



COLORADO
Department of
Regulatory Agencies
Division of Insurance

Plan Year 2026 ACA Premium Rate Review

Public Stakeholder Meeting

Commissioner Michael Conway
August 1, 2025

Opening Remarks Commissioner Conway





- Rate Review:
Background & Context
- Plan Year (PY) 2026
Rate Filings Overview
- Public Comment

Rate Review: Background & Context



DOI Regulated Products

Individual Market

For those that do not get their insurance from an employer

Small Group Market

Plans for small employers who offer their employees health insurance coverage

Large Group Market

Fully insured plans for large employers who offer their employees health insurance coverage



The DOI reviews & approves plans & premiums in all of these markets; however, this presentation will focus on filings for the individual & small group markets for rates effective beginning on January 1, 2026.

The DOI has been reviewing health insurance plans for 40+ years

When reviewing premiums, the DOI scrutinizes these key items:

- The *proposed* premiums that the companies have requested. The DOI needs to make sure they are neither too high nor too low and requires the companies to submit their justifications for their premiums.
- Any changes in the benefits offered.
- The plans must meet the federal ACA requirements, as well as Colorado laws and mandates.
- The plans must do what they say they do.
 - For example: if a plan is a silver metal level plan, then the plan must cover approximately 70% of healthcare costs (while the consumer pays approximately 30%).

The rate filings are made up of a series of excel and PDF documents

- **2 Actuarial Memorandums:**
 1. Colorado Specific - located under With Reinsurance heading on ***Supporting Documentation*** tab
 2. Federal - redacted version located in a Reviewer Note on ***Filing Correspondence*** tab
- ***Rate/Rule Schedule*** tab contains the Rate Manual (rates/factors/rating formula)



The DOI reviews & approves rates

Late June

Companies submit
plans & premiums
for the coming year

Mid July

The DOI makes
filings available for
public comment

Early-to-mid August

Comment period
closes

Final, approved plans and premiums are released Mid-to-late October

What is included in a health insurance rate?



Cost of health services
(doctors office visits,
hospital stays, labs, x-
rays, etc)

Cost of
prescription drugs

Costs of the insurance
company, including profit

How are health insurance rates developed?

1. Data Collection

Insurers use past experience to look at trends

- Claims data (medical and pharmacy data)
- Demographic data (population)
- Economic data (inflation, medical cost, economic factors)



How are health insurance rates developed?

Continued

2. Risk Assessment

- Insurers assess the future risk of the insured population compared to other insurers and their own experience to adjust past experience
- To try to ensure premiums are set at the right price for the future costs!



How are health insurance rates developed?

Continued

3. Cost Estimation

- “Trend Analysis”
 - Insurers project future medical costs based on Step (1) and (2)
 - Insurers analyze trends in both “unit cost” and “use” of services, as well as any new services/drugs/technologies

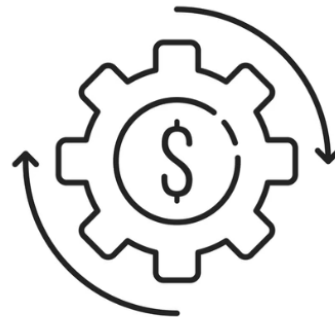


How are health insurance rates developed?

Cont'd

4. Add in Administrative Costs

- Marketing
- Salaries
- Overhead expenses
- Profit Margins
- Taxes & Fees



Colorado Reinsurance Program (since 2020) - *individual market only*

- Reinsurance pays a portion of high-cost claims
- This allows insurance companies to lower the premiums for individual health insurance plans
- As the reinsurance program brings health insurance premiums down, the amount of money the federal government spends on Affordable Care Act (ACA) premium tax credits also goes down
- The federal government passes that same amount of money through to the state to fund the reinsurance program and maintain lower premiums and market stability

Colorado Option Program (since 2023) - *individual & SG market*

- Carriers all offer the SAME health insurance plan - the benefits and cost-sharing in the plan are the same for the most common services from all companies
- The Colorado Option law includes mechanisms to hold carriers and hospitals accountable for reducing the cost of health insurance for consumers
- During rate review, the DOI verifies how carriers have reduced reimbursement rates and premiums in Colorado Option plans in compliance with statute and regulations

2026 Rate Filings Overview: Small Group Market



Small Group Definition Size Analysis

- Senate Bill 24-073 changed the definition of a small group employer from “no more than one hundred (100) eligible employees” to “no more than fifty (50) eligible employees”
- The DOI was required to evaluate the impact on rates from changing the market eligibility. The law required the DOI to evaluate whether the change would result in an additional rate increase of more than 3%. If that was the case, the change would be repealed.
- The DOI’s analysis showed that the impact of the change was an additional 0.8% increase in premiums, allowing the change to move forward.

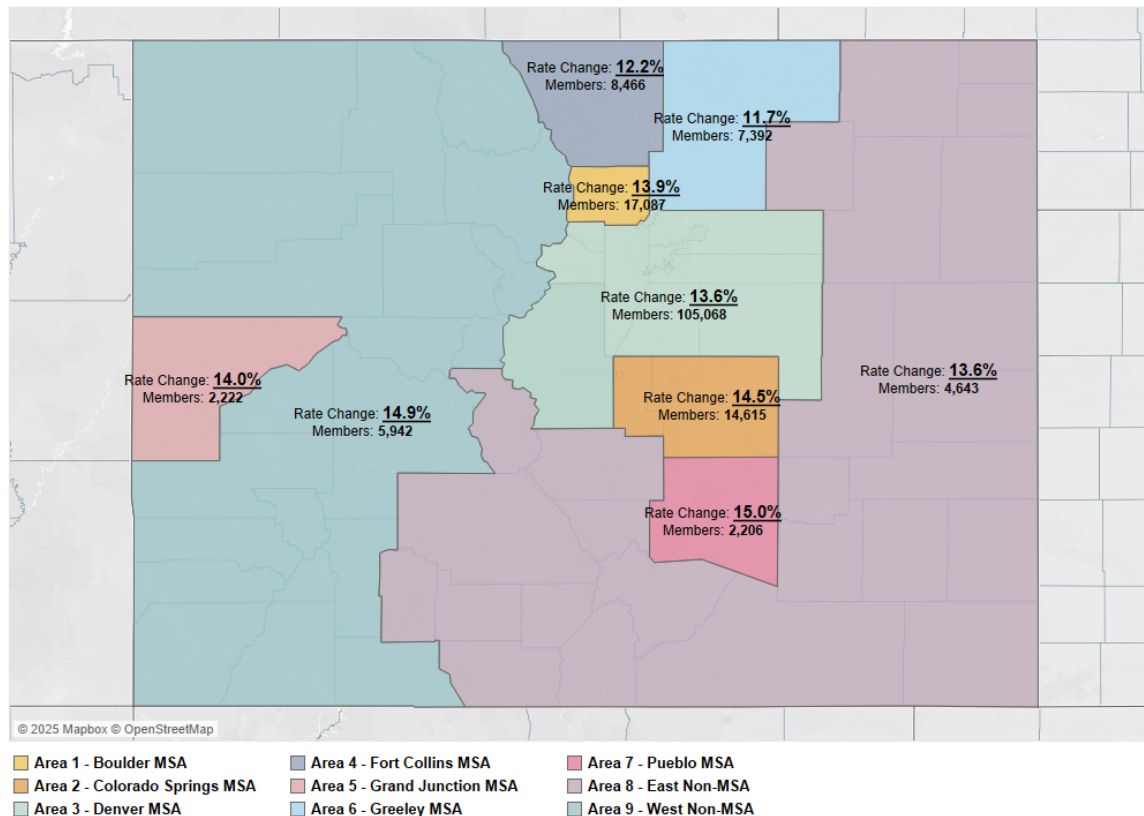
Employers with 51-100 employees have up to 5 years to make the switch to the large group market.

Average Requested Premium Increase of 13.6%



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Average Requested Rate Increase by Rating Area



Average Requested Premium Increase by company



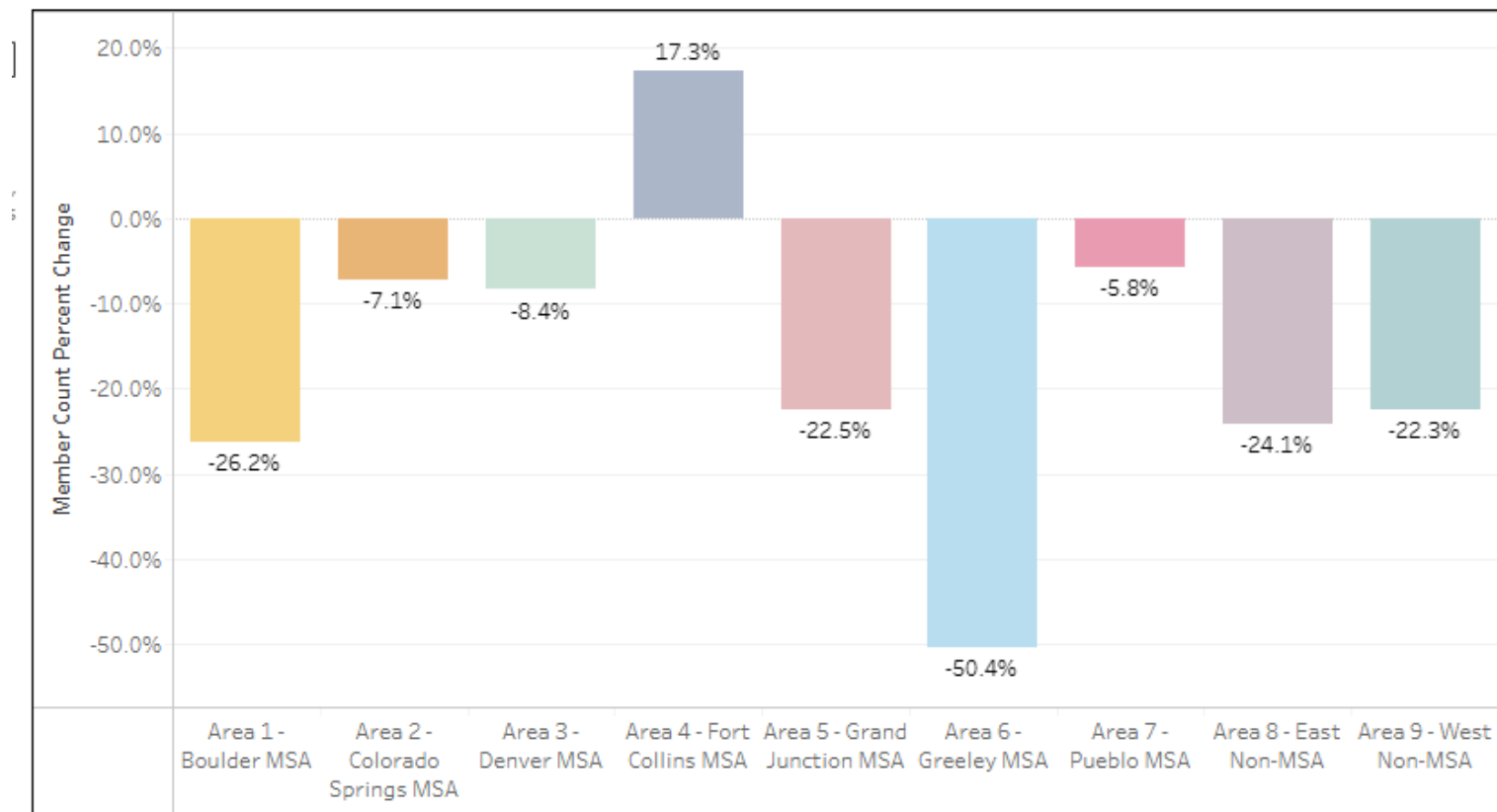
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Carrier	Average Requested Rate Increase (%)
Kaiser Foundation of Colorado	7.8%
Kaiser Permanente	3.6%
Rocky Mountain Hospital & Medical Services (Anthem)	14.5%
Unitedhealthcare of Colorado	15.5%
United Healthcare Insurance Company	16.7%

Projected Change in Enrollment



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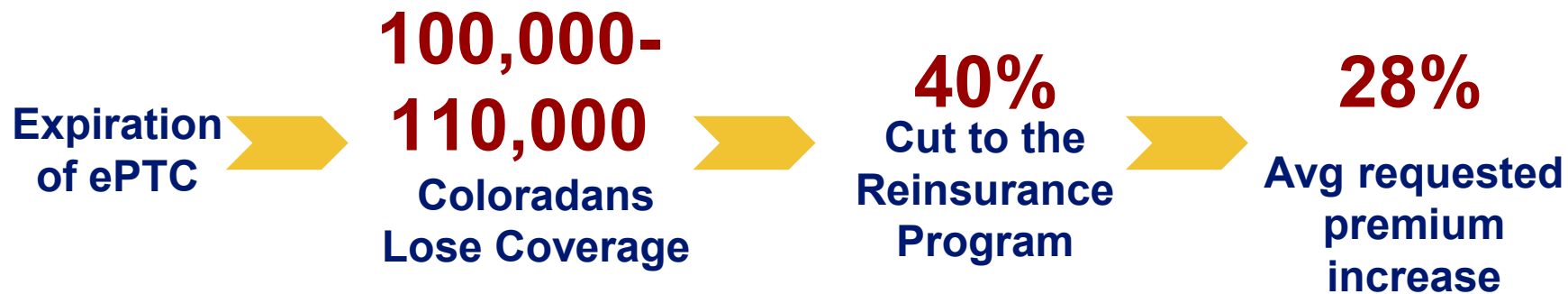
Key drivers impacting SG requested rate increases

- Medical and Pharmaceutical Trends
 - On average between 5.8%-9.4% annual increase
- Anticipated small group ACA market enrollment loss
 - Estimated 11% enrollment decrease compared to 2025
- Small group employer size change
 - 0.8% (SB24-073)
- Increased profit/contingency loads
- Tariff uncertainty

2026 Rate Filings Overview: Individual Market



Loss of ePTC is Skyrocketing Premiums



With the expiration of ePTCs, premiums will be more expensive, resulting in ***fewer people being able to afford their health insurance coverage.***










When coverage becomes unaffordable, many healthier individuals choose to drop their coverage. Anticipating that a higher proportion of individuals with greater health care needs will remain enrolled, ***insurers raise premiums to account for the increased morbidity in the risk pool.***

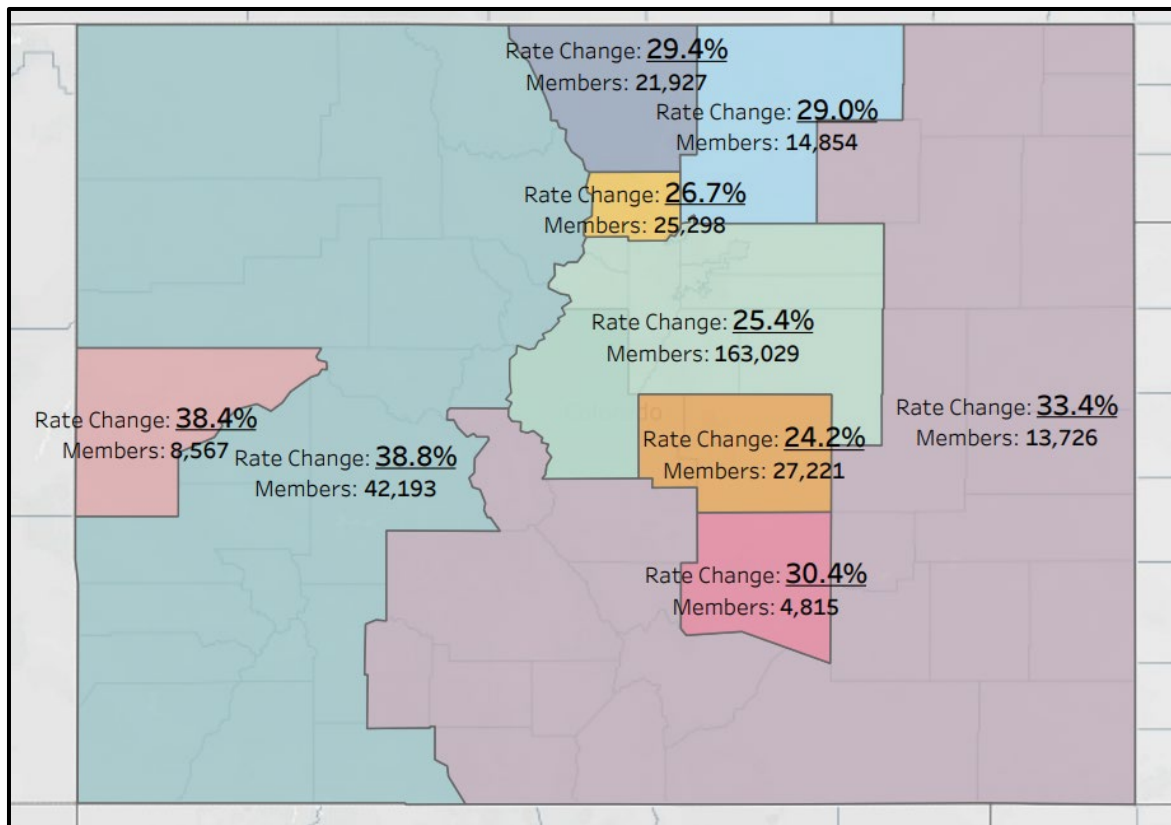
The reinsurance program reduces premiums; and therefore, it reduces the amount the federal government pays in subsidies. The state keeps those savings in the form of “pass-through” funds via a 1332 Waiver. The main source of funding for the reinsurance program is the 1332 waiver. ***When fewer people have insurance and when subsidies are cut, that leads to less funding for the reinsurance program.***

As a result, insurers have requested to increase premiums by 28% for 2026, on average. These premium increases will impact individuals and families who purchase their coverage in the individual market, which is approximately 321,000 Coloradans.

2026 Proposed Premium Increases as a Result of ePTC Expiration

Rating Area

-  1 Boulder
-  2 CO Springs
-  3 Denver
-  4 Ft Collins
-  5 Grand Junction
-  6 Greeley
-  7 Pueblo
-  8 East
-  9 West

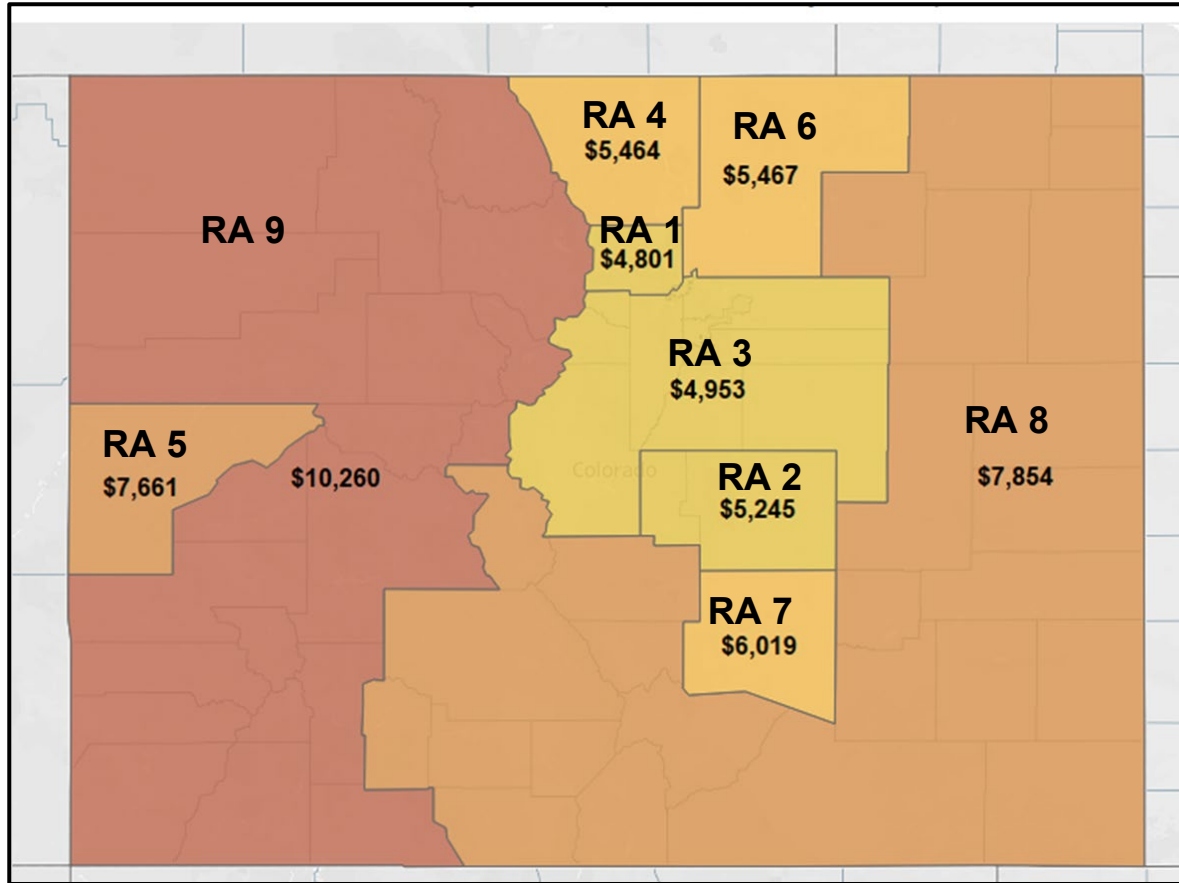


These
premium
increases
will impact
321,000
Coloradans

2026 Annual Premium Increases for a Family of Four* as a Result of ePTC Expiration



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*Family of four is defined as two 40-year-olds, a 20-year-old, and a 10-year-old

Family of Four Premium Increase

Rating Area (RA)	2026 Annual Premium	Approx. Net Premium Increase - 400% FPL
1 - Boulder	\$24,453	\$13,353
2 - CO Springs	\$26,027	\$15,027
3 - Denver	\$25,129	\$14,129
4 - Fort Collins	\$25,676	\$14,676
5 - Grand Junction	\$29,091	\$18,091
6 - Greeley	\$25,686	\$14,686
7 - Pueblo	\$26,419	\$15,419
8 - East	\$32,309	\$21,309
9 - West	\$36,832	\$25,832

Projected Rate Impacts due to ePTC Expiration



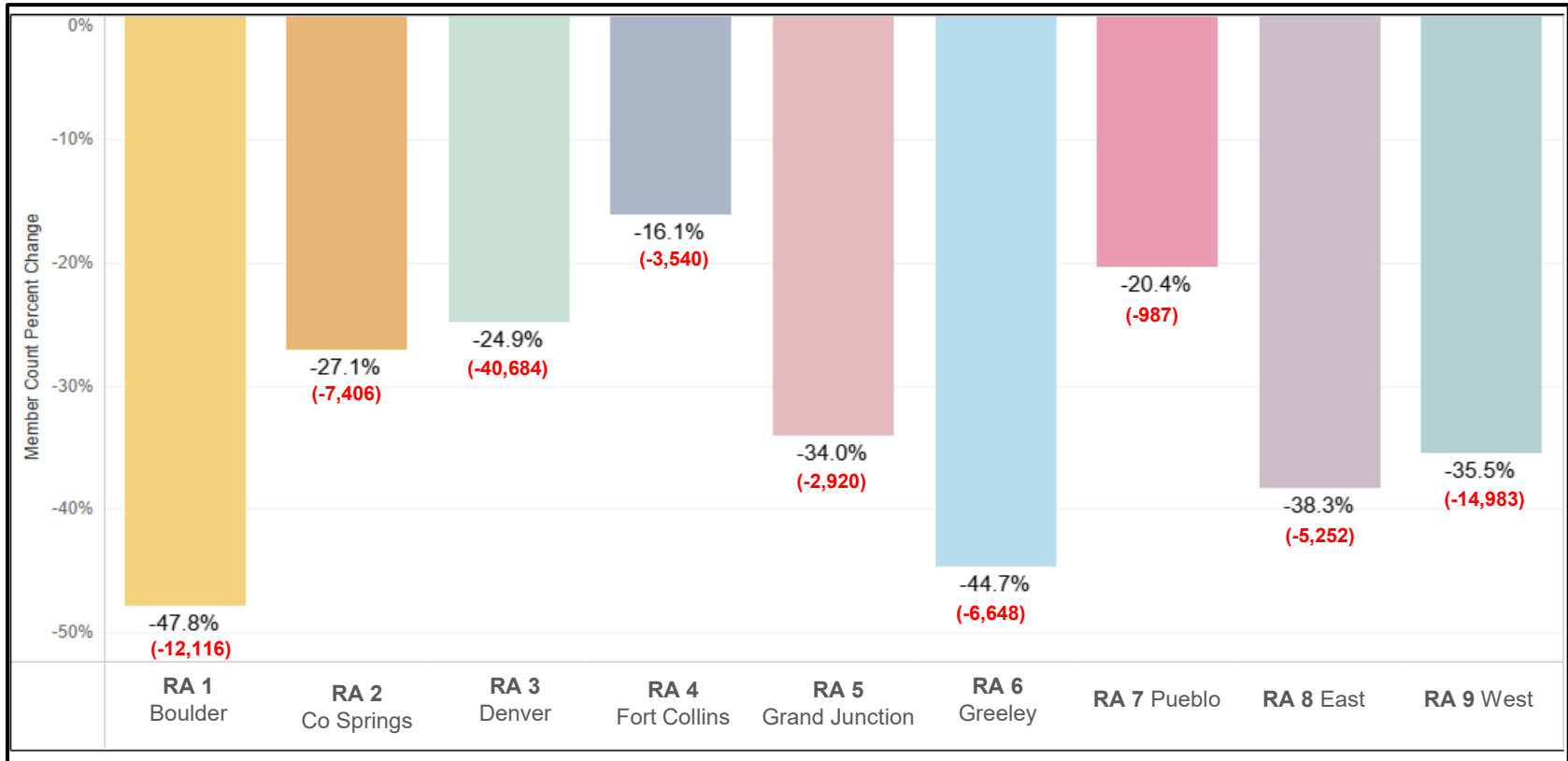
■ 2026 Rate Increase if ePTCs continue
■ 2026 Rate Increase if ePTCs expire

- The expiration of ePTCs will create a 17% rate increase in the individual market
 - Approximately half of this rate increase is due to reinsurance federal funding decrease
- If ePTCs were to continue and reinsurance continued to have same 20% premium reduction, **the average rate increase would be 9.7% across all carriers in the individual market**

Projected Change in Enrollment



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Average Net (Member Paid) Premium Increase 2025 → 2026

2025 to 2026 Avg Member Premium Increase		
Average Statewide Increase (<u>gross avg increase</u> , without financial assistance)	Subsidized Enrollees (<u>net avg increase</u> , Income <400% FPL)	Subsidized Enrollees* (<u>net avg increase</u> , Income 400% - 500% FPL)
28%	171%	196%

*currently eligible for ePTC

Changes to 2026 On-Exchange HIAE Subsidy



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	Current HIAE State Subsidy (PY25)	New HIAE State Subsidy (PY26)
Effective Dates	1/1/25 - 12/31/25	1/1/26 - 12/31/26
Subsidy Type	Out-of-Pockets Costs	Premium Wrap**
Enrollee Eligibility	150-200% FPL	0-200% FPL
Subsidy Value	94AV (Increased from 87AV under ACA)	\$50 pmpm (1st household enrollee) \$18 pmpm (subsequent enrollees)

**** Switching from an out-of-pocket cost subsidy to a premium subsidy in 2026 to reduce coverage losses**

Impact of 2026 On-Exchange HIAE Subsidy



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FPL Cohort	PY25 Average Monthly Premium	PY26 Average Monthly Premium- After Federal Cuts	Percent Change PY25-PY26 After Federal Cuts	PY26 Average Monthly Premium- with HIAE Subsidy	PY26 Premium Reduction due to HIAE Subsidy
< 150 %	\$3	\$28	+833%	\$0	-100%
150-200%	\$17	\$88	+418%	\$38	-57%

**** Impact of HIAE subsidy
for one person in a
household in Plan Year
2026**

Impacts to HIAE Programs in PY26+

Reinsurance

Significant reduction in federal 1332 waiver funding → lower program impact → higher premiums

On-Exchange Subsidy

→ higher premiums from federal actions leads to switch to a premium wrap to try to keep people covered

OmniSalud

Significantly less funding available → Approximately 80% of people enrolled in 2026 will lose coverage

The state program cuts, combined with the federal impacts, lead to a projected loss of 110,000 enrollees (-34%) in Colorado's individual market in 2026.



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Public Comment






The DOI publicly releases rate filings to allow for public review & comment



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Rate filings can be accessed through a system called SERFF (The System for Electronic Rates & Forms Filing). Three “Pro-tips” when utilizing SERFF:

1. Create a shortcut to SERFF once you’ve navigated there to return easily 
1. When using the search function, filter by the month/year you wish to search within (e.g. June 2024). This will help reduce the volume of search results 
1. When using the search function, search by full name of the company (HMO Colorado), and not the DBA or common name (e.g. Anthem) 

For a [step-by-step guide](#) on how to access rate and form filings through SERFF visit our website





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**Written public comment due
by 5pm, Aug 12**

