

Colorado Center on Law and Policy

Health Law and Policy Update: February 7, 2014

Open enrollment continues

Individuals and small businesses can now shop for health insurance through [Connect for Health Colorado](#), Colorado's new health insurance marketplace. Sign up for coverage now.

This week's updates:

- [Anti-ACA Navigator registration bill defeated](#)
- [Colorado Division of Insurance to study variation in health insurance premiums in Colorado](#)
- [ACA gives more people choice about the number of hours they work](#)

Anti-ACA Navigator registration bill defeated

CCLP testified this week in opposition to HB14-1134, which would have required organizations that provide assistance to people seeking to enroll in Colorado's health insurance exchange, Connect For Health Colorado (C4HCO), to be subject to unnecessary and duplicative registration and background checks. The bill, which was defeated in the House Health, Insurance and Environment Committee, is the most recent in a series of measures designed to undermine the implementation of the Affordable Care Act in Colorado.

HB 1134 would have required consumer assistance sites that contract with C4HCO to register and undergo extensive background check requirements through the Colorado Department of Regulatory Agencies. While it is very important to protect consumers' personal information, HB 1134 would have added unnecessary burdens to an already well-regulated process.

C4HCO already requires all consumer assistance sites to undergo a rigorous certification process including extensive training and criminal background checks. They must also adhere to stringent privacy and security standards.

CCLP has written extensively about the importance and effectiveness of C4HCO's assistance network, which includes 55 community based organizations that provide in person outreach, education and enrollment assistance to ensure that individuals, families and small business can get the most appropriate health coverage for them. These organizations include community health centers, public health organizations, providers and hospitals, county human services departments, Native American organizations, and faith-based organizations. In December 2013, CCLP and three

other Colorado consumer advocacy organizations issued a [report](#) highlighting the invaluable assistance provided by in person assisters.

Colorado Division of Insurance to study variation in health insurance premiums in Colorado

This week, the Colorado Division of Insurance [announced](#) that it will study the impact of health care costs and cost drivers on the variation in health insurance premiums across the state. Colorado Commissioner of Insurance, Marguerite Salazar, said that the study will be completed by May. The DOI intends to gather a "diverse group of stakeholders including representatives of hospitals, healthcare providers, insurance carriers, and the pharmaceutical industry". CCLP hopes consumers will be included as well.

This announcement comes on the heels of several months of increasing concern about the cost of health insurance in Colorado mountain communities. The Kaiser Family Foundation released a [study](#) this week which found that the Eagle, Garfield, Summit and Pitkin Counties have the most expensive premiums in the country. According to the report, while causes for high prices vary across the country, in Colorado, medical prices and the use of medical services are both high. "In Summit County, the average hospital inpatient cost was \$786 per insured person, 61 percent above the state average, even though admissions were 10 percent below the state average.... In Pitkin County, ...costs from doctors and other medical professionals were \$1,932 per insured person. That was 2.2 times higher than the state average even though the number of claims filed was 17 percent fewer."

Kaiser Health News [reported](#) that Colorado Association of Health Plans Executive Director, Ben Price, said that insurers pay up to 45 percent more per person for medical care in the mountains than in Denver.

The Vail Daily [quoted](#) insurance broker Keith Thom, who works with businesses in the Vail and Roaring Fork valleys. "Insurance rates are 30 percent more expensive up here than the Front Range," "Insurance companies can't negotiate the same prices they can down in the Front Range." "If you live in a captive community," "it makes it very difficult for insurance companies to negotiate,"

CCLP issued a [report](#) comparing premiums in Garfield County with those in Denver. While it is true that premiums are higher in Garfield County, it is important to recognize that for those people who are eligible for advance premium tax credits (APTC) through Connect for Health Colorado, prices may actually be lower in Garfield County than in Denver. The difficulty is that many people in high cost

mountain communities have incomes too high to qualify for APTC but are still not able to afford the high cost of health insurance.

For more on this topic see the [Vail Daily](#) and [Aspen Public Radio](#).

In addition, [Health News Colorado](#) and others reported this week that Garfield County may sue the State of Colorado for including Garfield County in the same rating area as high cost resort communities.

ACA gives more people choice about the number of hours they work

On Tuesday Feb. 4th, the nonpartisan Congressional Budget Office (CBO) released a [report](#) that highlights how the ACA will give consumers the freedom to choose when, where, and how they are employed and receive their health insurance.

Reflecting this increased choice, the CBO found that two million fewer workers will choose to work in 2017 as a result of new health insurance benefits afforded Americans by the Affordable Care Act. Much has been written this week about these findings and initial reactions were extremely negative. However, CCLP believes it is important to understand the report and its findings before jumping to conclusions.

"CBO estimates that the ACA will reduce the total number of hours worked, on net, by about 1.5 percent to 2.0 percent during the period of 2017 to 2024, almost entirely because workers will choose to supply less labor," the report finds.

CBO continues, "The reduction in CBO's projections of hours worked represents a decline in the number of full-time-equivalent workers of about 2.0 million in 2017...The estimated reduction stems almost entirely from a net decline in the amount of labor that workers choose to supply, rather than from a net drop in businesses' demand for labor."

On the whole, CBO's prediction isn't about businesses cutting jobs. Fewer workers will choose to work as many hours, or at all, in response the ACA. But what might cause workers to cut back their hours?

Before the passage of the ACA, many Coloradans couldn't purchase insurance on their own. Because health plans could deny people coverage based on health status or charge older people very high prices, many Coloradans needed to work so that they could get health insurance through an employer. Also, coverage through an employer was often more affordable because employers often contribute toward an employee's health premium.

The passage of the Affordable Care Act guarantees that no Coloradan can be turned down for insurance based on their health status. Tax credits and the Medicaid expansion mean that fewer Coloradans must continue to work or work full time in order to have access to health insurance.

The Affordable Care Act gives workers more flexibility to choose where, when, and how they work, without needing to worry about whether they will have access to health insurance.

As Jason Furman, Chairman of the Council of Economic Advisors, [said](#) earlier this week, "I have no doubt that if, for example, we got rid of Social Security and Medicare, there are many 95-year-olds that would choose to work more. I don't think anyone would say that was a compelling argument to eliminate Social Security and Medicare."

The full report is available from [CBO](#). The [Washington Post](#), [Wall Street Journal](#), [NPR](#) and other news outlets have covered this report.