

Testimony in Support of HB16-1336, Study for the Creation of a Single Geographic Rating Area for Health Insurers to Use When Establishing Rates for Individual Health Insurance Plans
Senate Health and Human Services Committee – April 14, 2016 – Erin Miller

- Thank you, Chairman Lundberg and members of the committee for having me here today.
- My name is Erin Miller and I am the Vice President of Health Initiatives at the Colorado Children’s Campaign.
- The Children’s Campaign supports this first step in analyzing one potential solution to the high cost of health insurance in certain areas of our state that can make it difficult for families to obtain health insurance coverage and access to health care.
- We are a data-driven organization and support using data to evaluate policy options.
- The last study of rating areas was completed in 2014, using 2010-12 data, and, in a post-ACA-implementation context, it’s important to reexamine the effects of rating areas on premiums.
- In 2014, the mountain resort communities, including the counties of Eagle, Garfield, Pitkin and Summit, had some of the highest health insurance premiums in the country, which may have contributed to the high uninsured rates for kids in those counties. In Summit, Eagle, and Pitkin counties, for example, 17 percent of children under 19 were uninsured as of 2014, which was the highest uninsured rate for children in the state.
- In 2015, Colorado redrew the state health insurance coverage regions, decreasing the total number of regions and including the resort communities in a larger geographic rating area, leading to a decrease in the cost of health insurance in these those communities. However, this redrawing of insurance boundaries may have contributed to an increase in health insurance costs in the counties newly tied together with the resort communities, including Lake, Grand, and Moffat counties. While the resort communities tend to have median incomes higher than the state average, though of varying degrees, many of the counties newly grouped into this insurance area have median incomes lower than the state average.
- We do not have the yet have the 2015 health insurance data which would allow us to examine the impact of this change on health insurance coverage rates, but we support the state’s effort to study the impacts of this potential solution to the wide variation in health insurance premiums and coverage rates in the state and the guard rails that would be required around it.