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Justice and Economic Security for all Coloradans

Getting Colorado covered: Sept. 23 reforms are vital steps toward accessible, affordable health care

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The first six months of health reform made significant steps toward achieving access to health coverage and protecting the continuity of coverage for millions of Coloradans.

Sept. 23 marks the date of implementation of some of the most anticipated consumer protections included in the Patient Protection and Affordable Care Act (Affordable Care Act or ACA). Those protections include elimination of pre-existing condition exclusions for children, a requirement that health plans permit parents to cover their adult children up to age 26, restrictions on annual insurance coverage limits and bans on lifetime limits, increased access to primary and preventive care, and the end of unjustified cancellation of insurance policies when people get sick – known as rescission. Sept. 23 also marks the six-month anniversary of the date the Affordable Care Act became law, an important milestone for the legislation.

The Affordable Care Act builds step by carefully designed step toward full implementation in 2014. The changes made during the first six months lay an important foundation for reforms to come as well as provide a bridge to coverage for people who cannot wait until 2014 for relief. Provisions of the ACA implemented these first six months provide increased coverage opportunities and peace of mind for millions of Coloradans.

The impact of the provisions are explained in this brief, and are allocated into four categories, based on what they accomplish for consumers and their impact on the insurance market place. These are: expanding the number of people covered by insurance (increasing the size of the risk pool); providing relief to consumers by offering a bridge to 2014 for people who cannot wait for relief, helping consumers to be healthier, and shoring up the ability of businesses to offer health insurance.

Expanding coverage to young adults

The opportunity for parents to cover young adults up to the age of 26 not only provides peace of mind for parents but shores up insurance risk pools through the addition of healthy lives. Young adults ages 19 to 26 are the single largest age cohort of the uninsured in Colorado. Sometimes referred to as “young invincibles,” these young adults, as a group, tend to be in good health. A larger, healthier risk pool helps offset costs as additional people who are less healthy begin to access insurance coverage. Bringing people in to coverage who were previously uninsured also begins to address issues of cost shifting. Cost shifting occurs when health care providers recoup costs by shifting the cost of uncompensated care provided to the uninsured to privately insured patients.

Relief for consumer: bridge to 2014

Individuals who need help now include: seniors struggling with the cost of prescription drugs; people with pre-existing conditions who have been shut out of health insurance coverage; people facing annual and lifetime insurance coverage limits and other restrictions on coverage or who need help dealing with insurance companies.

Helping consumers to be healthier

There is a very strong emphasis on prevention in the ACA including enhanced access to care by requiring insurance companies to cover evidence-based preventive services and eliminating copayments for many of those services. The ACA also provides increased provider access and choice, as well as federal funding for programs with extraordinary track records of reducing problems for children later in life.¹ The focus on primary and preventive care in the ACA will help improve health outcomes for consumers..

Health reform:

- **Increases the size of the risk pool.**
- **Creates a bridge for individuals who need help now.**
- **Helps consumers to be healthier.**
- **Provides relief for businesses.**

Helping business offer and maintain health insurance coverage

The ACA provides tax credits for small businesses struggling with the cost of health insurance. These tax credits will provide relief to small businesses and help maintain and hopefully increase the number of people who are insured between now and 2014 when they can purchase insurance through a health insurance exchange. (Health insurance exchanges are vehicles for matching people and small businesses with health insurance and individuals with subsidies to help them afford health insurance.) Most people get health insurance through their employers, and tax credits help continue the employer-based system.

Finally, the ACA provides relief through a reinsurance program to support struggling pension plans that cover retirees age 55 and older who are not yet Medicare-eligible.

Health reforms since March 23

Relief for consumers: a bridge to 2014

Help for seniors

Under the Affordable Care Act, in 2010 seniors are eligible for a tax-free rebate of \$250 when they hit the Medicare Part D prescription drug “donut hole,” marking the first in a series of reforms that will close the donut hole completely by 2020. The term donut hole describes the gap in coverage in the Medicare Part D program when participants exceed their prescription drug coverage must pay the full costs of prescription drugs until they reach the catastrophic limit.² After that, coverage picks up again to cover the majority of the prescription costs. As of early August, 8,284 Colorado seniors had received a \$250 rebate.³ That translates to more than \$2 million in federal rebates to Colorado seniors. The rebate is issued monthly as seniors hit the spending limit. An estimated 49,000 Colorado seniors reached the limit in 2009.⁴

Controlling costs: Review of insurance rate increases

In August, the Colorado Division of Insurance (DOI) received a \$1 million

GettingUSCovered is a Colorado-based comprehensive health plan for people with pre-existing conditions who have been uninsured for at least six months. It is funded through individual premiums and a federal subsidy.

grant to expand capacity to review health insurance company rate increase proposals by hiring more analysts and actuaries. The importance of that function was reaffirmed recently when on Sept. 15 DOI reached an agreement with Anthem Blue Cross and Blue Shield in which Anthem agreed to issue approximately 90,000 customers a total of \$20 million in premium credits.⁵ The DOI investigation of rate increases that led to the agreement was triggered by a high volume of customer complaints. DOI also will use grant funds to hire additional staff in consumer complaints and outreach, and include complete premium rate filings (rather than only summaries of rate filings) on its website. DOI also will host public rate hearings and conduct web-based town hall meetings to educate consumers about health insurance. Colorado will be eligible for additional grants in future years.⁶

Increasing access to health insurance

GettingUSCovered is a Colorado-based comprehensive health plan for people with pre-existing conditions who have been uninsured for at least six months. It is funded through individual premiums and a federal subsidy. People are not charged more because they have a pre-existing condition; premiums are the same as they would be in the individual market. Colorado is eligible for \$90.3 million in federal funds to assist people who qualify for the health plan. So far, one hundred eighty-six Coloradans have enrolled since the program began Aug. 1 with more applying every month. The program will operate until 2014, and available funds are projected to be sufficient to cover 4,000 people.⁷

Helping businesses

Small business tax credits

Beginning with the 2010 tax year, small businesses that offer health insurance are eligible for tax credits to offset premium costs. An estimated 90,800 Colorado small businesses might qualify.⁸ Eligible firms have fewer than 25 employees and average annual wages of less than \$50,000 who pay at least 50 percent of the cost of their employees' insurance premiums. The maximum credit available between 2010 and 2013 is 35 percent of the cost of premiums. Firms with fewer than 10 employees and average annual wages of less than \$25,000 are eligible for the maximum credit. The credit scales down as the size of the firm and average annual wages increase. Nonprofits are eligible, although at a lower rate (up to 25 percent of their employee premium).⁹ Beginning in 2014, companies that purchase health insurance through the exchange will be eligible for larger credits, up to a maximum of 50 percent of the cost of health insurance, for two years. The Congressional Budget Office estimates as many as 16.6 million workers are in firms that would be eligible for the tax credit and that between 2010 and 2019 \$40 billion will be spent to support small businesses through the premium tax credit program.¹⁰

Reinsurance for early retirees

It is increasingly difficult for employers and unions to maintain health insurance for retirees. The Affordable Care Act set aside \$5 billion between 2010 and Jan. 1, 2014, to support retirement programs for early retirees – those age 55 and older not yet eligible for Medicare. So far, 16 Colorado employers and unions have been accepted into the Early Retiree Reinsurance Program. Companies approved for the program include, Carpenters & Millwrights Health

As health insurance reforms are implemented, there is an important distinction to note between health insurance plans that were in existence on the date the ACA was signed into law and plans created after that date. In some cases, health insurance reforms will not apply to existing plans — the so-called grandfathered plans.

Benefit Trust Fund, City of Colorado Springs, City of Grand Junction, Colorado Permanente Medical Group, P.C., Great-West Life & Annuity Insurance Company, JA Worldwide, Public Employees' Retirement Association of Colorado, Trustees, Co Laborers H&W Fund, University of Colorado.¹¹ An estimated 62,700 people from Colorado retired before they were eligible for Medicare and have health coverage through their former employers.¹²

Helping consumers to be healthier¹³

Nationally, \$250 million has been allocated for expansions of community health centers. Grant applications were advertised Aug. 9 and are due Nov. 17. Colorado community health centers are applying for a share of the funds. It is the beginning of a total investment in community health centers of \$11 billion nationwide. How much funding will be allocated to Colorado is uncertain¹⁴

Colorado received a \$1.8 million grant for evidence-based home visiting programs focused on improving the health of families with young children. Strong research-based evidence shows visitation programs improve health outcomes for children and families, reduce health costs by reducing pre-term births, low-birth-weight babies and the need for emergency room visits.¹⁵

The University of Colorado at Denver has received \$649,497 to support the Colorado School of Public Health and the Public Health Training Center. Employees at the 59 local public health departments will be trained to address prevention of heart disease and cancer, will learn how to improve food safety and how to improve health in diverse communities throughout Colorado¹⁶.

New provisions for Sept. 23

ACA provisions and grandfathered plans

As health insurance reforms are implemented, there is an important distinction to note between health insurance plans that were in existence on the date the ACA was signed into law and plans created after that date. In some cases, health insurance reforms will not apply to existing plans — the so-called grandfathered plans. The ACA's grandfather provision applies to health insurance plans that covered individuals and families on March 23, the day the bill became law. Grandfathering also applies when a qualifying new enrollee joins a plan his or her employer already provided or one their family had already purchased on March 23. If a plan is grandfathered, it is exempt from some insurance reforms in the ACA. Employers and plans may adjust policies to account for medical inflation or to increase benefits and remain grandfathered. In order to maintain grandfathered status, however, plans and employers may not make significant changes to cost-sharing and covered benefits.¹⁷

Increasing the risk pool

Dependent coverage for young adults up to age 26 (grandfathering does not apply)

Beginning Sept. 23, young adults up to age 26 will be able to enroll in or remain on their parents' health insurance plan. That provision of the ACA

The Lewin Group estimated 38.7 percent of Coloradans ages 19 to 25 are uninsured. That is the single largest group by age of uninsured Coloradans.

targets a group more likely to be uninsured and less likely to have access to insurance or be able to afford coverage. Group and non-group plans are not required to offer family coverage if they do not already do so, but all plans that offer such coverage must begin offering employees the opportunity to cover young adult children.

Young adults do not have to be financially dependent on or live with parents to stay on or be added to their parents' coverage. Even married young adults must be offered coverage, although spouses and children of young adults are not required to be covered. The one exception is that grandfathering does apply to group coverage where young adults have or are offered insurance through their own employers. These young adults are not eligible for coverage through their parents plans until 2014 unless their parents' health plan loses grandfathered status. All group and individual plans must offer the same benefits package and premiums for adult children as are offered to younger dependents.

Coverage will be available on a rolling basis beginning Sept. 23. Not everyone in the group will become eligible immediately even if their parents are insured, as plans are not required to offer the opportunity to enroll adult children until their parent's policy is due for renewal or the employer changes plans. Plans are required to offer a 30-day enrollment period at the time of renewal or enrollment of a parent. That 30-day period must not be offered any later than the first day of the first plan year beginning on or after Sept. 23. Plans must provide written notice of the opportunity to enrollees.¹⁸

This provision is estimated to impact roughly 18,600 individuals in Colorado¹⁹. The Lewin Group estimated 38.7 percent of Coloradans ages 19 through 24 are uninsured.²⁰ That is the single largest group by age of uninsured Coloradans. Colorado law already requires coverage of young adults up to age 25 on their parents' policies in the small-group market.²¹ However, to be eligible for coverage in Colorado an adult child must be unmarried, and have the same legal residence as or be a dependent of the parent.²² Because the ACA is less restrictive than current Colorado law, and because the ACA impacts the large group market, not subject to Colorado law, this change will offer new opportunities for Coloradans aged 19 to 26 to access coverage.

The federal Department of Health and Human Services estimates 2.37 million young adults nationally could be affected by the change. Depending on take-up rates, the number of people who likely would take advantage of the opportunity to purchase health insurance falls between 680,000 and 2.12 million in 2011; 970,000 and 2.07 million in 2012; and, 1.08 million and 1.98 million in 2013. In the midrange estimate of how many young adults would move on to their parents' policies, approximately 52 percent would come from the ranks of the uninsured. These numbers increase year by year because it is assumed children who reach the age that would have required them to drop off their parents' policies will now stay enrolled.

Under HHS's mid-range take-up rate scenario the estimate of the average increased cost of insurance premiums over the three year period 2010-13 is \$294 a month, or 0.9 percent annually (0.7 percent increase in 2011, 1 percent

in 2012 and 1 percent in 2013). Because this group generally tends to be healthier than other age groups, costs are projected to be higher if fewer young adults become insured through this change than if greater numbers enroll.²³

Relief for consumers: bridge to 2014

Making insurance available to kids with pre-existing conditions (grandfathering applies)

For all new group plans or plan years beginning after Sept. 23, insurance companies must cover children with pre-existing medical conditions through age 18. Individual plans may restrict enrollment in child-only individual policies to open enrollment periods.²⁴

Removing pre-existing condition exclusions is a significant step toward ensuring all people, whether sick or healthy, have access to health insurance. Uninsured children are six times more likely than insured children to lack a usual source of care. Children, even when healthy, need well-baby visits or treatment for ear infections and other illnesses that, left untreated, can lead to more serious problems. Uninsured children are 70 percent less likely to receive medical care for such problems. Untreated health conditions cause uninsured children to lose opportunities for normal development, and their educational achievement suffers because they miss more days of school.²⁵

The two groups most likely to be helped by the removal of pre-existing condition exclusions are children denied health coverage because of a health condition and children who have a policy that excludes coverage for a specific illness or condition. The departments of Treasury, Labor and Health and Human Services (HHS) estimate about 540,000 children nationwide are uninsured and have pre-existing conditions. Another 90,000 children are estimated to have insurance that either excludes certain illnesses or conditions, or excludes specific illnesses or conditions for a period of time.²⁶

Nationwide, HHS estimates between 31,000 and 72,000 children will become insured through the provision, most through individual health insurance policies. An estimated 27,140 Colorado children were covered by a child-only insurance policy from November 2008 to March 2009,²⁷ and an estimated 2,000 uninsured Colorado children with pre-existing conditions would be helped by this new option.²⁸ The number of families that take advantage of the new opportunity will depend on many factors including information about the opportunity, complexity of the process, availability of plans and whether families can afford to purchase a policy.

One issue affecting take-up rates is likely to be affordability. While the ACA prohibits excluding children from health insurance based on pre-existing conditions, it does not limit until 2014 the amount an insurance company can charge for that insurance. HHS estimates in states like Colorado that permit insurance companies to charge people in the individual marketplace more based on their health history, the cost of a policy in the individual market for a child with a pre-existing condition will be not more than twice the market rate. The effect on other policy holders in the individual market is estimated to be only one-half of a percent in states like Colorado where the cost of insurance is

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individualized rather than spread across policy holders.²⁹

Children will fare better in accessing health insurance in states that already prohibit experience rating (charging people more because of their claims experience). An option for Colorado children not able to afford coverage in the individual market, and who have been uninsured for at least six months, is the newly formed Colorado high-risk pool, GettingUSCovered. Policies sold through GettingUSCovered cost the same as policies sold in the individual market, so the parent of a child with a health condition would pay the same as the parent of a well child in the individual market.³⁰

Finally, families cannot buy insurance for children if no policies are sold. As of Sept. 15, at least five insurance companies, Anthem Blue Cross and Blue Shield of Colorado, Aetna Life Insurance Co., Assurant Health, sold in Colorado as Time Insurance Co.; Cigna Corp. and Humana Insurance Co.,³¹ have said they intend to stop offering child-only insurance plans in Colorado by October. The move is particularly problematic because pulling out of the child-only market limits the choice and availability of insurance plans for healthy children as well as those with pre-existing conditions. While ultimately a resolution might be reached between the Colorado Division of Insurance and the companies, if the companies cannot be persuaded to continue to offer coverage to children, options will be limited. One significant concern is whether the remaining major insurers, including Kaiser Permanente Colorado, Rocky Mountain Health Plans and UnitedHealthcare will follow suit, as the group of children with pre-existing conditions is spread across a shrinking group of insurers.

Prohibition against unfair rescissions of coverage (grandfathering does not apply)

Beginning Sept. 23, all new and existing individual and group health plans, including self-insured plans, will be prohibited from cancelling or rescinding coverage once a person is enrolled except in cases of fraud or intentional misrepresentation.³² That provision helps alleviate the significant financial hardship faced by people who have their coverage cancelled, often after medical costs have been incurred.³³ Additionally, it can help increase access by ensuring insured persons will not have their coverage cancelled in the event of major illness and injury. Also, the prohibition on rescissions helps improve health outcomes by avoiding interruptions in care, and removing the perverse incentive to forgo care for fear that coverage might be canceled due to a major diagnosis.

The prohibition on unjustified rescissions will dovetail with upcoming 2014 reforms in the individual market creating guaranteed issue of health insurance, prohibiting pre-existing condition exclusions, and prohibiting health status rating to promote increased access to health coverage and increased continuity of coverage. Rescissions are rare in the group market but are estimated to occur in about 0.15 percent of individual policies.³⁴ There are about 345,000 Coloradans in the individual market, all of whom stand to benefit directly or indirectly from no longer needing to worry about arbitrary cancellation of benefits. The prohibition on rescissions is expected to have a small effect on

The prohibition of lifetime coverage limits will help increase access by preventing insured persons from being dropped from coverage when an expensive illness or injury occurs, and for the same reason will help prevent disruptions in care.

the cost of premiums.³⁵

Phase-in ban on annual limits in coverage (grandfathering applies only to individual policies)

Beginning Sept. 23, all new and existing group health plans, and all new individual health plans, must have annual coverage limits no lower than \$750,000. That is the first step toward prohibiting annual limits on benefits. Existing plans sold on the individual market are exempt. The annual limit will be phased out by raising the minimum annual limit each year (\$1.25 million in 2012, \$2 million in 2013) until 2014, when it will be completely eliminated. The provision will help lower the cost of coverage to individuals who reach annual limits due to a high-cost illness or injury. It will also help prevent disruptions in coverage and allow for continuity in care, thus improving access.

Approximately 2.5 million Coloradans have employer-sponsored health insurance that will now be subject to the phase-out and eventual prohibition on annual limits. Nationally, 8 percent of large employers, 14 percent of small employers and 19 percent of individual plans impose an annual limit. In the first year of implementation, it is estimated a small percentage of those plans across the three markets would have to raise annual limits to \$750,000, affecting an estimated 1.67 million individuals.³⁶ By 2013, the number of individuals benefitting from the phase-out of annual limits is expected to reach up to 8.1 million.

The projected cost increase on premiums of phasing out annual limits is expected to be 0.1 percent or less. In individual markets in states like Colorado that rate based on health status, the increased cost will be borne by the insured person.

Prohibition of lifetime limits on coverage

Beginning Sept. 23, all new and existing individual and group health plans, including self-insured plans, will be prohibited from establishing lifetime limits on the amount of benefits the plan will cover. People who reached their lifetime limit after the ACA was passed on March 23 and before Sept. 23 must be provided notice and an opportunity to re-enroll in coverage. The provision will help increase access by preventing insured persons from being dropped from coverage when an expensive illness or injury occurs, and for the same reason will help prevent disruptions in care. Additionally, eliminating lifetime limits is important to financial security. There are 2.9 million Coloradans insured in the private market who could benefit from no longer having lifetime limits on their insurance policies. According to national data, 63 percent large employers, 52 percent of small employers and 89 percent of individual plans had lifetime limits. Health Maintenance Organizations (HMOs) are less likely to have lifetime limits.³⁷ Cost increases to premiums resulting from the prohibition on lifetime limits are expected to be 0.5 percent or less.

Right to internal and external appeals of insurer decisions

The Affordable Care Act standardizes internal and external processes for all consumers in new health plans (that the individual or employer purchases after March 23) to appeal decisions by health plans to deny claims. The new

Starting Sept. 23, all new plans will be required to cover recommended preventive services without charging a co-pay, co-insurance or deductible.

regulation allows consumers to first appeal decisions through their carriers' internal appeals process and then, if the appeal is denied, consumers will now have the ability to appeal to an independent reviewer assigned by the state. It sets protocols for performing external reviews and establishes criteria for avoiding conflicts of interest and ensuring the impartiality of the reviewer.³⁸ The consumer can appeal benefit denials, reductions and terminations that were based on the consumer's eligibility for the plan or benefit, whether the benefit was covered under the plan, the medical necessity or appropriateness of a particular benefit, or imposition of a pre-existing or other type of exclusion.³⁹,⁴⁰ Health plans must provide information to consumers about how to appeal and must provide an opportunity to expedite an appeal in urgent cases. The regulations implementing the new appeal and external review provision sets new standards for the form and content of notices to consumers.⁴¹ The regulations expand the types of plans covered by appeals regulations, particularly for states without existing external appeals processes, and standardize the process across markets. Additionally, the implementing regulations also broaden the types of adverse decisions a consumer can appeal. Colorado currently provides an external review process for health plans that falls under Colorado law. Provided the Colorado review process meets minimum standards,⁴² insurers in Colorado, including self-insured (ERISA or federally regulated) plans ordinarily regulated under federal law, need adhere to Colorado standards. A determination about whether Colorado's external review process meets the criteria of the new federal law will be made within the coming year.⁴³

By creating a more thorough and uniform appeal and review process, the departments of Treasury, HHS, and Labor believe the process will create administrative efficiencies, and allow consumers to ensure the consistent and accurate administration and delivery of health insurance benefits.⁴⁴

Helping consumers to be healthier

The ACA reduces the cost of primary and preventive care services for those with insurance and makes it easier to see certain types of care providers in order to increase access to important primary and preventive care services, improve health outcomes, and drive down increased costs resulting from going without care.

Cost sharing (grandfathering applies)

The ACA requires health plans to cover preventive services and eliminates cost sharing. Greater access to preventive care has been shown to improve health outcome, and eliminating cost sharing increases the likelihood people will seek appropriate care.⁴⁵ Starting Sept. 23, all new plans will be required to cover recommended preventive services without charging a co-pay, co-insurance or deductible.

The types of services to be covered include:

- Blood pressure, diabetes and cholesterol tests
- Many cancer screenings
- Counseling on certain topics such as quitting smoking, losing weight, eating

For all new health plans (purchased by an individual or employer after March 23), the ACA requires that emergency services be available without preauthorization and without regard to whether the emergency services provider is in-network.

- better, treating depression and reducing alcohol use
- Routine vaccines for certain diseases such as measles, polio and meningitis
- Flu and pneumonia shots
- Counseling, screening and vaccines for healthy pregnancies
- Regular well-baby and well-child visits from birth to age 21
- Screening and counseling for childhood problems like obesity and depression
- Vision and hearing screenings and oral health assessments for children

Provider access and choice (grandfathering applies)

The Sept. 23 changes will increase access to providers and treatment by eliminating some restrictions on primary care and emergency services. The changes will ensure choice of primary care providers for consumers by allowing women to have direct access to OB/GYN physicians without a referral; pediatricians may be selected to be the primary care provider for children; and, an insured person may choose any primary care providers in his or her health plan's network.⁴⁶ Those changes help ensure a patient's ability to choose a provider and better, more direct access to the provider, leading to better relationships between patient and provider and better health outcomes because patients are more likely to see their physician and seek appropriate preventive care such as flu shots and breast exams.⁴⁷ Thirty-six states including Colorado already mandate direct access to OB/GYN for those plans regulated under Colorado law.⁴⁸

Additionally, the Sept. 23 changes create new provisions designed to help control costs for consumers who must go outside of their health plan's network for emergency services. For all new health plans (purchased by an individual or employer after March 23), the ACA requires that emergency services be available without preauthorization and without regard to whether the emergency services provider is in-network. The new provisions also prohibit insurers from charging higher premiums for out-of-network emergency services than for in-network emergency services, or creating greater limitations on covered benefits out-of-network as compared to in-network. The changes do not prevent an out-of-network provider from billing a consumer for the balance of the cost of the service rendered if the rate the insurance company reimburses the out-of-network provider is less than that provider would ordinarily accept.⁴⁹ However, the regulations implementing the emergency services changes set payment standards for out-of-network emergency service providers to decrease the likelihood of that occurring, and Colorado regulates the practice of so-called balance billing in the insurance markets under its jurisdiction.⁵⁰

Conclusion

Estimated costs of implementing the Sept. 23 reforms vary. The U.S. Department of Health and Human Services (HHS) advises against a simple sum of the estimates tied to various parts of reform because it's unknown how health plans will handle the changes in aggregate. HHS Secretary Kathleen Sebelius has said the likely effect of Sept. 23 reforms will be a 1 or 2 percent increase in premiums.⁵¹ Some health plans in Colorado have broken out costs associated with ACA reforms and increases range from 1 to 3 percent.⁵²

It remains to be seen how many Coloradans will take advantage of

As Colorado moves forward from this six-month milestone, much of the success of the Affordable Care Act will depend on how well residents take advantage of its opportunities.

opportunities offered by the Affordable Care Act. What is certain is many Colorado individuals and businesses need help with access to and paying for health insurance.

The ACA has begun, but only just begun, to address those problems. Looking to 2014, Colorado has significant opportunities that will be realized if we inform residents about new coverage and new protections offered by the ACA, continue discussions about a fundamental transformation in how health care is delivered, strengthen and expand primary care resources and capacity, add capacity to the Division of Insurance, and design an exchange that works well for consumers and businesses.

As Colorado moves forward from this six-month milestone, much of the success of the Affordable Care Act will depend on how well residents take advantage of its opportunities.

Appendix: ACA provisions and grandfathering⁵³

Provision	Effective date	Does it apply to grandfathered group plans?	Does it apply to grandfathered individual-market plans?
Young adults can stay on their parents' health plans until age 26	Health plan years starting on or after Sept. 23, 2010	Yes, with one exception: Until 2014, the provision applies only if a young adult does not have another offer of job-based coverage (excluding an offer from another parents' job-based plan)	Yes
Prohibition of pre-existing condition exclusions for children under 19	Health plan years starting on or after Sept. 23, 2010	Yes	No
Preventive care with no cost sharing	Health plan years starting on or after Sept. 23, 2010	No	No
Phase-in ban on annual limits in coverage (Insurers can have annual coverage limit no lower than \$750,000, the first step toward prohibiting insurers from any annual limits on benefits)	Health plan years starting on or after Sept. 23, 2010	Yes	No
Prohibition of lifetime limits on coverage	Health plan years starting on or after Sept. 23, 2010	Yes	Yes
Prohibition against unfair rescissions of coverage—insurance companies can't drop patients who get sick	Health plan years starting on or after Sept. 23, 2010	Yes	Yes
Direct access to OB/GYN physicians without a referral	Health plan years starting on or after Sept. 23, 2010	No	No
Pediatricians can be classified as primary care providers	Health plan years starting on or after Sept. 23, 2010	No	No
Enrollees must have choice of primary care providers	Health plan years starting on or after Sept. 23, 2010	No	No
No higher cost-sharing for out-of-network emergency services (compared to in-network)	Health plan years starting on or after Sept. 23, 2010	No	No
No prior authorization requirements for emergency care	Health plan years starting on or after Sept. 23, 2010	No	No
Right to internal and external appeals of insurer decisions	Health plan years starting on or after Sept. 23, 2010	No	No

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- ¹ Maternal, Infant and Early Childhood Home Visiting Program, <https://www.cfda.gov/?s=program&mode=form&tab=step1&id=2c3045007119a2ee42fae72fb74498f6>, see also Nurse Family Partnership which has a robust presence in Colorado at <http://www.nursefamilypartnership.org/>
- ² Hoadley, Jack and Summer, Laura, et. al., “Medicare Part D 2010 Data Spotlight: The Coverage Gap,” November 2009, The Henry J. Kaiser Family Foundation.
- ³ <http://www.whitehouse.gov/files/documents/health-reform-states/affordable-care-act-immediate-benefits-co.pdf>
- ⁴ <http://www.healthreform.gov/reports/statehealthreform/colorado.html>
- ⁵ Stipulation for Entry of Final Agency Order, Final Agency Order 0-11-045 In the Matter of Rocky Mountain Hospital and Medical Service, Inc d//a Anthem Blue Cross and Blue Shield, Sept. 15, 2010.
- ⁶ Health Insurance Premium Grants: Detailed State by State Summary of Proposed Activities, <http://www.healthcare.gov/news/factsheets/rateschart.html#c>.
- ⁷ For more information or to apply see: www.GettingUSCovered.org.
- ⁸ <http://www.healthreform.gov/reports/statehealthreform/colorado.html>. For information about these tax credits see: <http://www.irs.gov/newsroom/article/0,,id=220809,00.html> and <http://www.irs.gov/newsroom/article/0,,id=227404,00.html>.
- ⁹ To calculate your tax credit see: Small Business Majority at: <http://www.smallbusinessmajority.org/tax-credit-calculator/> and NFIB at <http://www.nfib.com/issues-elections/healthcare/credit-calculator>
- ¹⁰ Collins et al; Realizing Health Reform’s Potential: Small Businesses and the Affordable Care Act of 2010, The Commonwealth Fund, September 2010, FN14 citing CBO letters to the Honorable Harry Reid, December 19, 2009 and Nancy Pelosi, March 20, 2010
- ¹¹ Early Retiree Reinsurance Program: Colorado, <http://www.healthcare.gov/law/provisions/retirement/states/co.html>.
- ¹² <http://www.whitehouse.gov/files/documents/health-reform-states/affordable-care-act-immediate-benefits-co.pdf>
- ¹³ Health Center New Access Points Funded Under the Affordable Care Act of 2010, <http://www.grants.gov/search/search.do;jsessionid=hW1NMRCPNQKyvMhhgWhThjQTMG6wNyGT13z0N0CT9yTtw0p0v10V!520440642?oppId=56499&mode=VIEW>.
- ¹⁴ http://www.healthcare.gov/news/factsheets/increasing_access_.html; <http://www.whitehouse.gov/files/documents/health-reform-states/affordable-care-act-immediate-benefits-co.pdf>
- ¹⁵ Colorado Department of Public Health and Environment, Maternal, Infant, and Early Childhood Home Visiting Program, <http://www.cdph.state.co.us/ps/mch/ECHVgrantInfo.html>.
- ¹⁶ U.S. Department of Health and Human Services, “Press Release: HHS awards \$16.8 million to train public health workforce,” Sept. 13, 2010.; University of Colorado at Denver, “Press Release: School of Public Health wins \$3.2 million grant,” Sept. 14, 2010.
- ¹⁷ For a helpful fact sheet on grandfathering see: http://www.healthreform.gov/newsroom/keeping_the_health_plan_you_have.html
- ¹⁸ For an explanation of how this works see: <http://www.familiesusa.org/assets/pdfs/health-reform/coverage-for-young-adults.pdf>
- ¹⁹ <http://www.whitehouse.gov/files/documents/health-reform-states/affordable-care-act-immediate-benefits-co.pdf>
- ²⁰ Blue Ribbon Commission on Health Care Reform, Final Report to the Colorado General Assembly, January 31, 2008, Appendix A, p. A-6.
- ²¹ C.R.S. §10-16-104(3)
- ²² Id.
- ²³ Group Health Plans and Health Insurance Issuers Providing Dependent Coverage of Children to Age 26 under the Patient Protection and Affordable Care Act, 75 Fed. Reg. 27,129 (May 13, 2010).. See midrange calculations. Figures based on three year average of mid range (50 percent take up rate projection).
- ²⁴ U.S. Department of Health and Human Services, “Questions and Answers on Enrollment of Children under 19 under the New Policy that Prohibits Pre-existing Condition Exclusions,” accessed at <http://www.hhs.gov/ociio/regulations/children19/factsheet.html>.
- ²⁵ Mathematica Policy Research, Inc., “Reforming Health Care: How Does Insurance Coverage Improve Health Outcomes?” April 2010. See also discussion in Patient Protection and Affordable Care Act: Pre-existing Condition Exclusions, Lifetime and Annual Limits, Rescissions, and Patient Protections, 75 Fed. Reg. 37,200-201 (June 28, 2010).
- ²⁶ 75 Fed. Reg. 37,199-37,200., (June 28, 2010).
- ²⁷ Bontrager, Jeff; Colorado Health Institute, Memo to Gretchen Hammer, September 14, 2010. These data were supplied by the Colorado Department of Health Care Policy and Financing which specifically disclaims responsibility for any analysis, interpretations or conclusions it has not provided. Source: Colorado Household Survey: 2008-09. Denver, CO: Colorado Department of Health Care Policy and Financing. July 2009
- ²⁸ This calculation is derived from Families U.S.A., “Health Reform a Closer Look: Help for Coloradans with Pre-existing Conditions,” May 2010 which shows an estimated 6 percent of Colorado children ages 0-17 have pre-existing conditions, and

the Colorado Health Institute, “Issue Brief: Colorado Children’s Health Insurance Status: 2010 Update,” May 2010, which shows 33,492 uninsured Colorado children in families earning too much to qualify for public programs.

²⁹ Id.

³⁰ Another option, that existed before the ACA is CoverColorado where premiums are about 131 percent of the market rate. If eligible, GettingUSCovered is the cheaper option.

³¹ Sealover, Ed, “Insurers to halt child-only policies,” Sept. 3, 2010, Denver Business Journal.

³² 75 Fed. Reg. 37,192. (June 28, 2010).

³³ Id. at 37,198.

³⁴ Id. at 37,209.

³⁵ 75 Fed. Reg. 37,209 (June 28, 2010).

³⁶ Id. at 37,203.

³⁷ Id. at 37,203.

³⁸ Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Internal Claims and Appeals and External Review Processes Under the Patient Protection and Affordable Care Act, 75 Fed. Reg. 43,333 (July 23, 2010).

³⁹ U.S. Department of Labor, “The Affordable Care Act: Protecting Consumers and Putting Patients Back in Charge of their Care,” July 22, 2010, <http://www.dol.gov/ebsa/newsroom/fsaffordablecareact.html#f1>.

⁴⁰ 75 Fed. Reg. 43,332 (July 23, 2010).

⁴¹ Id. at 43,333.

⁴² The minimum standards will be those established by the National Association of Insurance Commissioners’ Uniform Model Act as of July 23, 2010. The model language can be accessed at www.hhs.gov/ociio.

⁴³ U.S. Department of Health and Human Services, “Technical Guidance For Interim Procedures for Federal External Review Relating to Internal Claims and Appeals and External Review For Health Insurance Issuers in the Group and Individual Markets under the Patient Protection and Affordable Care Act,” available at http://www.hhs.gov/ociio/regulations/consumerappeals/interim_appeals_guidance.pdf.

⁴⁴ 75 Fed. Reg. 43,343 (July 23, 2010).

⁴⁵ Mathematica Policy Research, Inc., “Reforming Health Care: How Does Insurance Coverage Improve Health Outcomes?” April 2010.

⁴⁶ 75 Fed. Reg. 37,335 (June 28, 2010).

⁴⁷ Id. at 37,210-11.

⁴⁸ C.R.S. § 10-16-107 (5).

⁴⁹ 75 Fed. Reg. 37,194 (June 28, 2010). See also, Families U.S.A., “The Patients’ Bill of Rights: Ensuring fair treatment when you need emergency care,” <http://www.familiesusa.org/health-reform-central/september-23/Emergency-Care.pdf>.

⁵⁰ C.R.S. § 10-16-704(3).

⁵¹ U.S. Department of Health and Human Services, “News Release: Sebelius calls on health insurers to stop misinformation and unjustified rate increases,” Sept. 9, 2010.

⁵² Booth, Michael, “Insurers want hikes,” Sept. 20, 2010, Denver Post.

⁵³ Families U.S.A., “Understanding the New Health Reform Law: Grandfathered Plans under the Patient Protection and Affordable Care Act,” August 2010.