

What is driving health care costs and premiums in your community

CoverCO Tour – Greeley



**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¢



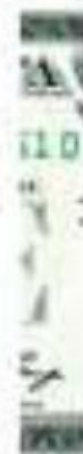
Prescription Drugs and Other Non-durable Medical Products

6¢



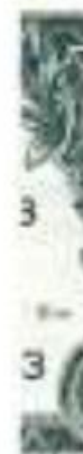
Dental Services

5¢



Other Health, Residential, and Personal Care

5¢



Nursing Home Care

4¢



Other Professional Services

2¢



Durable Medical Products

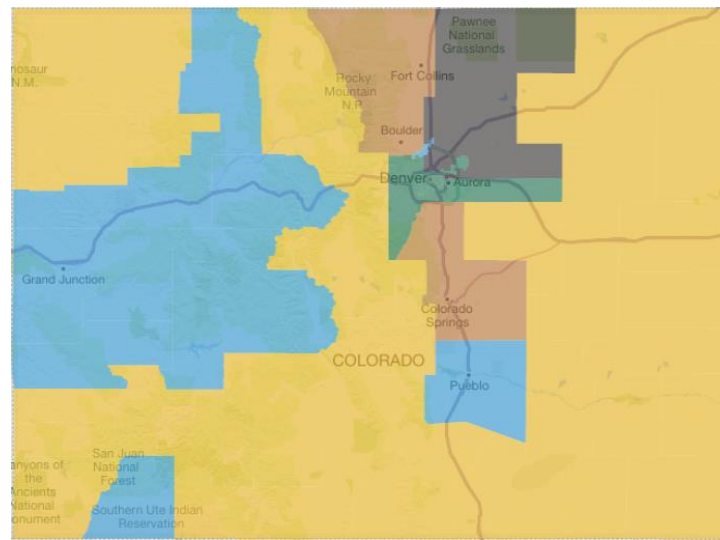
2¢



Home Health Care

Who holds the cards?

- Trend of hospital/provider and insurer consolidation - health care doesn't work like most markets and consolidation typically leads to higher costs.
- 2 main hospitals systems: UCHealth & BannerHealth
- Insurers for individual on-exchange: Anthem, Kaiser, Friday
- 2019 Medical Enrollments through C4HCO:

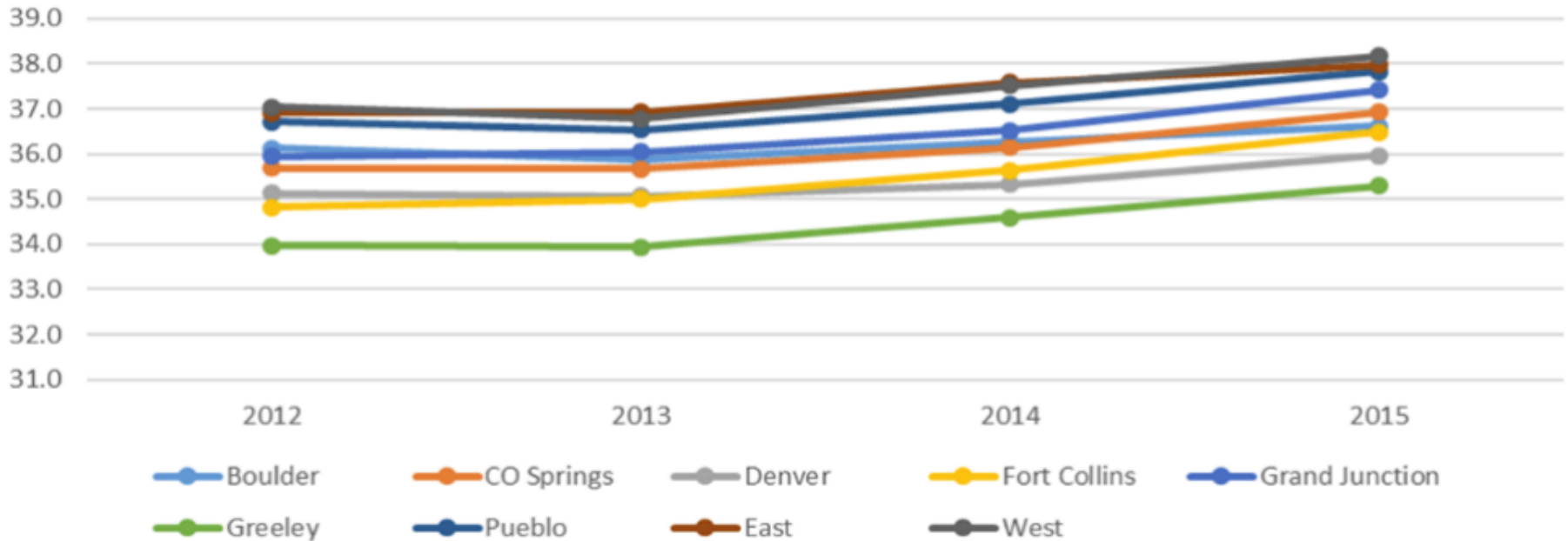


Factors driving premiums

Age

Average Age by ACA Rating Region

Average Age by ACA Rating Region and Year

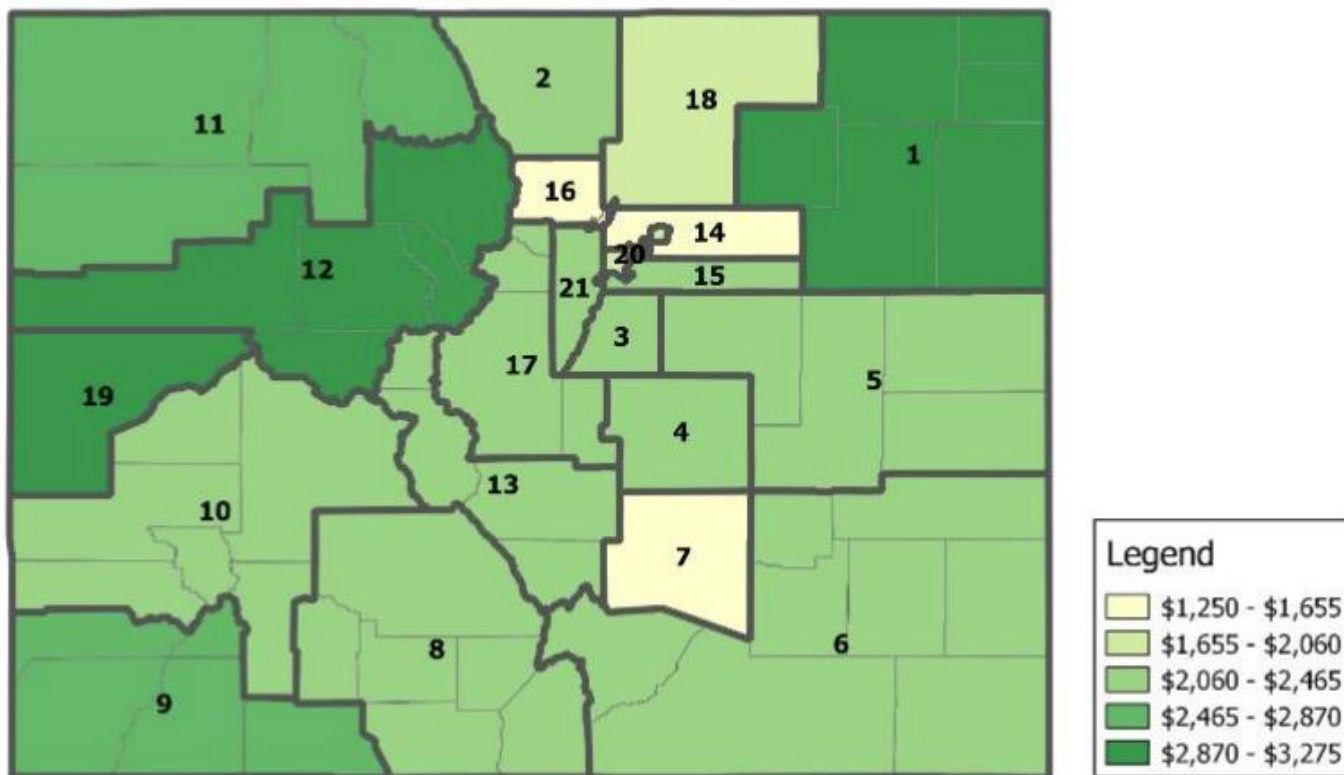


Factors driving premiums

Cost per Unit/Service

Cost per Unit by Health Statistical Region

Advanced Imaging

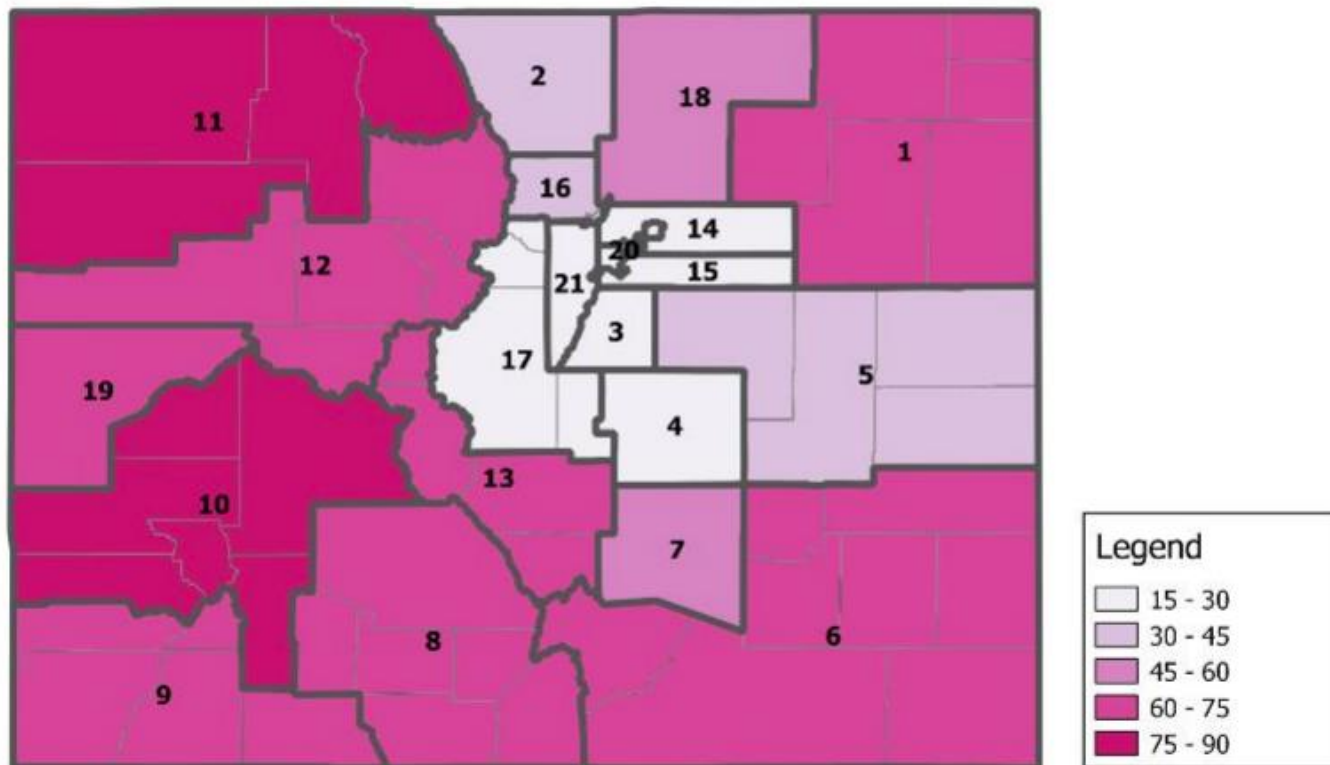


Factors driving premiums

Utilization/How many “units” are people using in an area

Units per 1,000 Members by Health Statistical Region

Advanced Imaging

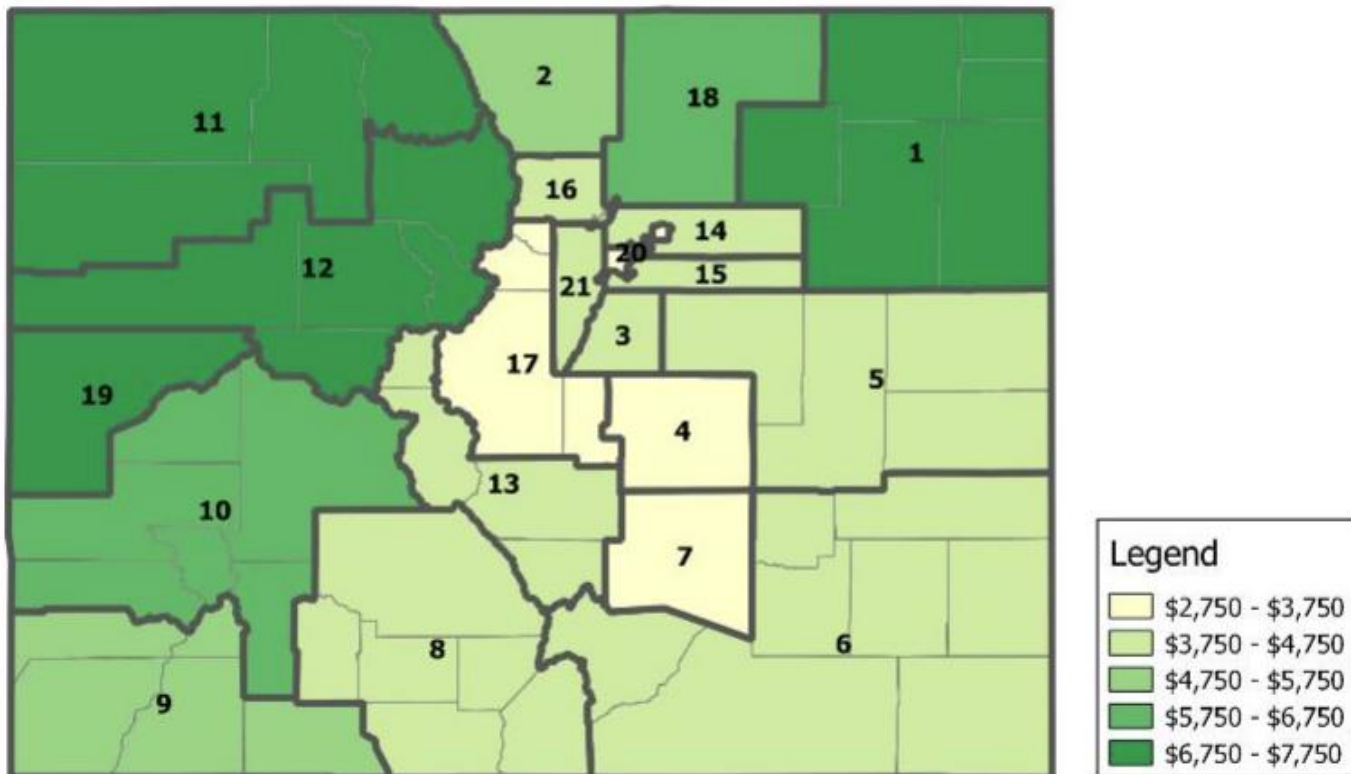


Factors driving premiums

Cost per Unit/Service

Cost per Unit by Health Statistical Region

Outpatient Surgery

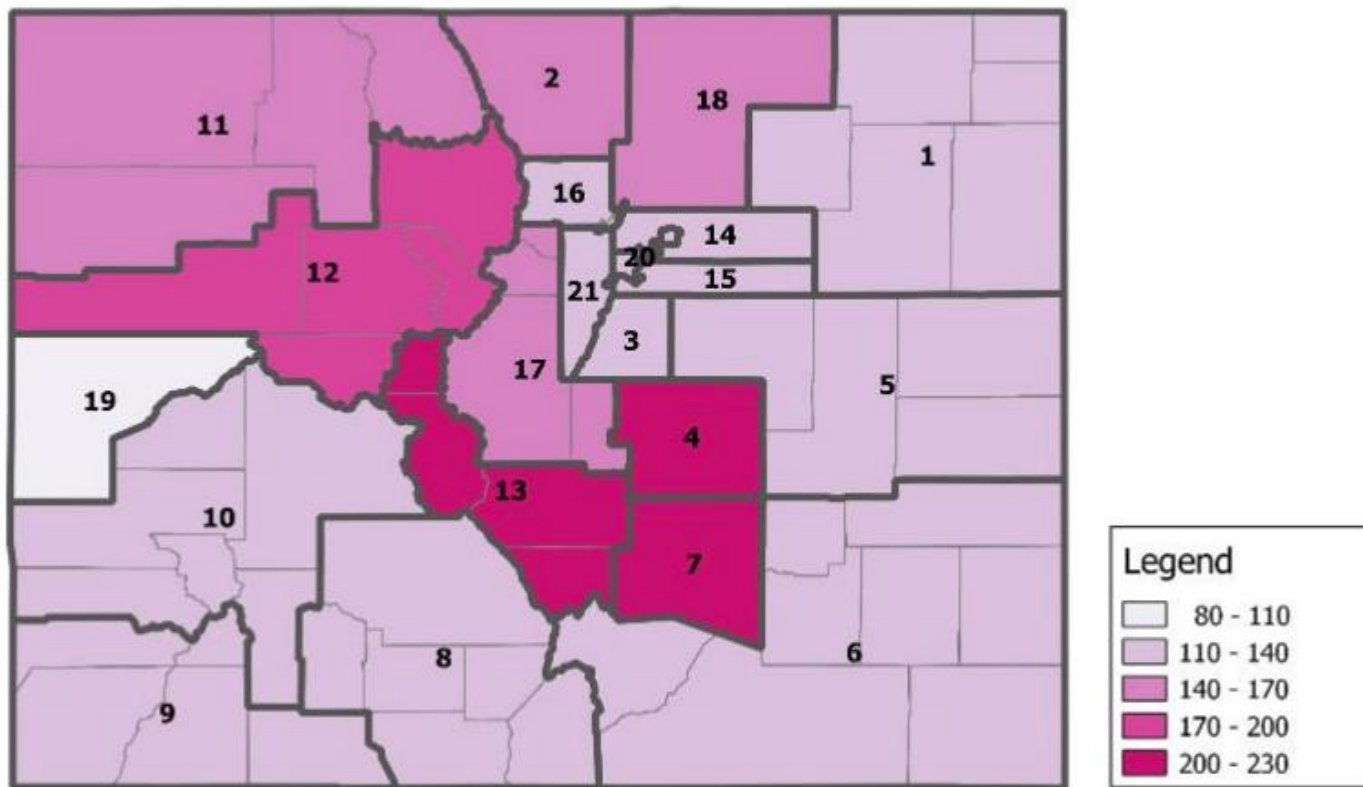


Factors driving premiums

Utilization/How many “units” are people using in an area

Units per 1,000 Members by Health Statistical Region

Outpatient Surgery



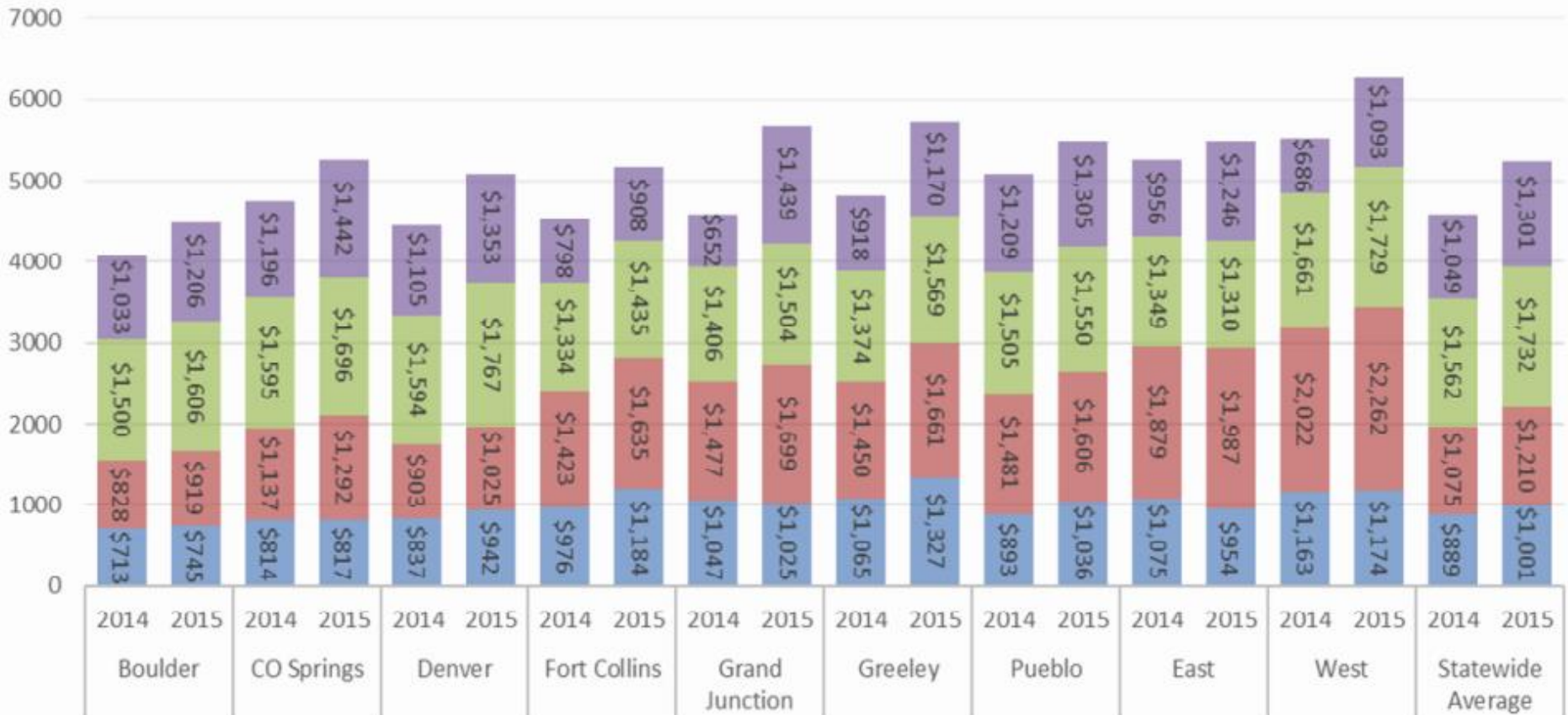
Factors driving premiums

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 

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%

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?

