

Colorado Option Premium Rate Reduction Compliance Templates FAQ

Updated February 7, 2025

General

1. **Question:** March 1, 2025 falls on a Saturday. When does the Division expect to receive the Premium Rate Reduction notification and associated materials?

Division Response: Carriers must submit their Premium Rate Reduction filings **by 5 pm MST on Monday, March 3, 2025**. However, the Division encourages carriers to submit their filings by 5 pm MST on Friday, February 28, 2025.

IMPORTANT NOTE: The Division has been informed that SERFF will be taken offline at 4 pm MST on Friday, February 28, and will be unavailable throughout that weekend to complete a release of the modernized SERFF platform. Both the "legacy" platform and "new" platform are intended to come online by 6 am MST on Monday, March 3. Carriers filing on March 3 are expected to utilize the "legacy" platform for their filings. In the event that SERFF is not back online by Monday morning, or if the carrier has issues accessing SERFF following this update, the Division requests that any filing document intended to be filed in SERFF should instead be filed in the Division's SFTP server by the 5 pm MST deadline on March 3. If the carrier submits their filings via SFTP, please email the following Division of Insurance staff to inform them that the filing has been submitted: [Sara Bencic](#), [Ben Allain](#), [Maddie Davis](#), and [Kate Davidson](#).

2. **Question:** Where can I find the Plan Year 2026 Premium Rate Reduction process templates?

Division Response: Premium Rate Reduction Templates for each carrier by market, when available, can be found [here](#). Other resources for the Premium Rate Reduction filing (hospital-specific reimbursement rate floors, Negotiated Rate Template, Material Provider Premium Impact Template, etc.) can be found [here](#).

3. **Question:** Where can I find the most updated Colorado Option regulations and bulletins?

Division Response: Regulations and Guidance can be found at the Division's website [here](#) as well on the Colorado Option Program [webpage](#). It is the responsibility of the carrier to stay up to date with all current and new regulations and guidance related to the Colorado Option Program.

4. **Question:** I will need access to the Division's SFTP to submit certain materials for the filing. Who should I contact to gain access?

Division Response: Please email Kate Davidson (kate.davidson@state.co.us) and Maddie Davis (maddie.davis@state.co.us) by February 10, 2025 to gain access to the Division's SFTP in time to submit the Benefit Year 2026 Premium Rate Reduction filings. Please provide the name and email address of up to two individuals who will be submitting for your organization. These individuals will receive two emails from DoNotReply@state.co.us, one for each submission, by February 19, 2025.

5. **Question:** I have questions about my carrier's submission of the Colorado Option Premium Rate Reduction filing. Who should I contact at the Division?

Division Response: Please contact the following Division staff on any questions about the Colorado Option Premium Rate Reduction filing:

- Sara Bencic (sara.bencic@state.co.us)
- Ben Allain (benjamin.allain@state.co.us)
- Maddie Davis (maddie.davis@state.co.us)
- Kate Davidson (kate.davidson@state.co.us)
- Kyla Hoskins (kyla.hoskins@state.co.us)

6. **Question:** How can a company reduce the number of objections on its PRR filing?

Division Response: The Division will send a company an objection if it has identified errors or inconsistencies in the company's Premium Rate Reduction filing. Objections are typically sent as a result of the following:

- The providers listed in the Negotiated Rate Template and Material Provider Premium Impact Template do not match.
- The carrier has submitted a template that includes out-of-network or non-Material providers.

If you are asked to resubmit a template or document, please make sure to add the date to the end of the file (e.g., "Carrier_Material Provider Premium Impact Template_3-10-25") so the Division can maintain version control.

7. Question: Why did the [2026 Hospital Specific Reimbursement Floors](#) change?

Division Response: The 2026 Hospital Specific Reimbursement Floors have been updated to reflect that Colorado Plains Hospital has been purchased by CommonSpirit Health and is now named St. Elizabeth Hospital (CCN: 060044). The floor for this hospital has been updated to reflect that this hospital is now part of a system and the floor is now 175.49% of Medicare. There are no changes to other Hospital Floors.

Negotiated Rate Template

8. Question: What changes did the Division make to the Negotiated Rate Template from the Plan Year 2025 public hearing process?

Division Response:

- This template no longer includes the "Details" tab and no longer requires service level estimates.
- There is an additional tab for carriers to fill out *if* they contract with a hospital system on a system-wide level and the rates for one hospital would impact another. This tab requires each hospital included in the system/contract and the weight each facility has within the system (based on allowable amounts). This will help the Division in reviewing potential rate changes at the appropriate contract level and create efficiencies in communications with carriers and hospitals.
- Instructions have been updated and indicate that the template will be rejected if the included providers do not match the included providers on the Material Provider Premium Impact Template.

9. Question: Why is the Division requesting that carriers submit four years of data in the Negotiated Rate Template?

Division Response: The Division is requesting all years of Colorado Option data in order to review the changes in reimbursement rates with the most recently

available data. Reviewing year over year changes allows the Division to determine what reimbursement rates are expected as a result of the hearing process per statute.

10. **Question:** What information is the Division looking for in Section 9.A.3.f of Proposed Amended Regulation 4-2-92?

Division Response: Please indicate whether the negotiated rate for PY2026 for each material provider is below/at/above the DOI calculated floor.¹ Other healthcare providers who are not general hospitals (on the list of calculated floors) have a floor of 135% of Medicare rates.

11. **Question:** What if a hospital and carrier agree that the negotiated rate is at least ten percent less than the statewide hospital median reimbursement rate?

Division Response: If the plan year 2025 negotiated rate is less than 226.46% of Medicare (ten percent below the statewide median of 236.46% per Colorado Insurance Bulletin B-4.127), the hospital may be eligible for an alternate floor that the Division will calculate using the negotiated rate supplied in the Negotiated Rate Template. The hospital and carrier may submit to the Division a joint attestation by March 3, 2025. The joint attestation must contain the aggregate negotiated rate for plan years 2023 through 2026 and documentation used to derive this rate. The negotiated rates submitted in the attestation must align with the rates provided across the carrier's Premium Rate Reduction Filing (e.g., the Negotiated Rate Template and Material Provider Premium Impact Template).

The carrier shall file any joint attestations with hospitals through SERFF under the heading "Joint Attestation- Confidential." This attestation must be signed by a representative of both the carrier and the Hospital.

If this joint attestation is received by March 3, 2025, the Division will determine whether the hospital is eligible for an alternate floor and if so, communicate the alternate floor to the carrier and hospital.

¹ The 2026 Colorado Option Hospital Specific Reimbursement Rate Floors can be found here: <https://drive.google.com/file/d/12bd4ZyZ8hELPruQeq72opQ2KLTsnB1lb/view>

12. **Question:** What if a hospital and carrier agree to a negotiated rate that is at or below the hospital specific reimbursement floor for Plan Year 2026 or that reflects a 20 percent reduction from the Plan Year 2025 negotiated rate?

Division Response: If a carrier and a Material Provider that is a Hospital have agreed that the Hospital's Plan Year 2026 Negotiated Rate is at or below the 2026 Hospital-Specific Reimbursement Floor or that reflects a 20 percent reduction from the Plan Year 2025 negotiated rate, a joint attestation must be submitted. If a Material Provider that is a Hospital does not have a rate at or below the 2026 Hospital Specific Reimbursement Floor, a carrier does not need to submit a joint attestation for that Hospital. The carrier shall file any joint attestations with hospitals as a PDF document via SERFF under the heading "Joint Attestation-Confidential." This attestation must be signed by an Officer of both the carrier and the Hospital.

Material Provider Premium Impact Template

1. **Question:** What changes did the Division make to the Material Provider Premium Impact Template from the Plan Year 2025 public hearing process?

Division Response: The Division added clarifying information in the instructions of the Material Provider Premium Impact Template to resolve questions and concerns that arose during last year's process. For example, the Division has clarified that the information in the Inputs tab must match the information in the Negotiated Rate Template. The Division has also asked for contact information, including email addresses, for each Material Provider to avoid sending this request later in the process.

2. **Question:** Does the Division want all Material Providers or just Material Providers that are in-network?

Division Response: The Division only wants information on **in-network Material Providers**. If providers are only in-network for certain services (e.g., behavioral health), please select "Special" in the "Network Status" column in the Inputs tab and note which services are in-network in the "Network Notes" column.

3. **Question:** Why did the Division land on the 0.15% materiality threshold?

Division Response: The Division set a threshold to ensure that any data provided by carriers could have a meaningful impact on premiums. In an effort to be thorough and ensure all Colorado geographies were included we set the threshold to be inclusive of any hospital or health-care provider whose reimbursement levels could reflect a significant contribution to premiums.

4. **Question:** If a member lives in a one rating area, but receives services from an in-network provider in a different rating area, would the claims for that member from that provider be used to determine Material Providers for the rating area in which the member lives or where the member obtains the services?

Division Response: The claims for this member should be included in the rating area in which the member lives when determining whether a provider meets the definition of Material Provider in Proposed Amended Regulation 4-2-92.

5. **Question:** How should carriers handle any new hospitals/providers that are expected to be material in the rating year?

Division Response: Carriers should include their best projection of the relative materiality for each provider based on whatever data the carrier used to set rates. If the carrier anticipates all new providers would have the same utilization or do not have any assumptions about the difference in utilization, then these providers can have the same materiality estimate. Otherwise, the carrier should adjust each provider's materiality based on expected utilization at each provider.

Actuarial Analysis Requirements

6. **Question:** How do the new requirements for the actuarial analyses differ from previous years' requirements?

Division Response: Carriers must provide an actuarial memorandum outlining trends and assumptions. Instructions and details for this actuarial memorandum are in the 2026 Colorado Option Premium Rate Reduction Filing Procedures.

Carriers must also complete the Maximum Allowable Reduction Template. This template is intended to capture the carriers' estimates of the impact on premiums if the carrier set the reimbursement rates for all Material Providers at the rate that reflects the maximum allowable reduction (either the Hospital-Specific



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Reimbursement Floor, the health care provider reimbursement floor, or a 20 percent reduction from the Plan Year 2025 rates).

Cost of Care Template

1. **Question:** Are carriers required to submit the Cost of Care Template for Plan Year 2026?

Division Response: Per Section 9.C. of [Amended Regulation 4-2-92](#), carriers shall only submit the Cost of Care Template upon request from the Division. If the Division requests that the carrier submit a Cost of Care Template, the carrier shall do so via the Division's Secure File Transfer Protocol (SFTP). The carrier shall request access to the SFTP by emailing Kate Davidson (kate.davidson@state.co.us) and Maddie Davis (maddie.davis@state.co.us) by February 10, 2025.