

What is driving health care costs and premiums in your community

CoverCO Tour – Denver



**Colorado Consumer
Health Initiative**

What our health care \$s are used for

Colorado's Health Care Dollar

Spending by Service Type, 2016

39¢



Hospital Care

26¢



Physician
and Clinical
Services

11¢



Prescription
Drugs and
Other
Non-durable
Medical
Products

6¢



Dental
Services

5¢



Other Health,
Residential,
and Personal
Care

5¢



Nursing
Home
Care

4¢



Other
Professional
Services

2¢



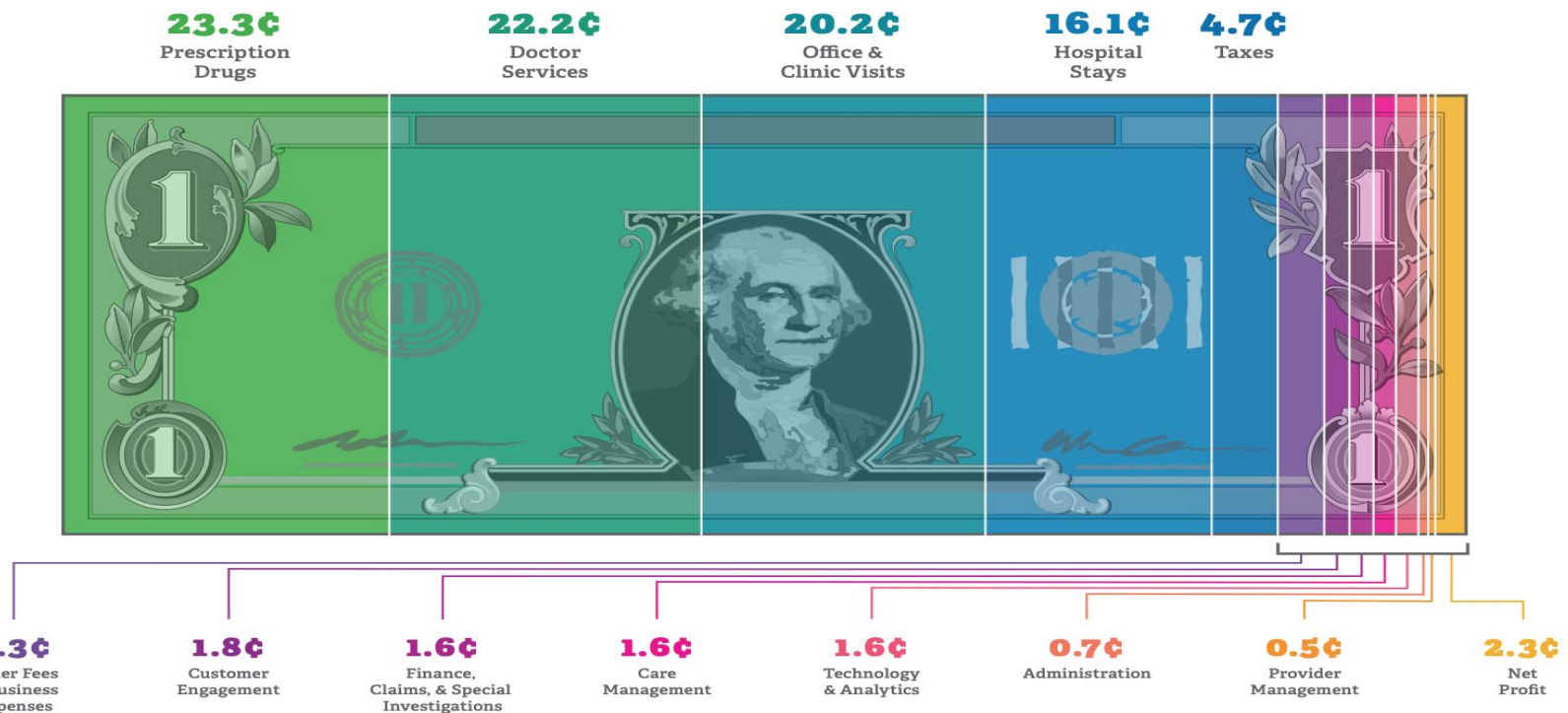
Durable
Medical
Products

2¢



Home
Health
Care

What are Premium \$s Are Used For



Expenditure estimates above produced by AHIP. Distribution of spending among administrative categories and taxes, based on analysis by Milliman, Inc. Milliman's analysis is available upon request.

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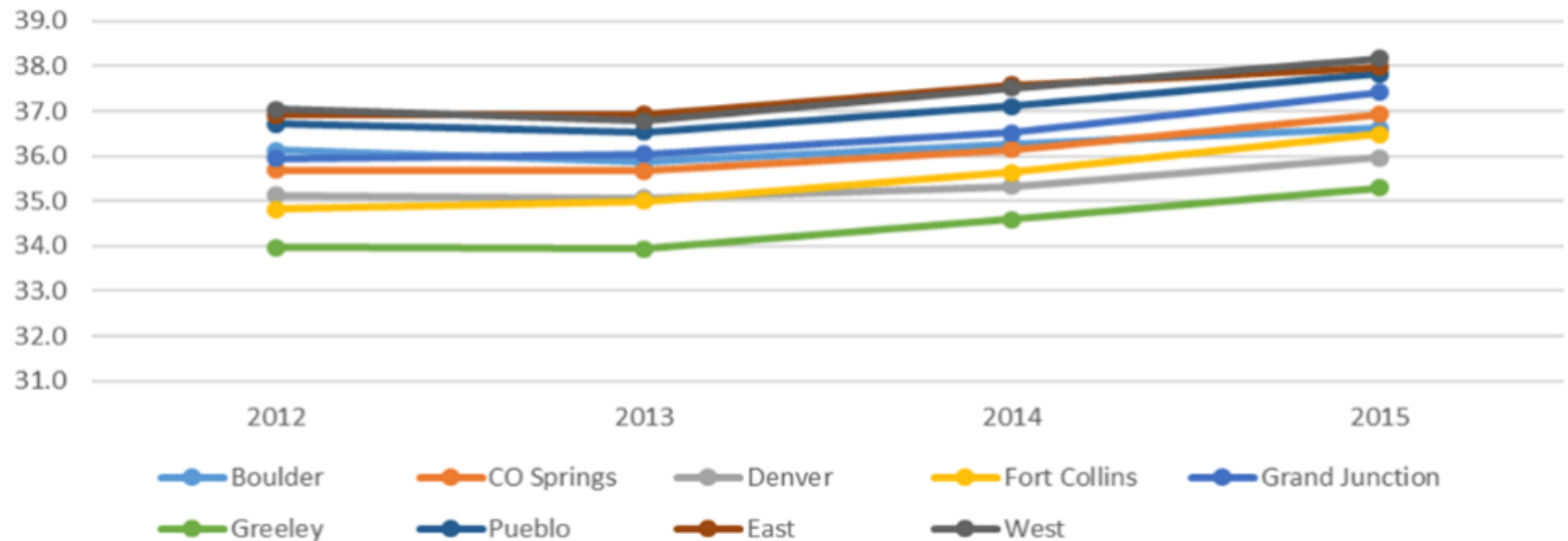


Factors driving premiums

Age

Average Age by ACA Rating Region

Average Age by ACA Rating Region and Year

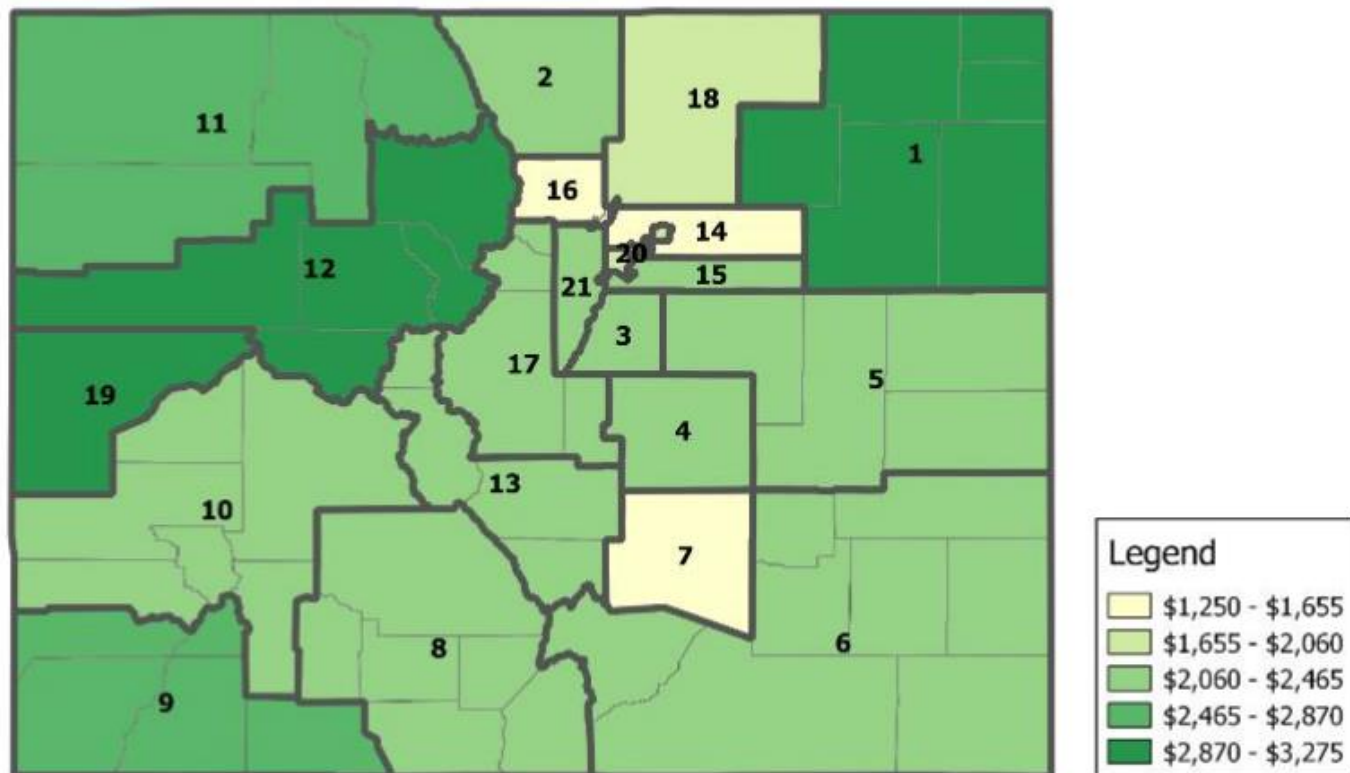


Factors driving premiums

Cost per Unit/Service

Cost per Unit by Health Statistical Region

Advanced Imaging

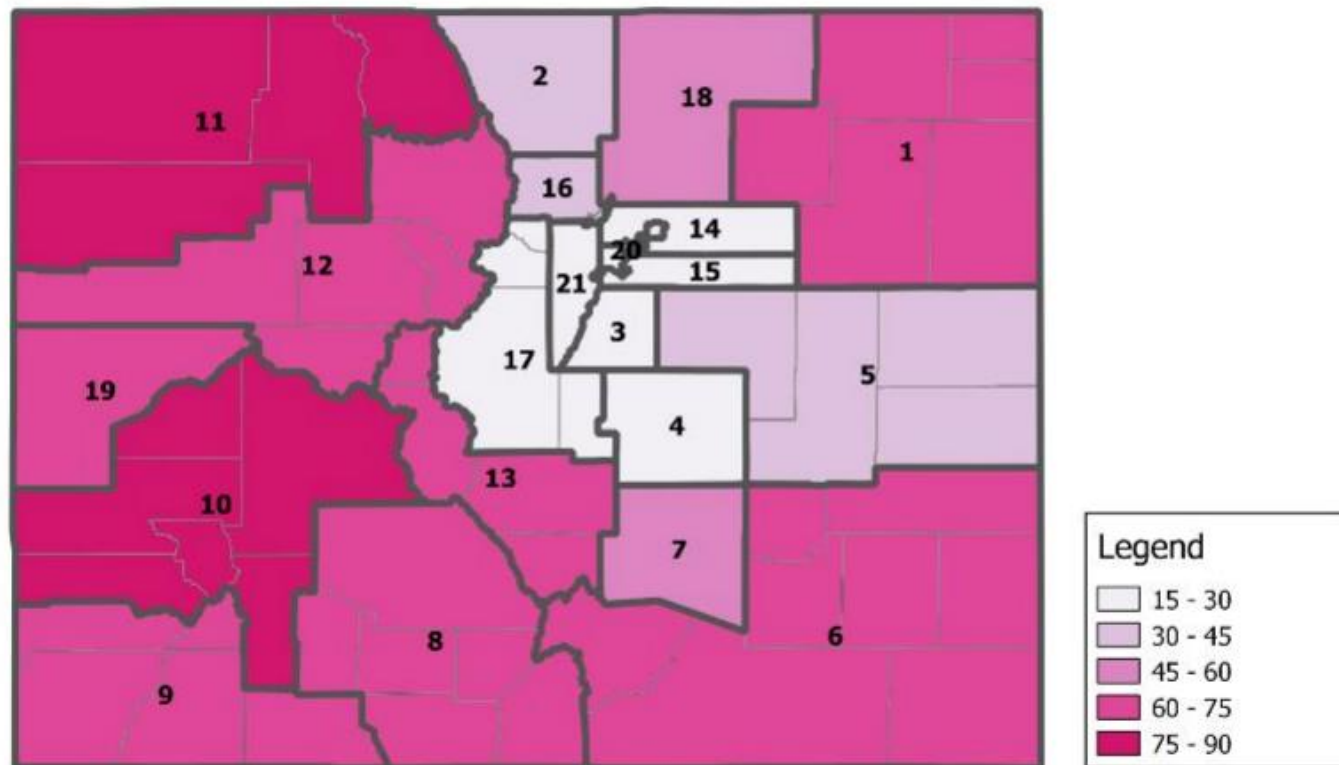


Factors driving premiums

Utilization/How many "units" are people using in an area

Units per 1,000 Members by Health Statistical Region

Advanced Imaging

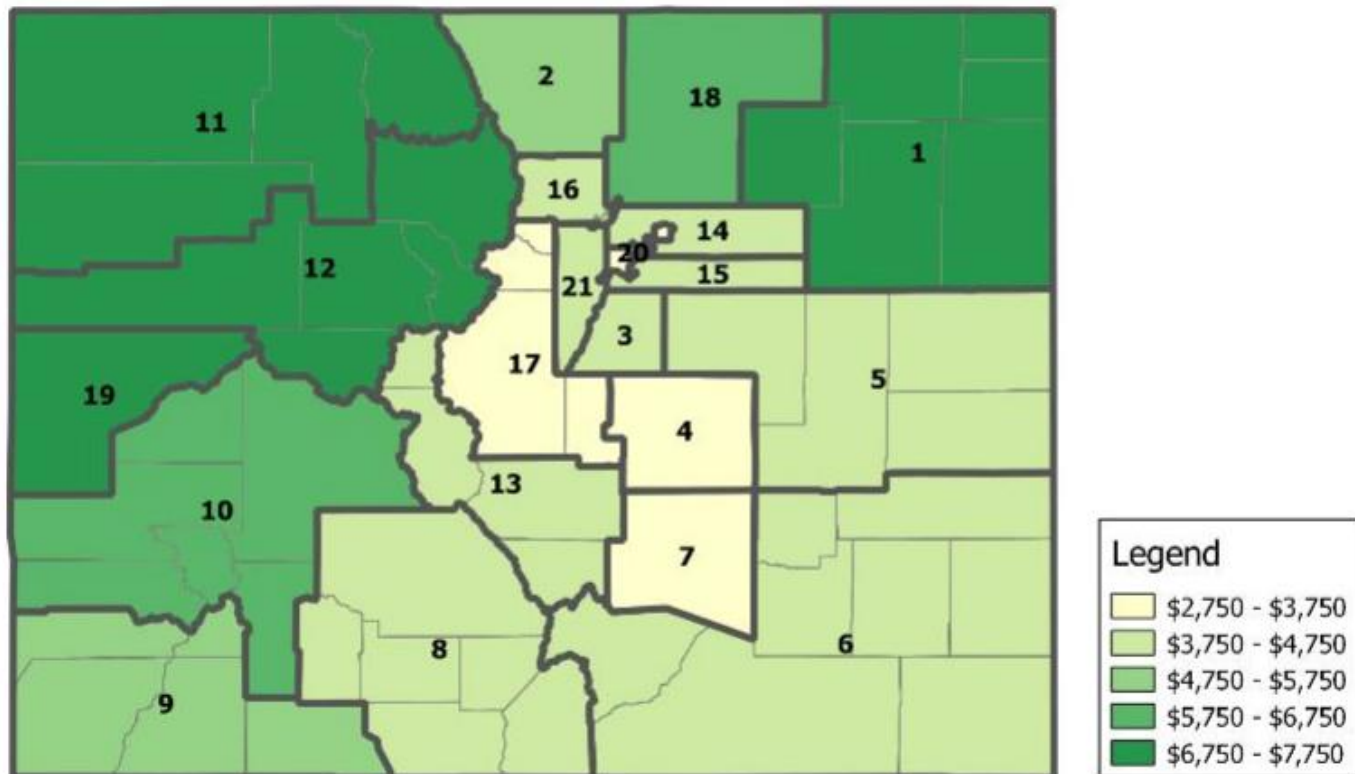


Factors driving premiums

Cost per Unit/Service

Cost per Unit by Health Statistical Region

Outpatient Surgery

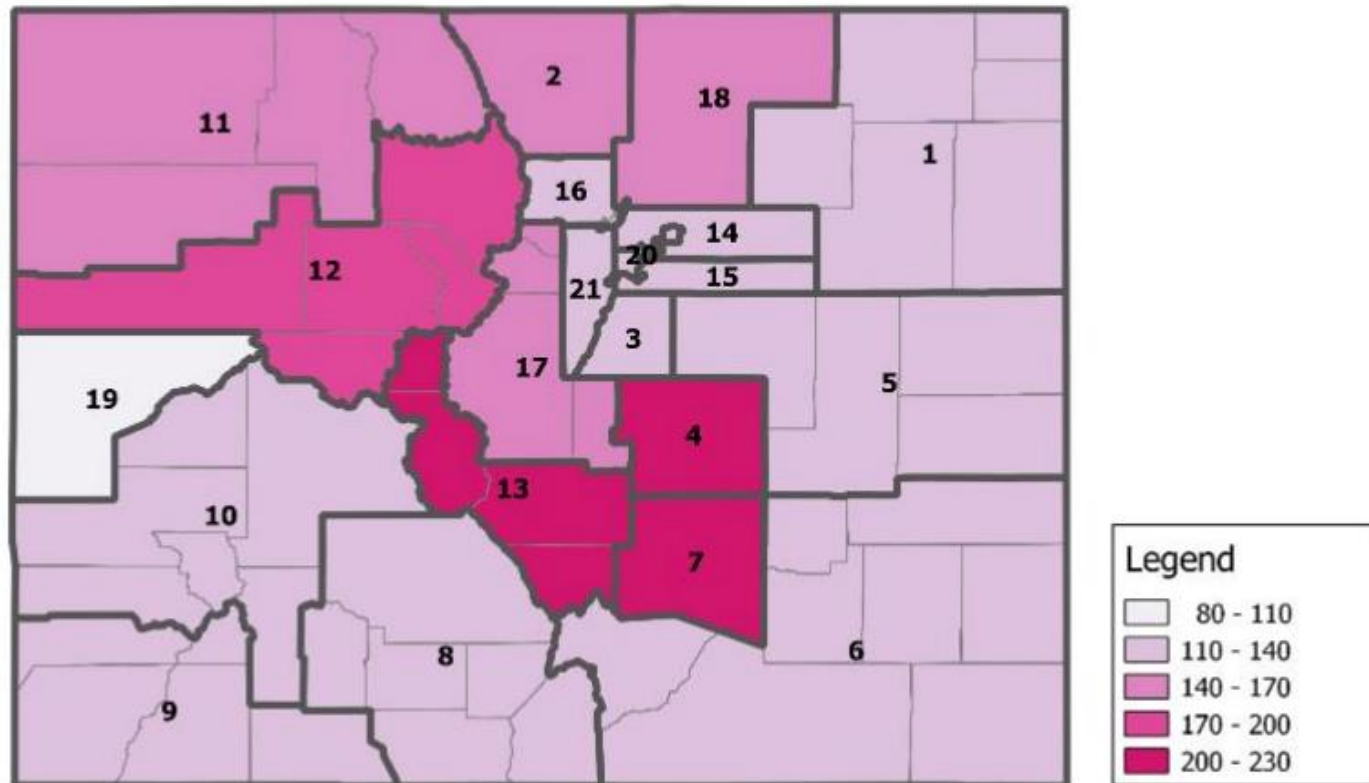


Factors driving premiums

Utilization/How many "units" are people using in an area

Units per 1,000 Members by Health Statistical Region

Outpatient Surgery



Factors driving premiums

Inpatient Admits		Outpatient Visits		Professional Visits		Pharmacy Scripts	
Region	Cost	Region	Cost	Region	Cost	Region	Cost
CO. Springs	\$17,247	Grand Junction	\$1,131	Greeley	\$416	Greeley	\$78
Denver	\$18,029	Boulder	\$1,235	Denver	\$439	Denver	\$80
Boulder	\$18,328	East	\$1,487	Boulder	\$450	Grand Junction	\$83
Pueblo	\$20,765	CO. Springs	\$1,542	Fort Collins	\$459	Fort Collins	\$83
East	\$20,989	Denver	\$1,667	CO. Springs	\$466	West	\$86
Greeley	\$22,246	Fort Collins	\$1,668	Pueblo	\$536	East	\$87
Grand Junction	\$22,980	Pueblo	\$1,750	Grand Junction	\$567	Pueblo	\$88
Fort Collins	\$23,165	Greeley	\$1,760	East	\$588	Boulder	\$90
West	\$23,653	West	\$1,766	West	\$630	CO. Springs	\$96
Low/High Difference	\$6,406		\$636		\$214		\$18
Low/High % Difference	37%		56%		51%		23%

Important Note: Many components can lead to variation in cost between regions such as: severity of services; morbidity of members; age and gender of members; contractual arrangements with providers; type of providers available; degree of medical management; and credibility of segments analyzed.

Factors driving premiums

TOTAL ANNUAL COST BY AREA AND PROVIDER TYPE



Blue = Inpatient

Red = Outpatient

Green = Professional Services

Purple = Rx

RESEARCH ARTICLE

COSTS & SPENDING

HEALTH AFFAIRS > VOL. 38, NO. 1: SUBSTANCE USE, PAYMENT & MORE

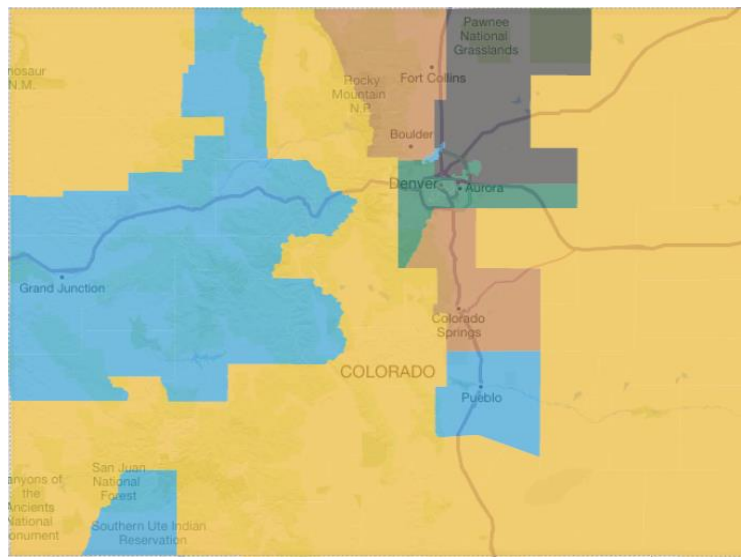
It's Still The Prices, Stupid: Why The US Spends So Much On Health Care, And A Tribute To Uwe Reinhardt

Gerard F. Anderson, Peter Hussey, and Varduhi Petrosyan

AFFILIATIONS ▾

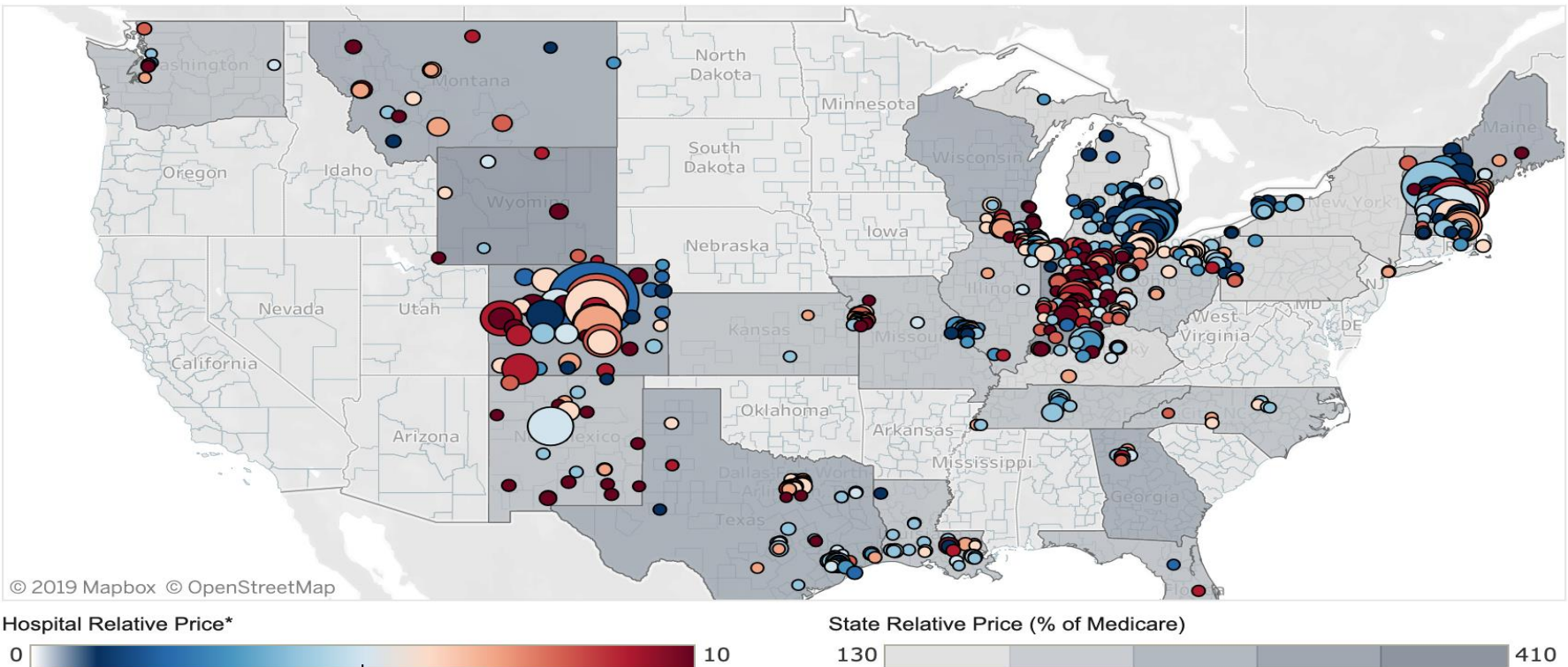
Who holds the cards?

- Trend of hospital/provider and insurer consolidation less of a factor than Denver/northern I-25, but still happening. Scarcity of providers / “only game in town” in some areas.
- Centura and Parkview in Pueblo, Centura and UCHealth in Co Springs
- 2-3 insurers for individual on-exchange: Kaiser, Anthem, & Friday Health + Bright Health in Co Springs
- 2019 Medical Enrollments through C4HCO:



RAND CORPORATION HOSPITAL PRICING AS A PERCENT OF MEDICARE				QUANTROS CLINICAL QUALITY SCORES (CQS)					
HOSPITAL NAME	CITY	RELATIVE PRICE FOR OUTPATIENT SERVICES	RELATIVE PRICE FOR INPATIENT SERVICES	OVERALL HOSPITAL CARE NATIONAL COMPOSITE QUALITY SCORE	OVERALL HOSPITAL CARE MORTALITY	OVERALL HOSPITAL CARE COMPLICATIONS	OVERALL HOSPITAL CARE READMISSIONS	HIGHEST PERFORMING CLINICAL CATEGORY	LOWEST PERFORMING CLINICAL CATEGORY
Lutheran Medical Center	Wheat Ridge	366%	226%	80.5 ✓+	97.3	4.8	99.0	Pulmonary Care 99.8	Spinal Fusion 6.6
Sky Ridge Medical Center	Lone Tree	341%	228%	93.9 ✓++	93.2	86.5	76.2	General Surgery 97.0	Interventional Coronary Care 21.2
Presbyterian St. Lukes Medical Center	Denver	322%	236%	55.7 ✓	78.2	88.2	13.9	Neurological Care 96.7	Hip Fracture Care 9.0
Centura Health Porter Adventist Hospital	Denver	273%	237%	40.3 ✓	91.3	16.5	86.8	Joint Replacement 97.4	Spinal Fusion 1.8
Centura Health St. Anthony North Health Campus	Westminster	460%	193%	91.2 ✓++	94.5	49.9	92.5	Pulmonary Care 94.6	Hip Fracture Care 13.4
Centura Health Avista Adventist Hospital	Louisville	223%	194%	77.3 ✓+	86.7	34.0	89.2	Pulmonary Care 92.3	Spinal Surgery 12.9
Denver Health Medical Center	Denver	395%	186%	30.2 ✓	93.0	14.5	27.4	Pulmonary Care 83.4	Heart Attack Treatment 3.7
Rose Medical Center	Denver	381%	212%	79.8 ✓+	74.9	68.5	70.4	General Surgery 95.8	Cardiac Care 25.1

Hospital Price Variation



https://www.rand.org/pubs/research_reports/RR3033.html

But there is good news!

Reinsurance! – insurance for insurance companies to cover high cost claims



Rating Area	Premiums w/o reinsurance	Premiums w/ reinsurance
1. Boulder	2.1%	-14.5%
2. Colorado Springs	0.8%	-15.0%
3. Denver	0.8%	-15.7%
4. Ft. Collins	0.7%	-18.3%
5. Grand Junction	0.7%	-28.2%
6. Greeley	1.2%	-17.7%
7. Pueblo	0.6%	-26.3%
8. East	-3.0%	-27.2%
9. West	-1.2%	-30.0%

Regional rates by carrier

Individual and Small Group markets

	Average Proposed Rate Change: REINSURANCE*	Average Proposed Rate Change: NO REINSURANCE*	Average Premium Impact due to Reinsurance Program
Area 1 - Boulder MSA	-14.5%	2.1%	-16.3%
Anthem (HMO Colorado, Inc.)	-16.1%	-0.2%	-15.9%
Anthem (Rocky Mountain Hospital & Medical Service, Inc.)	-4.7%	3.4%	-7.9%
Bright Health Insurance Company	-20.7%	-4.5%	-16.9%
Cigna Health & Life Insurance Company	-23.5%	-4.6%	-19.8%
Kaiser Foundation Health Plan of Colorado	-10.0%	6.4%	-15.4%
Area 3 - Denver MSA	-15.7%	0.8%	-16.4%
Anthem (HMO Colorado, Inc.)	-16.2%	-1.4%	-15.0%
Bright Health Insurance Company	-18.5%	-3.6%	-15.5%
Cigna Health & Life Insurance Company	-22.3%	-3.2%	-19.8%
Denver Health Medical Plan	-29.0%	-11.0%	-20.2%
Kaiser Foundation Health Plan of Colorado	-10.4%	5.9%	-15.4%
Area 4 - Fort Collins MSA	-18.3%	0.7%	-18.8%
Anthem (HMO Colorado, Inc.)	-29.1%	-6.8%	-23.9%
Anthem (Rocky Mountain Hospital & Medical Service, Inc.)	-19.7%	-3.6%	-16.7%
Kaiser Foundation Health Plan of Colorado	-10.0%	6.4%	-15.4%

Regional rates by carrier

Individual and Small Group markets

	Average Proposed Rate Change
Area 1 - Boulder MSA	8.5%
Aetna Health Inc.	7.6%
Anthem (HMO Colorado, Inc.)	3.9%
Anthem (Rocky Mountain Hospital & Humana Health Plan	4.4%
Humana Health Plan	11.1%
Humana Insurance Company	11.3%
Kaiser Foundation Health Plan of Colorado	11.9%
UnitedHealthcare Insurance Company	8.1%
UnitedHealthcare of Colorado, Inc	9.4%

Area 3 - Denver MSA	9.2%
Aetna Life Insurance Company	7.2%
Anthem (HMO Colorado, Inc.)	6.5%
Anthem (Rocky Mountain Hospital & Humana Health Plan	7.0%
Humana Health Plan	10.6%
Humana Insurance Company	10.6%
Kaiser Foundation Health Plan of Colorado	11.7%
Kaiser Permanente Insurance Company	11.2%
Rocky Mountain HMO	7.3%
UnitedHealthcare Insurance Company	7.9%
UnitedHealthcare of Colorado, Inc	9.3%
Area 4 - Fort Collins MSA	8.8%
Anthem (HMO Colorado, Inc.)	6.1%
Anthem (Rocky Mountain Hospital & Humana Health Plan	6.5%
Humana Health Plan	11.0%
Humana Insurance Company	11.4%
Kaiser Foundation Health Plan of Colorado	12.1%
UnitedHealthcare Insurance Company	8.4%
UnitedHealthcare of Colorado, Inc	9.9%

Fixing Surprise Bills

More robust consumer protections and limits on charges!



- HB19-1174
- Prohibits hospitals/providers from sending surprise out-of-network bills (aka - balance bills) when consumer should be protected
- Sets benchmark reimbursement rate for out-of-network charges (i.e. limits impact of out-of-network charges on premiums)
- Caveats - helps some consumers and insurers more than others (still need federal level legislation!)

Public Option 2021?

Creating a more affordable health coverage option



- HB19-1004
- Stakeholder meetings June-August
- Recommended plan/structure release late Sept. and public comment period - first couple weeks of October
- Recommendations to legislature finalized by Nov. 15
- Leg. Session 2020

...without real cost containment, health care costs will continue to rise.

Questions?

