



February 2, 2022

The Honorable Janet Yellen
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Re: Colorado 1332 State Innovation Waiver Amendment Request

Dear Secretary Yellen and Secretary Becerra:

Thank you for the opportunity to submit comments on Colorado's 1332 state innovation waiver application amendment to implement the Colorado Option program.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions. We have a unique perspective on what individuals and families need to prevent disease, cure illness and manage chronic health conditions. The diversity of our organizations and the populations we serve enable us to draw upon a wealth of knowledge and expertise that is an invaluable resource as we work to find solutions to expand access to high-quality coverage. We urge the Department of the Treasury and the Department of Health and Human Services (Departments) to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that any changes to the healthcare system achieve coverage that is adequate, affordable and accessible for patients and consumers.¹ We have supported Colorado's previous efforts to strengthen its marketplace through a reinsurance program, and we are pleased that the state is continuing to innovate to improve coverage for consumers via the Colorado Option program. Our organizations urge the Departments to approve this proposal and offer the following comments on the waiver:

Guardrails

Our organizations are pleased to see that Colorado's waiver would expand the number of people with coverage in the state as well as improve the affordability of that coverage. Excluding the impact of the state's reinsurance program, the state estimates that individual market enrollment would increase by more than 11% and individual market premiums would decrease by more than 13% by 2025. These changes will benefit many patients and consumers directly, while also strengthening the individual marketplace in Colorado as a whole.

As you know, this waiver amendment is just one piece of the broader Colorado Option program, which requires participating individual and small group market insurers to offer some plans with standardized features and meet additional network adequacy protections intended to ensure that the plans are culturally responsive and reflect the diversity of the enrollees in the network's service area. Waiving the single risk pool requirements will allow the Colorado Option to work as intended, enabling Colorado Option plans to offer reduced premiums that fully reflect the savings they have achieved under the program. This fair accounting should help to drive enrollment towards these new plans and increase the chances that the Colorado Option program can make progress on health equity.

Our organizations strongly support Colorado's efforts to improve health equity through this proposal. As discussed in more detail below, the state estimates that 88% of the individuals who are currently ineligible for federal subsidies and would benefit from the new financial assistance supported by the waiver's pass-through funding will be people of color. Additionally, the changes Colorado is pursuing concurrently related to standard plans and network adequacy are purposefully designed to improve access to services needed by communities of color and construct culturally responsive networks.

Subsidy Program

Our organizations support the use of waiver savings to expand coverage to individuals with incomes below 300% of the federal poverty level who are currently not eligible for federal subsidies. Qualified individuals will receive a plan with a \$0 monthly premium and significant cost-sharing reductions. This could include individuals who are in the family glitch (76,000 individuals in Colorado),² as well as other individuals who cannot afford the employer-sponsored coverage offered to them but do not qualify for subsidies. The cost of employer-sponsored coverage can be a significant burden for patients and consumers – in Colorado, the average annual employee premium contribution is \$5,016, in addition to an average \$3,059 in employee spending to meet a deductible – and we appreciate Colorado's efforts to address this issue.³ Funds can also be used to expand financial assistance for individuals who are ineligible for federal subsidies due to their immigration status. Nearly half of this population is estimated to be uninsured, and without coverage, these individuals must rely on safety net providers and often go without the care that they need.⁴ Our organizations support Colorado's plans to expand financial assistance through the Colorado Option program.

Our organizations also support Colorado's decision to use waiver savings to offer additional financial assistance to certain Coloradans currently eligible for federal subsidies. In the first year, individuals with incomes between 150 and 200% of the federal poverty level would receive additional cost-sharing reductions beyond those currently available. There are many factors impacting affordability for this population, including the extension of the additional federal financial assistance provided by the American Rescue Plan Act beyond 2022, (which are our organizations are actively advocating for Congress to pass this year) and the final design of the standard plans currently being developed by the

state. We look forward to continuing to work with the state to provide feedback on the best use of the pass-through funding as these other factors impacting affordability become clearer.

Reinsurance

Colorado's application also extends its reinsurance program for another year, through 2027. Many of our organizations have previously supported this program; we believe it has contributed to ensuring a stronger, more robust marketplace, which is essential for people with pre-existing conditions to access comprehensive coverage that includes all of the treatments and services that they need to stay healthy at an affordable cost. A recent data brief released by the Center for Medicare & Medicaid Services shows that states with reinsurance waivers have experienced significantly lower individual market premiums than they would have otherwise and have seen gains in insurer participation.⁵ We are pleased that this has held true in Colorado, where premiums have been about 20% lower in 2020 and 2021 as a result of the waiver, and the state has seen a new entrant into the individual market. Our organizations continue to support Colorado's reinsurance program.

Our organizations support Colorado's waiver application to expand access to quality, affordable coverage and urge the Departments to approve this proposal. Thank you for the opportunity to provide comments.

Sincerely,

American Heart Association
American Lung Association
Arthritis Foundation
Epilepsy Foundation
Hemophilia Federation of America
National Hemophilia Foundation
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Patient Advocate Foundation
National Psoriasis Foundation
Pulmonary Hypertension Association
Susan G. Komen
The AIDS Institute
The Leukemia & Lymphoma Society

¹ "Consensus Health Reform Principles." September 20, 2021. Available at: <https://www.lung.org/getmedia/24309f63-74e9-4670-8014-d59f21104cfd/092021-ppc-healthcare-principles-42-logos-final.pdf>.

² Cynthia Cox et al. The ACA Family Glitch and Affordability of Employer Sponsored Coverage. Kaiser Family Foundation. April 7, 2021. Available at: <https://www.kff.org/health-reform/issue-brief/the-aca-family-glitch-and-affordability-of-employer-coverage/>

³ Sara R. Collins et al. State Trends in Employer Premiums and Deductibles, 2010–2019. Nov. 20, 2020. Commonwealth Fund. Available at: <https://www.commonwealthfund.org/publications/issue-briefs/2020/nov/state-trends-employer-premiums-deductibles-2010-2019>.

⁴ Health Coverage of Immigrants. Kaiser Family Foundation. July 15, 2021. Available at: <https://www.kff.org/racial-equity-and-health-policy/fact-sheet/health-coverage-of-immigrants/>

⁵ Centers for Medicare and Medicaid Services, Center for Consumer Information and Insurance Oversight (CCIIO). State Innovation waivers: State-Based Reinsurance Programs. August 2021. Available at: <https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Downloads/1332-Data-Brief-Aug2021.pdf>.