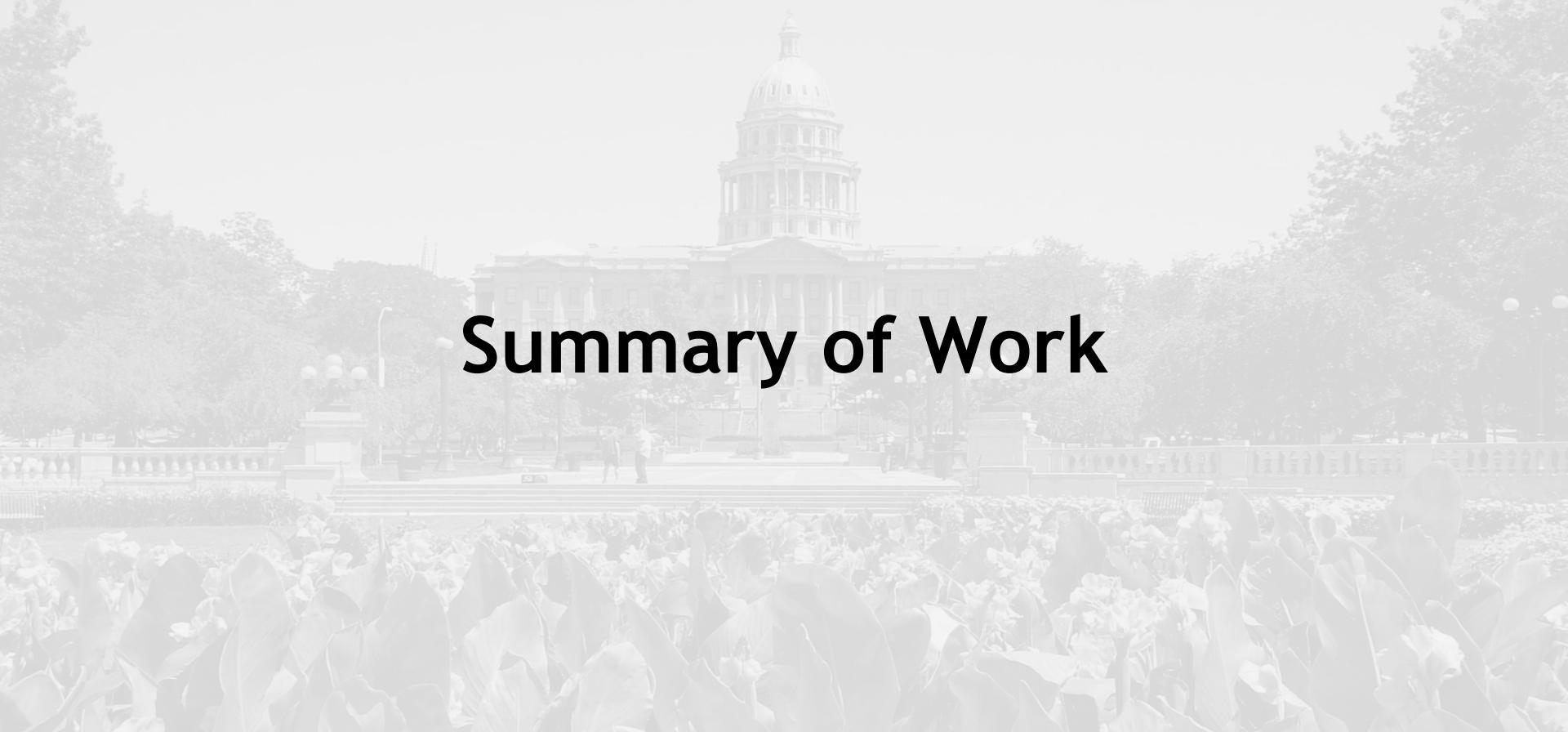
- Introductions of Division staff
- Introductions from attendees
- Commissioner Conway opening remarks



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# Agenda

- Summary of Work
- Colorado Option 2023 Standardized Plan
  - Process
  - Plan Proposals
- Public Comments



# Summary of Work



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# How We've Engaged Stakeholders

2021

May

Colorado Option legislation (HB21-1232) passes legislature

June

Governor signs Colorado Option legislation into law

July-November

Stakeholder engagement on the Colorado Option program

January

Standardized Plan regulation effective (1/1)

## 15 Public Meetings

- **Six (6)** meetings for the General Public and Industry Stakeholders
- **Nine (9)** meetings for Specific Stakeholder Groups

## 2 Regulatory Comment Periods

- **Preliminary Draft Regulation:** Comment period from 10/6/21 - 10/20/21
- **Draft Regulation for External Review:** Comment period from 11/2/21 - 11/12/21 (*in progress*)

# What We've Discussed

**1** Overview of the legislation and stakeholder engagement process

**3** Incentivizing high-value care: How can it reduce health disparities and improve health equity?

**5** Plan Design and Cost Sharing Part 2

**2** Required benefits and introduction to cost-sharing and benefit design

**4** Plan Design and Cost Sharing Part 1



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# Who We've Heard From

- Individual Outreach
  - Outreached to **96 organizations** across the state. Organizations included community groups, carriers, brokers, provider groups, labor groups, government, faith-based groups, and the business community
  - Held **13 individual meetings**
- Specific Stakeholder Meetings
  - Average registration of **57 registrants** with an average of **50 participants** in attendance across all meetings
  - Specific stakeholder groups include: community members, consumer advocates, physicians and health care providers, hospitals/facilities, carriers, brokers and employers
- General Public & Industry Stakeholder Meetings
  - Average registration - **400 registrants**
  - Average attendance - **179 participants**



# What We've Heard

- **Improve access & affordability**
  - Support a copay cost-sharing structure to facilitate cost transparency and predictability for consumers
  - Reduce deductibles and out of pocket costs across metal tiers
  - Add a breakout for laboratory tests and lower cost-sharing
  - Lower costs for chronic disease prevention & management (primary care, specialists, labs, and prescriptions)
- **Improve racial health equity and decrease racial health disparities**
  - Incentivize PCP visits, generic drugs, and behavioral health visits through low cost sharing limits
  - Strengthen how the plan is addressing disparities and perinatal coverage
  - Create the plan using value based insurance design principles





# Colorado Option

## 2023 Standardized Plan

### *Process*



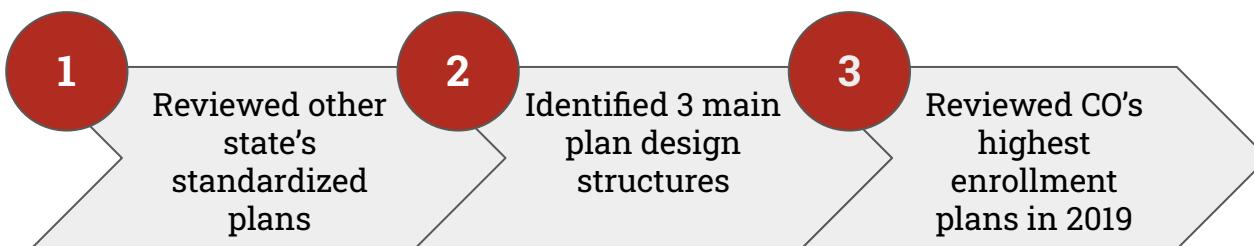
**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# Statutory Goals

Create a standardized plan :

- With a “defined benefit design and cost-sharing that improves access and affordability”
- that is “designed to improve racial health equity and decrease racial health disparities” (10-16-1304(1)(d))”

# Our Plan Design Process: Structure



1. California
2. Connecticut
3. D.C.
4. Oregon
5. Washington

1. Copay only
2. Mix of copay & coinsurance
3. Coinsurance only

1. Mixture of copays and coinsurance
2. Office visits (PCP and specialist), urgent care, and generic prescriptions are all offered prior to the deductible

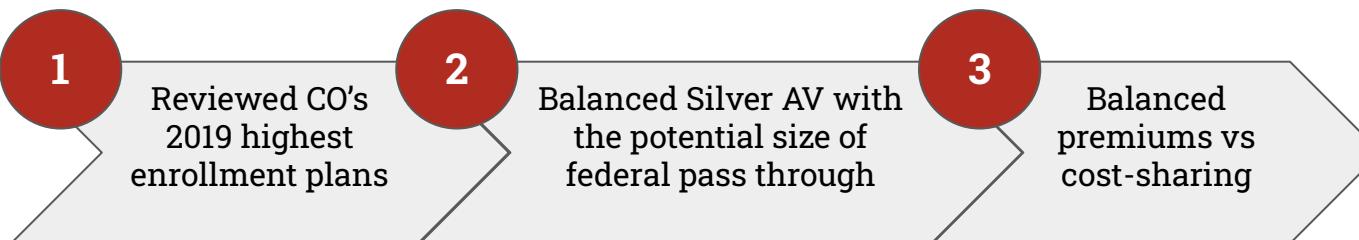
## Proposal:

Based on the Colorado market, we intend to structure the cost-sharing elements of the Standardized Plan with a mixture of copays & coinsurance, and with a number of services pre-deductible



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# Our Plan Design Process: Actuarial Value



## AV ranges:

- **Gold:** full de minimis range
- **Silver:** 68 - 69.4%
- **Bronze:** 62.7 - 64.6%

- The higher the Silver Plan AV, the greater the risk for losing deficit neutrality
- The higher the Silver Plan AV, the greater the risk for losing federal savings and state pass through dollars
- Plans that cover larger % of services (higher AV) will have a higher premium but lower cost sharing
- Plans that cover smaller % of services will have a lower premium but higher cost sharing

## Proposal:

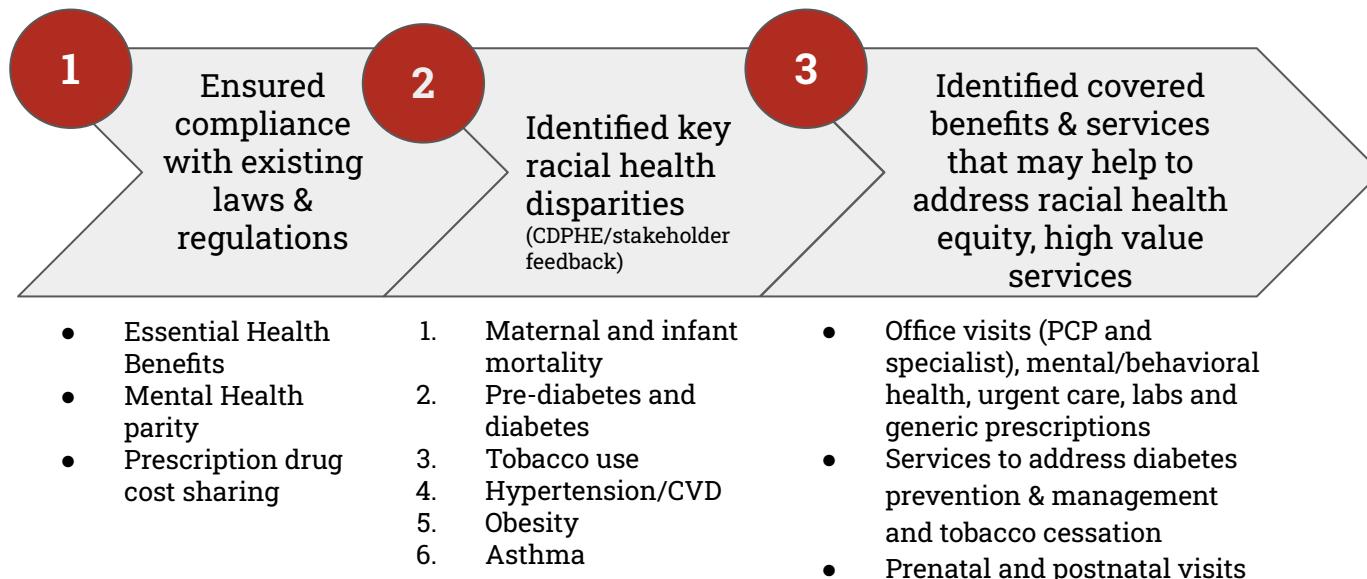
We intend to maximize federal savings and potential 1332 waiver pass through funds by setting the Silver Plan AV between 68-69%.

We intend to maximize covering a larger percent of services in the Gold & Bronze plans placing the AV towards the higher end- Gold: 79-80%; Bronze: 64-65%



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# Our Plan Design Process: Disparities



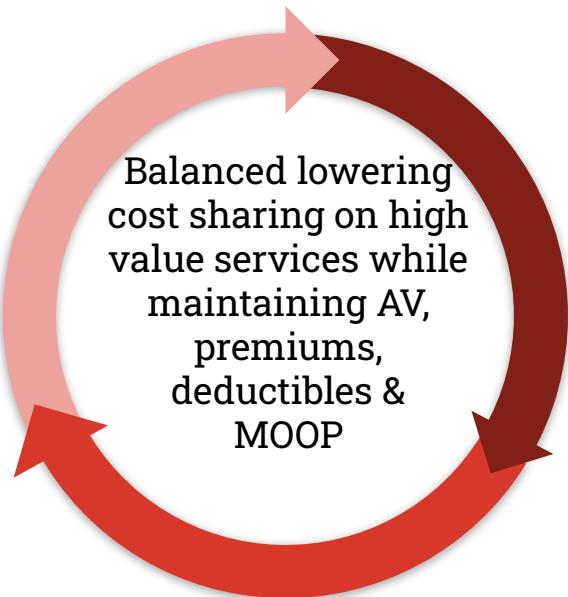
## Proposal:

In the first year, we intend to focus on addressing three key racial health disparities impacting Coloradans:

1. Maternal and infant mortality
2. Pre-diabetes and diabetes
3. Tobacco cessation



# Our Plan Design Process: Cost-Sharing



## Reductions in Cost Sharing (Increased AV)

- \$0 PCP Visits
- \$0 MH/BH/SUD Visits
- \$0 Prenatal & Postnatal Visits

## Increases in Cost Sharing (Decreased AV)

- Increase in Gold OOP Max (+\$200)
- Increase in Silver Preferred Brand Rx (+\$25)
- Increase in Bronze Preferred Brand Rx (+\$75)

## Changes in Cost Sharing (Minimal AV Impact)

- Adding a lab test copay
- Diabetic supplies/CGMS
- Diabetes Self Management Education (DSME)



# Colorado Option

## 2023 Standardized Plan

### *Proposals*



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# DRAFT - 2023 Gold Standardized Plan

\*Deductible applies

Requirement	Gold (79.1%) - <i>Preliminary Draft</i>	Gold (79.2%) - <i>Current Draft</i>
Integrated Deductible	\$1,500	\$1,500
Integrated Max OOP	\$7,500	\$7,700
No-Cost Sharing (\$0)	Preventative Services First 3 PC/BH/Prenatal visits	Preventative Services <b>PC/MH/BH/SUD</b> Visits <b>Prenatal &amp; Postnatal</b> Visits <b>Diabetic Supplies &amp; Continuous Glucose Monitors (CGMs)</b>
Copay Applied	Primary Care/Prenatal (\$20) Behavioral Health (\$20) Specialists (\$50) Urgent Care (\$50) Generic Drugs (\$10) / Preferred (\$50) / Non-Preferred (\$200) / Specialty (\$600)	<b>Labs (\$25)</b> <b>Diabetes Education - DSME (\$5)</b> Specialists (\$50) Urgent Care (\$50) Generic Drugs (\$10) / Preferred (\$50) / Non-Preferred (\$200) / Specialty (\$600)
Coinsurance Applied - <i>30% across all services after deductible</i>	Outpatient*, Inpatient*, ER*, Imaging/X-Rays*, Ambulance*	<b>Durable Medical Equipment*</b> , Outpatient*, Inpatient*, ER*, Imaging/X-Rays*, Ambulance*

# DRAFT - 2023 Silver Standardized Plan

\*Deductible applies

Requirement	Silver (68.8%) - <i>Preliminary Draft</i>	Silver (68.8%) - <i>Current Draft</i>
Integrated Deductible	\$5,000	\$5,000
Integrated Max OOP	\$8,550	\$8,550
No-Cost Sharing (\$0)	Preventative Services First 3 PC/BH/Prenatal visits	Preventative Services <i>PC/MH/BH/SUD</i> Visits <i>Prenatal &amp; Postnatal</i> Visits <i>Diabetic Supplies &amp; Continuous Glucose Monitors (CGMs)</i>
Copay Applied	Primary Care/Prenatal (\$30) Behavioral Health (\$30) Specialists (\$80) Urgent Care (\$80) Generic Drugs (\$20) Preferred (\$100), Non-Preferred (\$300) Specialty (\$650)	<i>Labs</i> (\$45) <i>Diabetes Education - DSME</i> (\$5) Specialists (\$80) Urgent Care (\$80) Generic Drugs (\$20) / Preferred (\$125) / Non-Preferred (\$300) / Specialty (\$650)
Coinsurance Applied - <i>40% across all services after deductible</i>	Outpatient*, Inpatient*, ER*, Imaging/X-Rays*, Ambulance*	<i>Durable Medical Equipment*</i> , Outpatient*, Inpatient*, ER*, Imaging/X-Rays*, Ambulance*

# DRAFT - 2023 Bronze Standardized Plan

\*Deductible applies

Requirement	Bronze (64.3%) - <i>Preliminary Draft</i>	Bronze (64.6%) - <i>Proposed Changes</i>
Integrated Deductible	\$7,000	\$7,000
Integrated Max OOP	\$8,700	\$8,700
No-Cost Sharing (\$0)	Preventative Services First 3 Primary Care First 3 Behavioral Health First 3 Prenatal visits	Preventative Services First 3 Primary Care First 3 Mental/Behavioral/SUD First 3 Prenatal & Postnatal visits <b>Diabetic Supplies &amp; Continuous Glucose Monitors (CGMs)</b>
Copay Applied	Primary Care/Prenatal* (\$50) Behavioral Health* (\$50) Generic Drugs (\$30) Preferred (\$125) Non-Preferred (\$350) Specialty (\$700)	Primary Care/Prenatal/Postnatal* (\$50) Mental/Behavioral Health/SUD* (\$50) <b>Diabetes Education - DSME (\$5)</b> Generic Drugs (\$30) / Preferred (\$200) Non-Preferred (\$350) / Specialty (\$700)
Coinsurance Applied - 50% across all services after deductible	Specialists*, Urgent Care*, Outpatient*, Inpatient*, ER*, Imaging/X-Rays*, Ambulance*	<b>Durable Medical Equipment*</b> , Specialists*, Urgent Care*, Outpatient*, Inpatient*, ER*, Imaging/X-Rays*, Labs*, Ambulance*

# Improving racial health equity

\$0 unlimited primary care office visits

\$0 unlimited mental/behavioral health & SUD office visits

\$0 prenatal/postnatal visits\* in Gold/Silver

\$0 diabetic supplies (including Continuous Glucose Monitors)

\$5 copay for Diabetes Education (DSME)

Copay structure for specialists visits and laboratory tests

Requirement to offer Diabetes Prevention Program (DPP) aligned to the National DPP

Requirement to offer the Colorado QuitLine for tobacco cessation programs

\*includes postpartum home visits



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance



# Public Comment



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

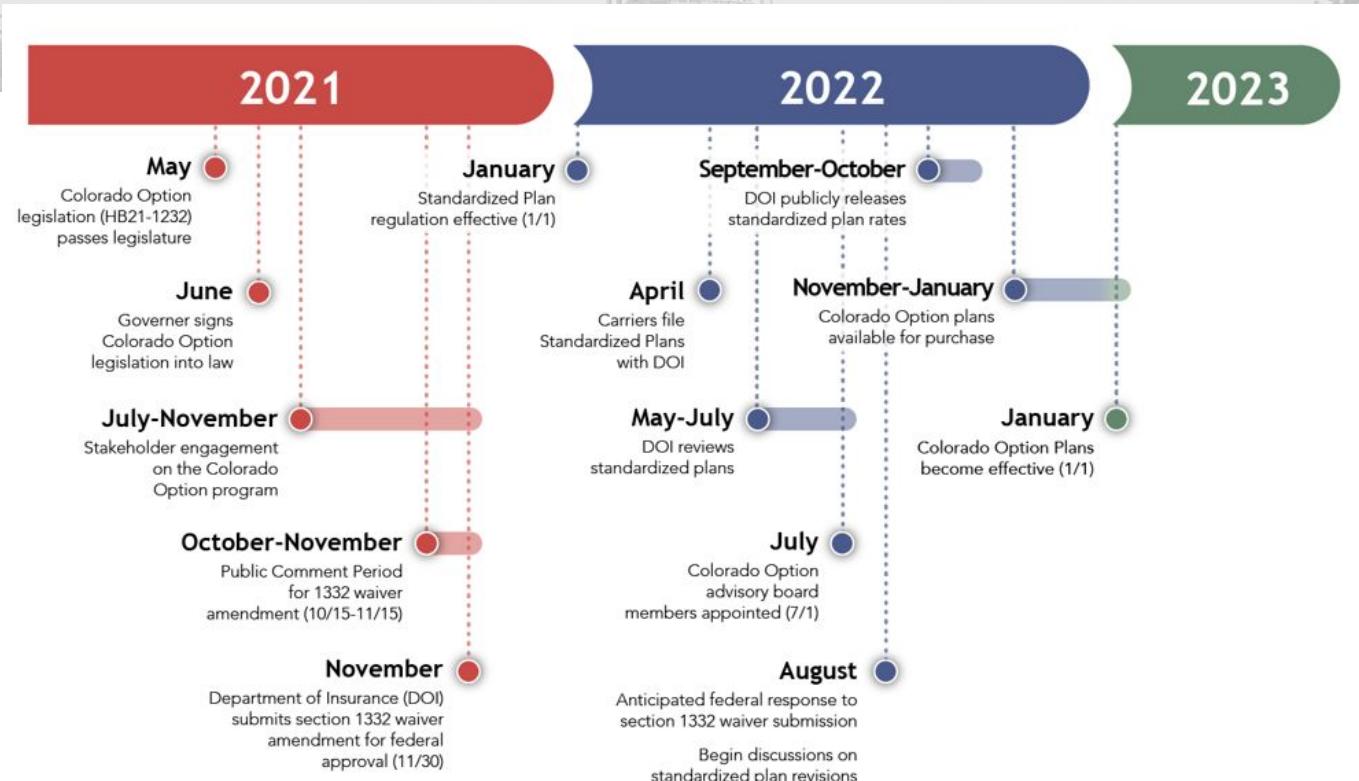
# Next Steps

- Public Comment period ends at 5pm on Friday, November 12 for Draft Standardized Plan Emergency Regulation
- The Division will review public comments, address concerns and eventually adopt the Standardized Plan via emergency rulemaking
- Emergency regulation will be effective January 1, 2022. Permanent rulemaking will follow. Potential changes expected after federal release of NBPP and 2023 federal AV calculator



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# Colorado Option Key Dates (21-23)



## Contact Information:

Kyle Brown - Deputy  
Commissioner,  
Affordability Programs

303.349.7421

[kyle.m.brown@state.co.us](mailto:kyle.m.brown@state.co.us)

Kyla Hoskins - Colorado  
Option Director

[kyla.hoskins@state.co.us](mailto:kyla.hoskins@state.co.us)

## How to Engage:

- [Website](#)
- Email:

[dora\\_ins\\_co\\_option@state.co.us](mailto:dora_ins_co_option@state.co.us)

## Upcoming Meetings:

- Public Hearings on Section 1332  
Waiver Amendment Application  
(11/9 & 11/10 from 5-6:30PM)
- Closed Captioning, Spanish  
interpretation & ASL interpretation  
provided



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance



# Appendix



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# Actuarial Modeling: Codes used for Diabetic Supplies

## Diabetic Supplies - HCPCS Codes

A4220	A4235	E2101	S5552
A4221	A4236	J1815	S5553
A4222	A4245	J1817	S5560
A4223	A4247	K0552	S5561
A4224	A4253	K0601	S5565
A4225	A4255	S1034	S5566
A4226	A4258	S1035	S5570
A4230	A4259	S1036	S5571
A4231	A9275	S1037	S8490
A4232	E0607	S5550	
A4233	E2100	S5551	
A4234			



# Actuarial Modeling: Codes used for CGMs

Continuous Glucose Monitors - HCPCS Codes

A9274

A9276

A9277

A9278

A9279

E0784

E0787

K0553

K0554

S1030

S1031



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# Actuarial Modeling: Codes used for DSME

Diabetes Self Management Education - HCPCS Codes

G0108

G0109

S9140

S9141

S9145

S9455

S9460

S9465



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance