

# Support SB 215

## The Colorado Health Insurance Affordability Fund



For many years, Colorado has been focused on ensuring that all Coloradans have access to quality, affordable health care. We now have the chance to take another step toward maintaining the progress we've made and ensuring more families with the greatest barriers to health care get access. The COVID-19 pandemic has shown us all how our own health depends upon our neighbor's ability to access the health care they need.

**We can make health care more affordable for more individuals and families without any cost to the general fund.**

Colorado can take three steps to ensure that more people can get the health care they need by ensuring they can afford health insurance:

### STEP 1

Continue the state's successful reinsurance program for an additional five years with no cost to the state budget. The program is slated to end in 2020 unless new funding for the program is found. The program was responsible for lowering health insurance premiums by 20% in its first year.

### STEP 2

Enhance the tax credit purchasing power for individuals and families buying their insurance on the exchange by protecting subsidies even as reinsurance drives down the overall cost of health insurance premiums.

### STEP 3

Create opportunities for individuals and families previously left out of the Affordable Care Act to have affordable health insurance options at no cost to the state budget like working families with no affordable options and individuals with problems with their documentation.

## THE TIME TO ACT IS NOW

Why must Colorado act now? A federal repeal of a fee paid by insurance companies that fueled the Affordable Care Act has left our state with an opportunity this year. Rather than allow insurance companies to stop paying the fee and return to business as usual in 2021, Colorado can act to capture a state portion of that fee and invest it in working Coloradans who are priced out of the health insurance market. This would allow Colorado to continue funding for health care access and expand the group of individuals and families who receive a little extra help to overcome barriers to access.

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Colorado would extend the same fee rate currently collected at the federal level of 1 percent for non-profit carriers and 2.5 percent for for-profit carriers. That money would be invested to help the about 250,000 who purchase insurance on the individual market and benefit from the reinsurance program, as well as thousands more people who are caught in a policy glitch or have problems with their documentation.

### THE PLAN

## Create a new Colorado Health Insurance Affordability Enterprise Fund to invest:



### 70% COLLECTED

to keep Colorado's reinsurance program healthy and working for Coloradans for an additional 5 years

The successful program lowers insurance premiums by helping insurance carriers reduce the risk of expensive claims and dropped insurance premiums in Colorado by 20 percent in its first year.



### 10% COLLECTED

to include more Coloradans in the benefits of reinsurance

Tax credits available through the Affordable Care Act are not sufficient for some income levels. Recognizing this, other states have increased subsidies for those eligible for ACA tax credits and have increased consumer purchasing power. The people most likely to lack health insurance in Colorado are those between 200 and 300 percent of poverty. Increasing subsidies on the exchange is a proven way to improve coverage options for this group.



### 20% COLLECTED

to provide subsidies for families left out of the Affordable Care Act

For example, thousands of Colorado families can't get subsidy help on the Colorado exchange because they fall into the "family glitch," which ties what is considered affordable employer coverage to the cost of the employee, rather than factoring in the much higher cost of covering the entire family. Thousands more are locked out because they lack proper documentation.