

What is driving health care costs and premiums in your community

CoverCO Tour – Grand Junction



**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¢



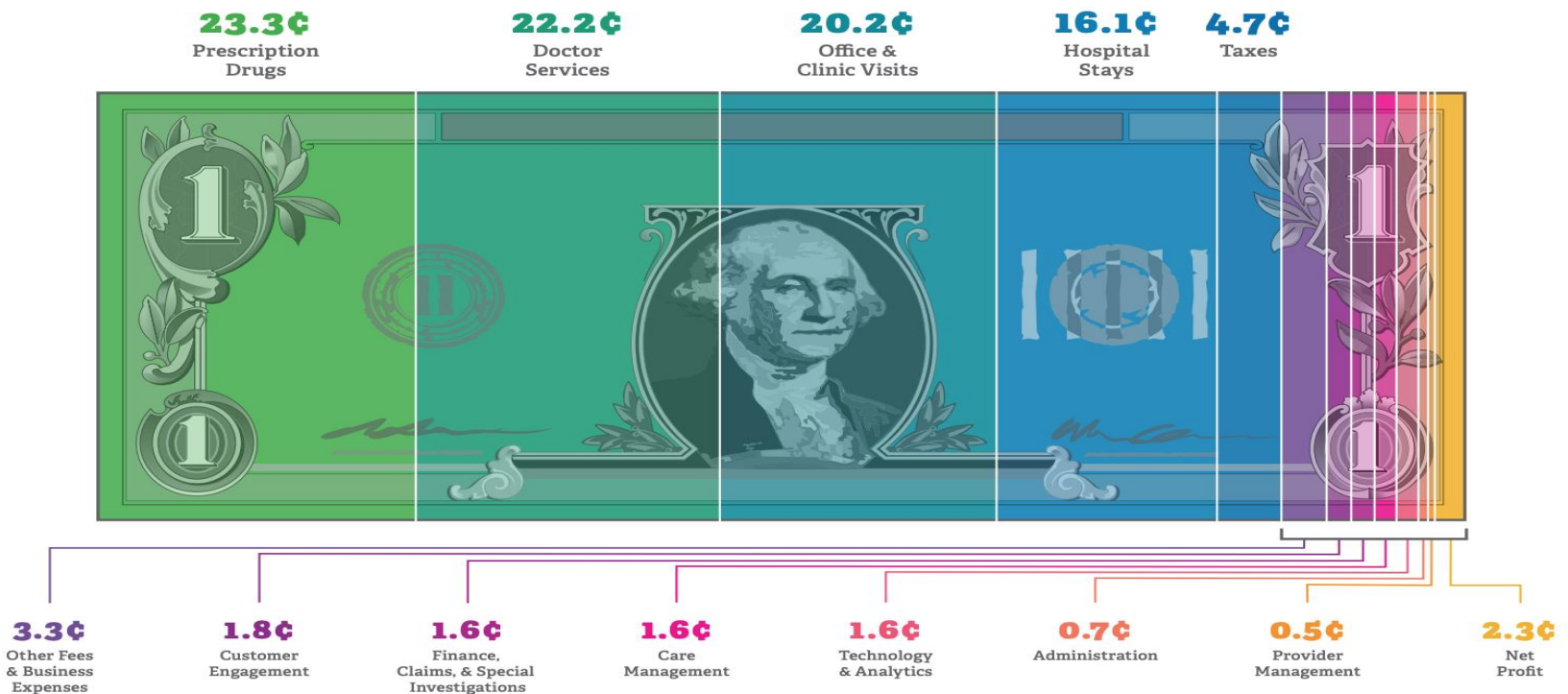
Durable
Medical
Products

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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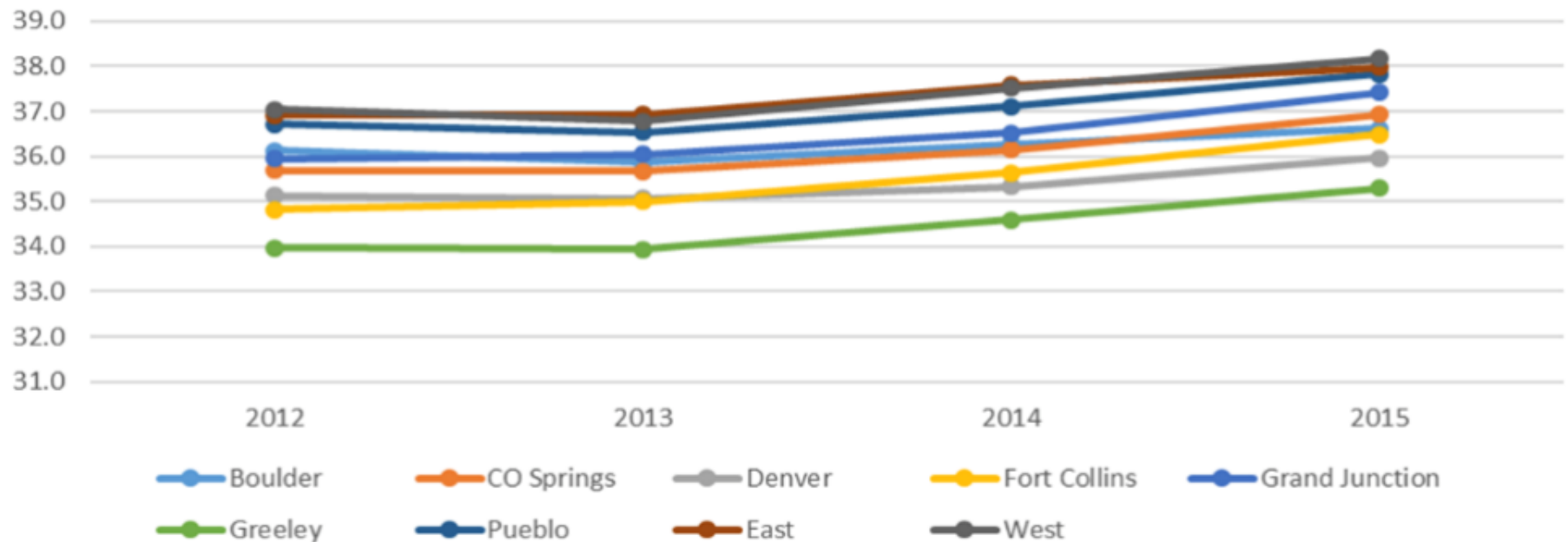


Factors driving premiums

Age

Average Age by ACA Rating Region

Average Age by ACA Rating Region and Year

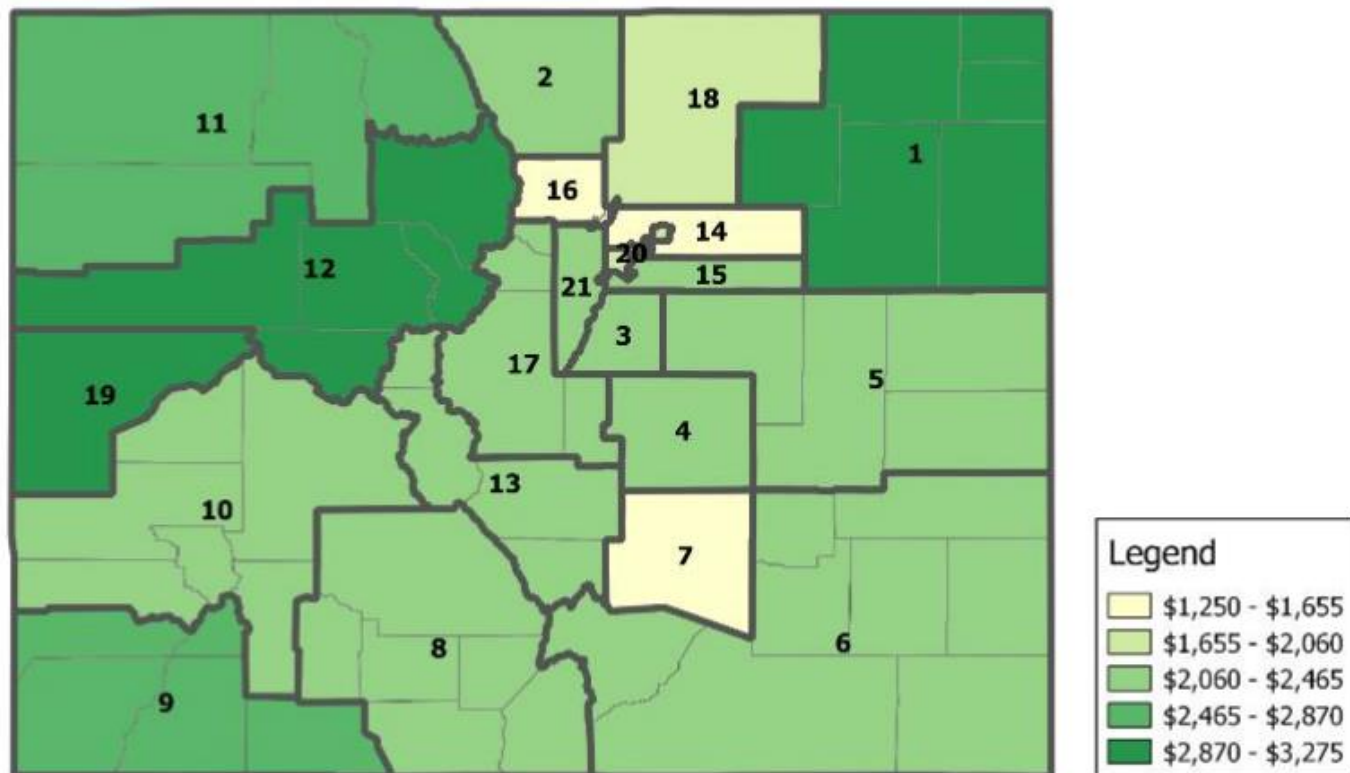


Factors driving premiums

Cost per Unit/Service

Cost per Unit by Health Statistical Region

Advanced Imaging

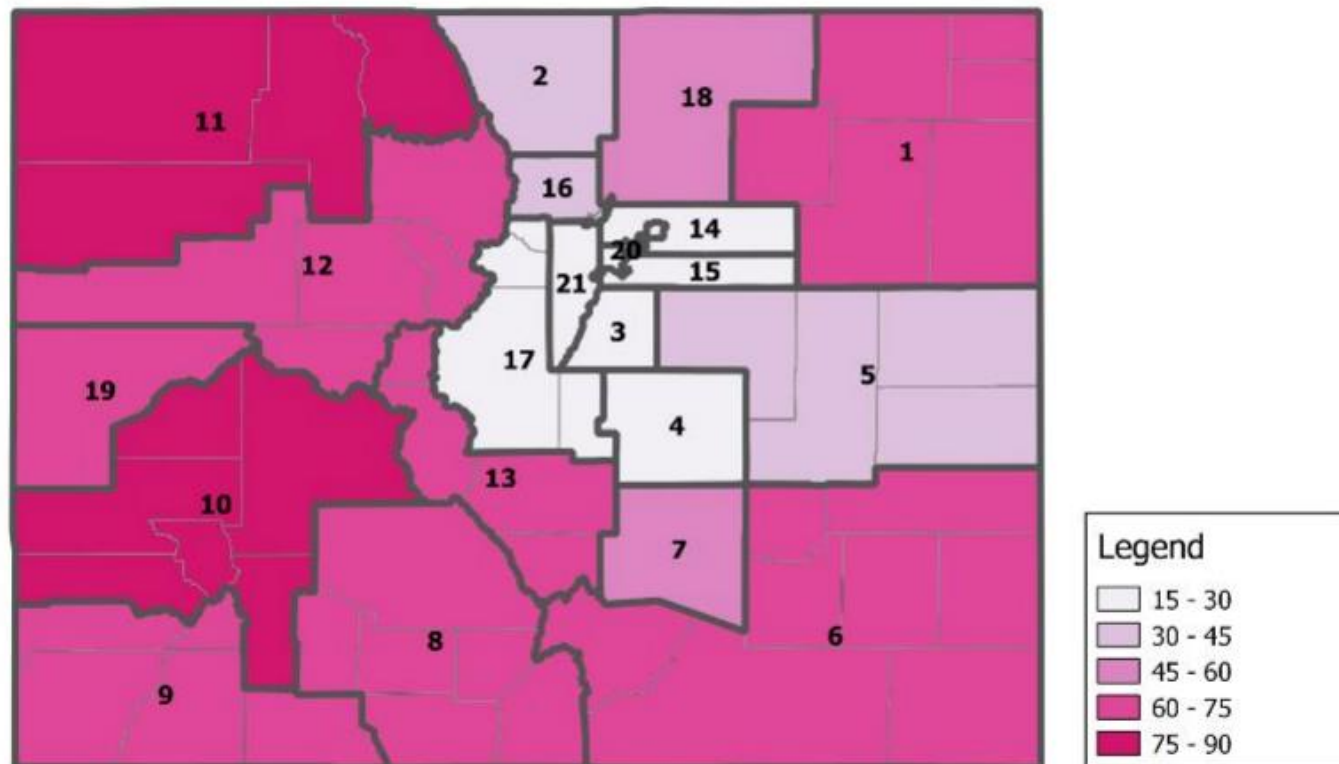


Factors driving premiums

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

Units per 1,000 Members by Health Statistical Region

Advanced Imaging

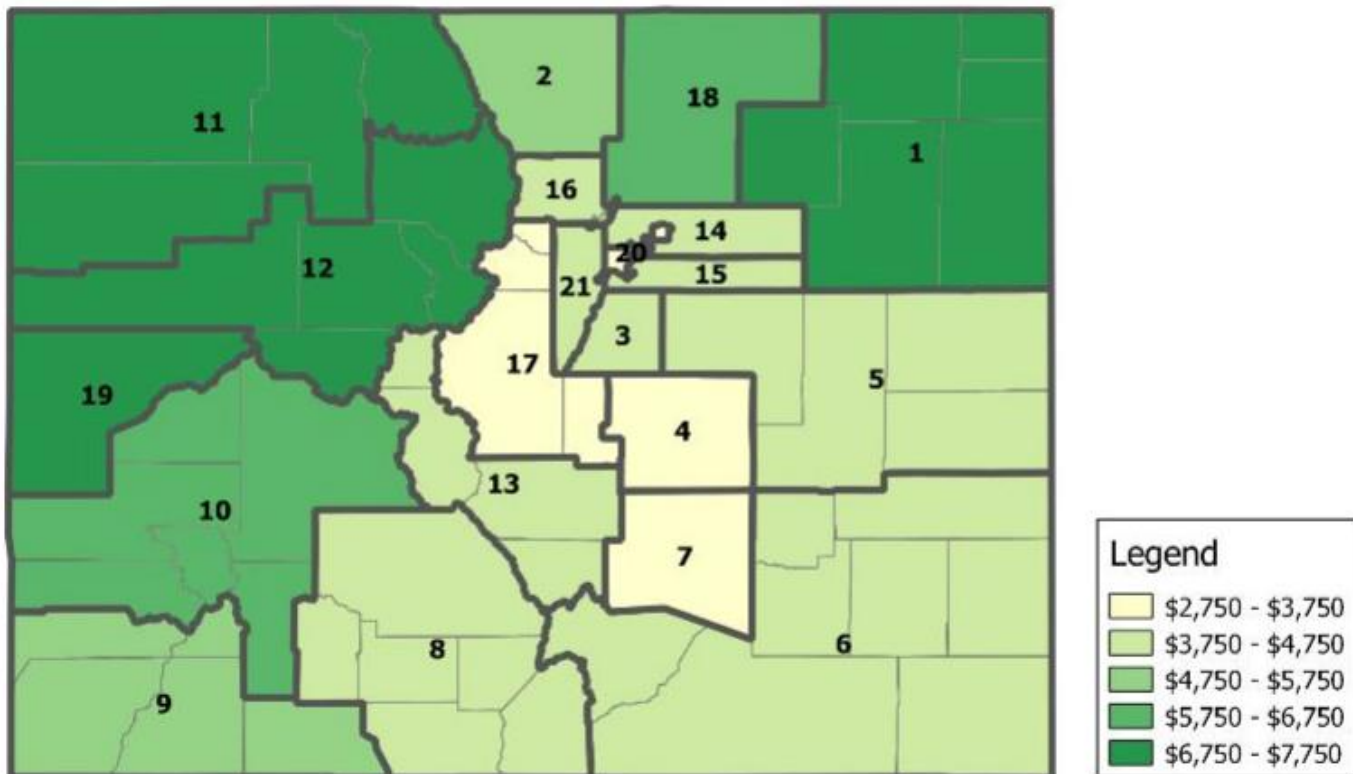


Factors driving premiums

Cost per Unit/Service

Cost per Unit by Health Statistical Region

Outpatient Surgery

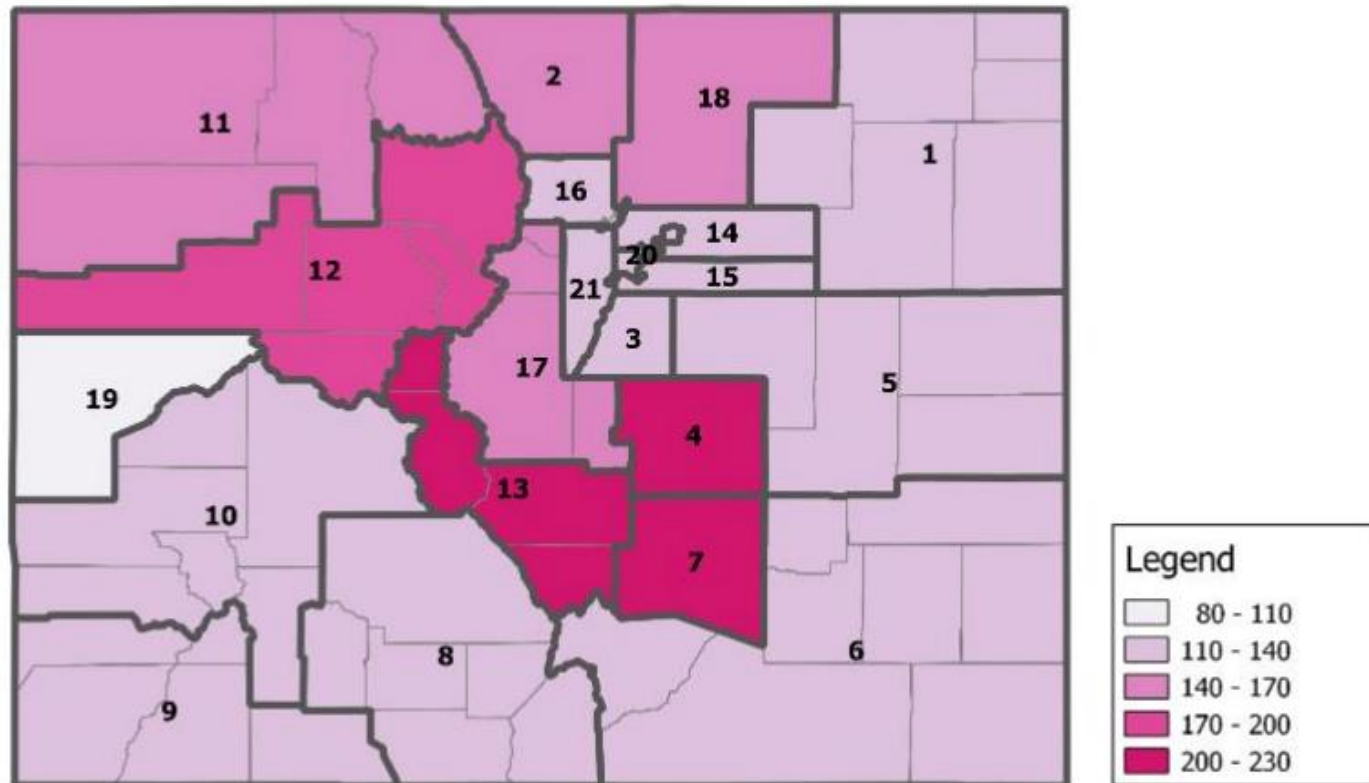


Factors driving premiums

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

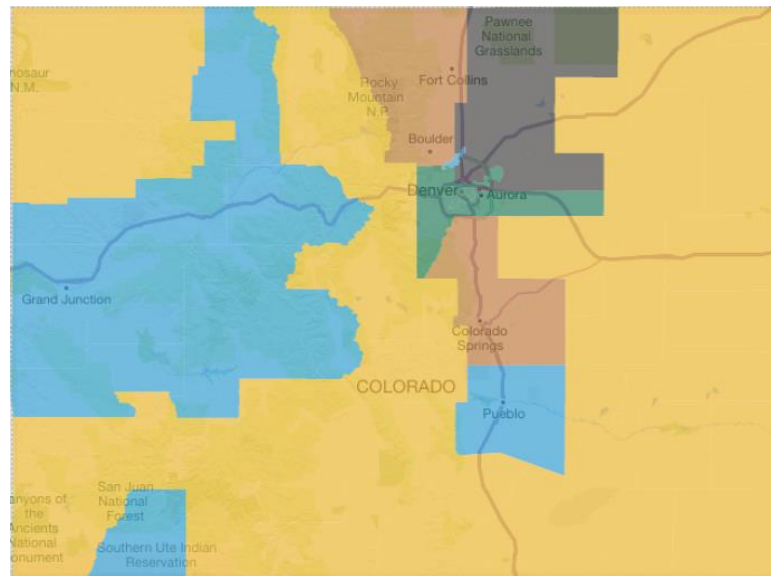
It's Still The Prices, Stupid: Why The US Spends So Much On Health Care, And A Tribute To Uwe Reinhardt

Gerard F. Anderson, Peter Hussey, and Varduhi Petrosyan

AFFILIATIONS ▾

Who holds the cards?

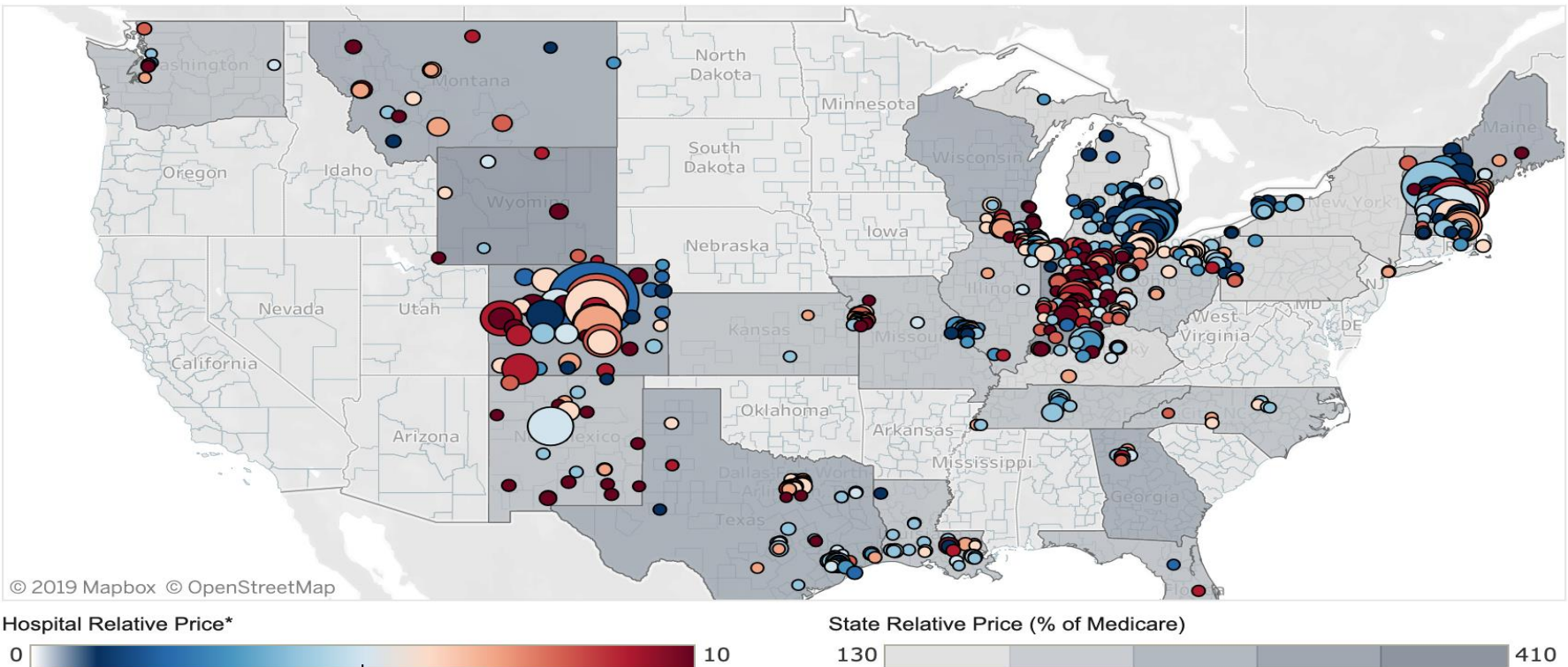
- Trend of hospital/provider and insurer consolidation less of a factor on Western Slope, but still a bit of a trend on I-70 corridor.
- St. Mary's and Community Hospitals
- 3 insurers for individual on-exchange: Anthem, RMHP & Friday health
- 2019 Medical Enrollments through C4HCO:



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
Valley View Hospital Association	Glenwood Springs	478%	301%	89.2 ✓+	88.8	80.6	69.2	Cardiac Care 95.2	Orthopedic Care 9.9
Community Hospital	Grand Junction	409%	302%	31.1 ✓	32.6	12.1	93.2	Stroke Care 82.3	Gastrointestinal Care 3.8
St. Mary's Medical Center	Grand Junction	446%	271%	96.5 ✓++	92.5	17.7	99.8	Neurological Care 98.6	Orthopedic Care 21.2
Delta County Memorial Hospital	Delta	437%	283%	41.0 ✓	31.1	78.1	60.3	Gastrointestinal Care 94.2	Heart Attack Treatment 7.3
Montrose Memorial Hospital	Montrose	356%	247%	78.9 ✓+	38.6	55.5	92.6	Interventional Coronary Care 93.2	Hip Fracture Care 8.0
Colorado Canyons Hospital and Medical Center	Fruita	221%	204%	45.5 ✓	25.3	71.4	53.6	Spinal Surgery 87.3	General Surgery 22.8

cohealth.co/hospvaluerpt

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 5 - Grand Junction MSA	-28.2%	-0.7%	-27.7%
Anthem (HMO Colorado, Inc.)	-25.5%	-1.5%	-24.3%
Kaiser Foundation Health Plan of Colorado	-9.4%	7.2%	-15.4%
Rocky Mountain HMO	-33.5%	1.0%	-34.1%
Area 9 - West-MSA	-30.0%	-1.2%	-29.1%
Anthem (HMO Colorado, Inc.)	-29.5%	-0.9%	-28.9%
Bright Health Insurance Company	-36.1%	-8.3%	-30.3%
Friday Health Plans, Inc	-41.8%	-2.5%	-40.3%
Kaiser Foundation Health Plan of Colorado	-10.1%	6.3%	-15.4%

Area 5 - Grand Junction MSA	6.8%	Area 9 - West-MSA	7.0%
Anthem (HMO Colorado, Inc.)	0.5%	Anthem (HMO Colorado, Inc.)	4.8%
Anthem (Rocky Mountain Hospital & Humana Insurance Company	3.4%	Anthem (Rocky Mountain Hospital & Humana Insurance Company	7.3%
Kaiser Foundation Health Plan of Colorado	8.9%	Friday Health Plans, Inc	1.7%
Rocky Mountain HMO	12.7%	Humana Insurance Company	11.6%
UnitedHealthcare Insurance Company	6.8%	Kaiser Foundation Health Plan of Colorado	11.6%
UnitedHealthcare of Colorado, Inc	8.9%	Rocky Mountain HMO	5.8%
	7.7%	UnitedHealthcare Insurance Company	8.7%
		UnitedHealthcare of Colorado, Inc	11.9%

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?

