

BEFORE THE COMMISSIONER OF INSURANCE
STATE OF COLORADO

**IN THE MATTER OF PREMIUM RATE REDUCTION FOR
STANDARDIZED INDIVIDUAL MARKET HEALTH PLAN YEAR 2026 OF:**

Rocky Mountain Health Maintenance Organization, Inc.
Carrier;

Kathryn Goldberg,
Office of the Insurance Ombudsman for Colorado Option Plans,

And the Division of Insurance.

**DIVISION NOTICE OF SUCCESSFUL COLORADO OPTION
NEGOTIATIONS, RATE REIMBURSEMENT ENFORCEMENT, & NO
FORTHCOMING PUBLIC HEARING COMPLAINTS**

The Division of Insurance (“Division”), through its counsel, the Colorado Attorney General’s Office, hereby submits this Notice of Successful Colorado Option Negotiations, Colorado Option Rate Reimbursement Enforcement & No Forthcoming Public Hearing Complaints with **Confidential Exhibit A** attached. As outlined further below, because there will not be a public hearing complaint for Rocky Mountain Health Maintenance Organization, Inc. (“RMHMO”), it is the Division’s position that there is no need for a public hearing for RMHMO.

LEGAL BACKGROUND

Colorado carriers offering individual or small group health benefit plans in Colorado must also offer a standardized health benefit plan established by the Commissioner of Insurance (“Commissioner”). § 10-16-1304(1), 1305(1), C.R.S. The plan is known as the “Colorado Option” and covers all essential health benefits required by the Affordable Care Act, the Colorado Essential Health Benefit Benchmark Plan, and provides free primary care and mental health office visits. *See* Colorado Insurance Emergency Regulation 25-E-01. The Colorado Option is designed to improve racial health equity and decrease racial health disparities. § 10-16-

1304(1)(d)(III), C.R.S. During plan year 2026, carriers shall limit any annual percentage increase in their premium rate for the Colorado Option in both the individual and small group markets to a rate that is no more than medical inflation, relative to the previous year, which is calculated pursuant to Colorado Insurance Emergency Regulation 25-E-02. § 10-16-1305(2)(d), C.R.S. In the rate filings required pursuant to section 10-16-107, C.R.S., carriers must file rates for the Colorado Option at the premium rates required in section 10-16-1305(2)(d), C.R.S. § 10-16-1305.5, C.R.S.

The Colorado Option and the required premium rate reduction targets were enacted by the General Assembly to ensure that health insurance is affordable for Colorado consumers. § 10-16-1302(1)(f), C.R.S. Further, the General Assembly found “underlying health-care costs continue to rise, thus driving up the costs of health insurance premiums, often at disproportionate rates in rural areas of the state.” § 10-16-1302(1)(e), C.R.S. Therefore, if a Colorado carrier is unable to offer the Colorado Option at the required premium rate reductions, the Commissioner may hold a public hearing prior to the approval of the carrier’s final rates. § 10-16-1306(3)(a), C.R.S. Further, based on evidence presented at the hearing, the Commissioner may establish carrier reimbursement rates with hospitals and health-care providers under the Colorado Option. § 10-16-1306(4), C.R.S.

DIVISION NOTICE

On or about March 3rd, 2025, RMHMO provided notice to the Commissioner that it would be unable to meet the premium rate reduction required in plan year 2026 for Bronze, Silver, and Gold Colorado Option health benefit plans it offers in the individual market in Rating Areas 1, 2, 3, 4, 5, 6, 8, and 9. The Division analyzed RMHMO’s March 3 notification. The Division has determined that a number of hospitals have reportedly reduced a reimbursement rate consistent with, or approximately at, the rates that the Commissioner may establish pursuant to section 10-16-1306, C.R.S. Attached as **Confidential Exhibit A** is a list of hospitals that, as of the date of this Notice, have provided in conjunction with RMHMO a joint attestation demonstrating that the hospitals have reduced a reimbursement rate consistent with, or approximately at, the rates that the Commissioner may establish pursuant to section 10-16-1306, C.R.S.¹

¹ The carrier is required to submit its filing, and related documents, to the Commissioner. See C.R.S. § 10-16-1306(2); Colo. Ins. Regulation 4-2-92, Section 9. Pursuant to Colorado Insurance Regulation 4-2-92, Section 14, documents submitted pursuant to Section 9, including the Negotiated Rate Template and the actuarial analysis, may be filed by a carrier under a claim of confidentiality. Further, pursuant to Colorado Insurance Regulation 4-2-92, Section 7, the hospitals are not parties to the public hearing process because they are not Material Providers named in a complaint. Additionally, pursuant to Regulation 4-2-92, Section 14.B.2, “[c]onfidential information will only be made available to the Commissioner, the Commissioner’s staff, and Parties” and “[c]onfidential information will not be made available to the public.”

Colorado law requires that all persons having to do with insurance services to the public “be at all times actuated by good faith in everything pertaining thereto, abstain from deceptive or misleading practices, and keep, observe, and practice the principles of law and equity in all matters pertaining to such business.” § 10-1-101, C.R.S. Furthermore, the Division is charged with the execution of the laws relating to insurance and has a supervising authority over the business of insurance in this state. § 10-1-103(1), C.R.S. Consistent with these principles of Title 10, the Division expects RMHMO and hospitals listed in **Confidential Exhibit A** to act in good faith and abide by the terms and conditions of the reimbursement agreements represented to the Division. To the extent the Division becomes aware of a violation of Title 10, the Division reserves its right to seek any and all available legal recourse to enforce the representations submitted to the Division.

Further, the Division also provides this Notice to inform the Commissioner that it does not intend to file a complaint with respect to RMHMO and its individual market Colorado Option plans for plan year 2026.

CONCLUSION

The Division respectfully requests that the Commissioner accept this Notice of Successful Colorado Option Negotiations, Colorado Option Rate Reimbursement Enforcement, & No Forthcoming Public Hearing Complaints and **Confidential Exhibit A** as an example of the ongoing success of the Colorado Option program. The Division does not intend to file a complaint in this matter, and, as a result, it is the Division’s position that there is no need for a public hearing concerning RMHMO.

Dated this 13th day of June 2025.

PHILIP J. WEISER
Attorney General

/s/Kyle McDaniel

NICHOLAS DEPETRO, 45287*

Assistant Attorney General

KYLE MCDANIEL, 47173*

Senior Assistant Attorney General

Revenue & Regulatory Law Section

Attorneys for Division of Insurance

Ralph L. Carr Colorado Judicial Center

1300 Broadway, 8th Floor

Denver, CO 80203

Telephone:

720-508-6360 (McDaniel); 720-508-6413

(DePetro)

Fax: 720-508-6037

kyle.mcdaniel@coag.gov

nick.depetro@coag.gov

*Counsel of Record

CERTIFICATE OF SERVICE

This is to certify that I have duly served the **DIVISION NOTICE OF SUCCESSFUL COLORADO OPTION NEGOTIATIONS, RATE REIMBURSEMENT ENFORCEMENT & NO FORTHCOMING PUBLIC HEARING COMPLAINTS** by electronic mail this 13th day of June 2025 addressed as follows:

Commissioner of Insurance

Michael Conway, Commissioner of Insurance
dora_hearingscoloradooption@state.co.us

Adjudicatory Counsel for the Commissioner
Sue Kim, Assistant Attorney General
sue.kim@coag.gov
Angela Little, Senior Assistant Attorney General
angela.little@coag.gov

Office of the Insurance Ombudsman

Kathryn Goldberg
Colorado Department of Health Care Policy and Financing – Legal Division
hcpf_insuranceombudsman@state.co.us

Counsel for Office of the Insurance Ombudsman
Joan Smith, Senior Assistant Attorney General
joan.smith@coag.gov
Office of the Attorney General

Rocky Mountain Health Maintenance Organization, Inc.,

Phil Lyons, Associate General Counsel & Director of Regulatory Affairs
philip_lyons@uhc.com

/s/Kyle McDaniel
Office of the Colorado Attorney General