

Colorado Center on Law and Policy

Health Law and Policy Update: March 21, 2014

Open enrollment continues...but time is running out.

Individuals and small businesses can now shop for health insurance through [Connect for Health Colorado](#), Colorado's new health insurance marketplace. Sign up before March 31 to get covered.

SPECIAL EDITION

Affordable Care Act at 4: Making a difference to Coloradans

March 23 marks the fourth anniversary of President Barack Obama signing the Affordable Care Act (ACA) into law. Implementing the law has been a lengthy and important process over the past four years. Colorado has been and continues to be viewed as a leader among states implementing the various components of the law, including its decisions to expand Medicaid and launch its own state-based health insurance marketplace, known as Connect for Health Colorado. This week's Health Law and Policy Update takes a step back and examines how Colorado's health care landscape looks different because of the ACA now that its major provisions are fully implemented.

Insurance market reforms

Among the ACA's sweeping reforms are a number of requirements that dramatically affect the commercial insurance market. Several of these changes- such as requiring insurance companies to cover children with pre-existing conditions - became effective in 2010. Many of the more major reform provisions became effective January 1, 2014. Some of these reforms included:

- Coverage for consumers with pre-existing conditions. Insurance companies may no longer deny coverage or charge more due to a pre-existing condition. This means anyone who wishes to purchase an insurance policy - regardless of health status - must be enrolled by the insurance company. At the time of the law's passage, more than one-third of Colorado adults ages 45 to 54 (34.2 percent) and two in five adults between 55 and 64 (43.8 percent) had pre-existing conditions that could lead to a denial of coverage.
- Insurance rating reforms. The ACA prohibits health insurance companies from discriminating based on a consumer's medical condition, claims history, disability, or other health-status-related factor. This applies not only to eligibility for enrollment in the plan, but also the rates that individuals and families pay. The only rating factors allowable are age, family unit size, geographic area and tobacco use.

- Minimum essential benefits. The ACA requires all new health insurance plans in the individual and small group markets to offer a minimum list of Essential Health Benefits (EHB). This requirement means individuals and families will have the peace of mind that any insurance product they buy will provide comprehensive coverage, including maternity care, chronic disease management, pediatric oral and vision services, rehabilitative and habilitative services and many more.

Connect for Health Colorado Marketplace

The Colorado General Assembly established the Colorado Health Benefit Exchange, now doing business as Connect for Health Colorado (C4HCO) in 2011 through the passage of Senate Bill 11-200. C4HCO is governed by a bipartisan board of directors consisting of nine voting members and three non-voting members. The voting members represent various industries and perspectives, including representatives from the small business community, health insurance industry, health care providers, and consumers. The C4HCO Board of Directors held its first meeting in July 2011. In early 2012, the C4HCO Board of Directors began a lengthy process of discussing and voting on major policy decisions that shaped the development of the exchange. These decisions ranged from high level structural decisions, such as whether to combine the small-group and individual insurance risk pools, to detailed, technical decisions, such as whether to limit plan options within the small group market.

C4HCO opened its doors for business October 1, 2013 and as of March 18 has seen over 100,000 Coloradans enroll in marketplace insurance plans. Of those enrolled, over 58,000 lower- and middle-income Coloradans qualify for financial assistance to lower premiums and cost sharing. The current open enrollment to purchase a health insurance plan (both inside and outside of the C4HCO marketplace) ends March 31. After that date individuals will be unable to purchase an insurance product unless they experience a "qualifying event" such as moving, changing employment, losing public insurance (such as Medicaid) or experience a life change such as marriage, giving birth or experiencing a death in the family.

Expanding Medicaid

Governor John Hickenlooper announced in January 2013 plans for Colorado to expand its Medicaid program as part of the ACA. The ACA required states to expand Medicaid eligibility to persons with incomes under 138 percent of the Federal Poverty Level (FPL). Currently, 138 percent FPL is equal to an annual income of \$16,104 for an individual and \$27,310 for a family of three. However, while the U.S. Supreme Court upheld the constitutionality of the ACA, it also said that states may not be

penalized by the federal government for failing to follow the law's requirement to expand Medicaid eligibility. That decision left states, such as Colorado, to make the decision of whether or not to pursue expansion. The Colorado General Assembly passed SB13-200 with bipartisan support, which authorized the state to move forward with plans to implement the full expansion.

The Colorado Department of Health Care Policy and Financing [reported](#) that as of March 18, over 151,000 Coloradans enrolled under the ACA's Medicaid expansion. According to a 2012 CCLP [report](#), a majority of those (approximately 122,000) that will gain access to coverage under the Medicaid expansion are working individuals and families that earned too much to qualify for Medicaid in the past but not enough to afford commercial health insurance.

A new era of access to health coverage

Through implementation of the various reforms described above, Colorado has made a significant commitment to improve equal access to health coverage, particularly for lower- and middle-income Coloradans. To be sure, many issues will remain: A significant number of Coloradans are expected to remain uninsured, underlying health care costs continue to rapidly rise and fears of provider shortages in underserved communities continue to increase. However, CCLP applauds Colorado's efforts over the past four years to implement the major reforms under the ACA and on its fourth birthday wish to send out our congratulations and deepest thanks.