

Health Law and Policy Update:

August 2, 2013

This week's updates:

- [T-minus 59 days: How health reform will impact Coloradans](#)
- [Five things to know about Obamacare premiums: A guide for the perplexed](#)

T-minus 59 days: How health reform will impact Coloradans

With less than two months until Connect for Health Colorado - Colorado's insurance marketplace - will go online, we thought it would be helpful to take a step back and remind ourselves exactly how the Affordable Care Act (ACA) will impact Coloradans. As the Bell Policy Center [pointed out](#) this week, the U.S. Department of Health and Human Services recently released a series of [reports](#) aimed to educate individuals, families and small businesses across the country about how the ACA will actually affect them. For example, in[Colorado](#):

- 656,461 Coloradans (15 percent) are uninsured and eligible for coverage in Connect for Health Colorado.
- 90% of those eligible (591,624) will likely qualify for low or no-cost coverage, either in the form of tax credits and cost-sharing reductions or Medicaid.
- 50,000 young adults will be able to stay on their parents' health insurance plans through age 26, which is extremely important for young adults as they look for employment or take a job early in their career that does not offer benefits.
- 2.25 million Coloradans with pre-existing conditions will no longer have to worry about insurance companies refusing to cover them or charging them higher premiums.
- Because of a rule in the ACA that insurance companies must spend at least 80 percent of your premium dollar on actual medical claims, over 150,000 Coloradans will benefit from almost \$11.5 million in refunds from insurance companies in 2013 alone.
- Approximately 1.3 million Coloradans with private insurance gained access to preventive health care services and screenings free of cost-sharing and co-payment requirements.

This list is just a sampling of how the ACA will benefit Coloradans. The ACA also makes investments in Colorado's health care provider workforce, requires insurance companies to cover a broad array of essential health benefits, provides for in-person outreach and enrollment assistance, and the list goes on. As October 1 approaches, we strongly encourage you to learn as much as you can about these changes, tell your families and friends, and prepare to give feedback to ensure that the system works well for everyone.



More resources:

- The new [HealthCare.gov website](#).
- Interactive Affordable Care Act in your state [map](#).
- Connect for Health Colorado [website](#).

Five things to know about Obamacare premiums: A guide for the perplexed

Kaiser Health News published a helpful [article](#) yesterday that offers a user friendly outline of how to make sense of all of the chatter about what is happening and will happen to health insurance premiums as a result of the Affordable Care Act. This may be useful as the Colorado Division of Insurance prepares to release Colorado small group and individual insurance rates later in August.

Five things the article outlines that will help you make sense of the rates conversation:

1. Comparing apples to apples is virtually impossible because the landscape has changed. No one can compare coverage or pricing of today's individual health insurance policies to those that will be sold in Health Insurance Exchanges because every policy sold will be brand new.
2. Pay attention to which premiums state regulators are using for their comparisons. Remember, the authors advise, to look at the kind of plans being compared. Are the lowest tier bronze plans sold in an Exchange being compared to the highest tier platinum plan? Unless you know the basis of any comparison, you won't understand whether it makes sense.
3. You are not average. While the rates you will see being discussed by the media will be based on an average, that is not likely to be your cost. While it is true that in general, younger people will likely see higher rates and older

people lower rates, your cost may be lower or higher, depending on how old you are, where you live, and which insurer you select.

4. Subsidies will offset costs for many people. Most people shopping in the new marketplaces are expected to qualify for a subsidy to offset part of the cost of the premiums.
5. Premium changes are unlikely to affect you at all. Most people have health coverage through a large employer that is comparable to what is going to be sold on the Exchange and will not be affected by the rates and rate changes being discussed.

"In the end", says Kaiser, "most policy analysts concur that average premiums will go up for younger, healthier people - and that they will get better benefits than they do now - but that rates may fall for older or sicker Americans, as new rules go into effect Jan. 1. Increases may be offset for many of those buying coverage through tax credits available to people with low and moderate incomes" As Larry Levitt, a senior Kaiser vice president was quoted as saying: "Premiums across states vary a whole lot less than the spin does."