

# Health Law and Policy Update:

## January 25, 2013

This week's updates:

- [Colorado Health Benefit Exchange \(COHBE\) announces new name](#)
- [COHBE presents annual report to legislature](#)
- [New report shows Medicaid and CHIP state policies continue to increase efficiency and coverage](#)

### What's New

#### **Colorado Health Benefit Exchange (COHBE) announces new name**

The Colorado Health Benefit Exchange (COHBE) [announced](#) Friday, January 25, that it will begin to operate under a new name: **Connect for Health Colorado**. More information can be found on COHBE's [website](#).

#### **COHBE presents annual report to legislature**

On Thursday, January 24, representatives of the Colorado Health Benefit Exchange (COHBE) presented its [2012 Annual Report](#) to a joint meeting of the House Health, Insurance, and Environment Committee, House Public Health Care and Human Services Committee and the Senate Health and Human Services Committee. Gretchen Hammer, Chair of the Board, and Patty Fontneau, Executive Director, summarized the activities of the board of directors, which met 25 times throughout 2012. Through the course of those meetings, the COHBE Board voted on more than 40 major policy decisions that laid the framework for exchange development and operations. Some of these policy decisions included how the exchange will display and offer plan information to individuals and small businesses, how to certify plans for sale in the exchange, how the exchange should interact with insurance brokers, and how the exchange should assist consumers through a customer service center and Navigator Program.

COHBE's report also provided a financial update. As of the end of 2012, COHBE has received \$62 million in federal establishment grants. Almost 90 percent of COHBE's funding is currently being used for development and implementation of the Exchange IT system, which is primarily contracted through CGI Group Inc., an international IT development firm with offices in Lakewood, CO. However, federal funding will be unavailable beyond December 31, 2014 and Colorado Senate Bill 11-200, COHBE's enabling legislation, prohibits state general funds from being used to support the exchange. COHBE is beginning to discuss its [preliminary plan](#) to become financially self-sustainable by January 1, 2015. COHBE's annual operating budget is expected to total \$22-26 million annually between 2015 and 2018. The operating budget consists of licensure and maintenance expenses associated with the Exchange IT system, customer service and enrollment assistance (navigator) programs, marketing and outreach, and general overhead and payroll expenses, to name a few. COHBE proposes multiple funding sources to support its operation,

including enrollment fees, advertising, and transitioning currently available funds from Colorado's high risk pool, which will phase out.

Finally, a number of legislators questioned COHBE representatives about Colorado's Essential Health Benefits package, voicing concerns that certain services, such as chiropractic and vision, are not required to be covered. Director Fontneau responded that Colorado's EHB package selection was based on a benchmark plan that already existed in CO. We have previously [written](#) a great deal about EHB development efforts in Colorado. Starting in 2014, the EHB package will serve as the minimum set of benefits that insurance companies must cover for all health plans, both in out of the health insurance exchange. The federal government issued guidance in December 2011 that requires states to establish an EHB package by selecting a benchmark plan based on a currently available health plan in the state. Colorado selected as its benchmark plan the largest small group product in the state, which is the Kaiser Ded/CO HMO1200D plan. More information about this plan and Colorado's EHB plan selection process is available on the Colorado Division of Insurance [Website](#).

#### **Advancing the Debate:**

#### **New report shows Medicaid and CHIP state policies continue to increase efficiency and coverage**

This week the Kaiser Commission on Medicaid and the Uninsured and Georgetown University Center for Children and Families released a report entitled: *Getting into Gear for 2014 Findings from a 50 State Survey of Eligibility, Enrollment, Renewal, and Cost-Sharing Policies in Medicaid and CHIP, 2012-2013*. The report is a broad survey of state strategies to enhance and expand access to and enrollment in Medicaid and CHIP. The report covers improvements, expansions and retractions in coverage and focuses on those steps taken by many states to begin to prepare for full implementation of the Affordable Care Act in 2014. These steps range from taking full advantage of federal opportunities to streamline and simplify eligibility and enrollment to infrastructure development, administrative simplification and technology modernization and improvements.

According to the report, "[s]imilar to recent years, Medicaid and CHIP continued to be bedrock sources of coverage for children and, to a lesser degree, their parents...." Of interest to Colorado's policy discussion:

- 23 state Medicaid programs now provide continuous eligibility for children. Continuous eligibility has been the subject of much discussion recently in Colorado because, although authorized under HB09-1293 (Hospital Provider Fee), continuous eligibility has not yet been implemented in the state.
- 13 states do not require a waiting period for enrollment in CHIP. As we [reported](#), Colorado is poised to join those states. SB13-008 (Sen. Newall/Rep. McCann) would eliminate Colorado's three month waiting period.
- 25 states offer coverage for lawfully present immigrant children without a 5 year wait. Colorado adopted this provision, but has yet to implement.
- 18 states cover Working Parents of Dependent Children at an income level at or higher than that in Colorado. Colorado currently covers parents at 100% of the Federal Poverty Level. Colorado funded an expansion to cover parents between 60% FPL and 100% FPL through the Hospital Provider Fee in 2009.
- Of the 25 states that cover Adults without Dependent Children with either full or limited Medicaid benefits, Colorado has the lowest eligibility at 10% of FPL.

Finally, as Georgetown's Tricia Brooks said in her [blog](#) this week, "this year's report ...clearly shows that states continue to simplify and modernize Medicaid and CHIP in ways that increase access to coverage, promote continuous coverage and improve government efficiency." She goes on to say that "the most striking finding of this year's report is the considerable gap in coverage that will persist for the lowest-income adults if states fail to take advantage of the ACA's generous federal funding to extend Medicaid to more parents and other adults.