Alignment Bill Testimony: Thursday, March 28th, 2013

The Patient Protection and Affordable Care Act which was passed by Congress on 3/23/10 and determined constitutional by the Supreme Court on 6/28/2012 provides Colorado an unprecedented opportunity to improve the health care of all Coloradans by changing the way they receive and pay for health care.

Then the 68th General Assembly in its first regular session created the Colorado Health Benefits Exchange to allow Colorado to exercise its right to create a state based exchange, an idea first proposed by the 2008 Commission. The first COHBE meetings were held in July 2011 and the Board has met regularly since that time.

Colorado has been in the forefront of increasing enrollment of children and low income adults into public health insurance programs, improving public insurance offerings, creating greater collaboration with community organizations, and focusing on cost containment and quality improvement. Now we have the opportunity to do even more.

Benefits to Coloradans began almost immediately upon passage of the Affordable Care Act:

- 50,000 young adults from ages 19-26 have gained coverage by staying in a parent's policy.
- Over 37,000 older Coloradans with Prescription Drug Benefits (Part D) in Medicare have saved $59.6 million on prescription drugs, and more savings are on the way.
- 1,288,000 Coloradans have added preventative service coverage with no cost sharing.
- 291,000 children can no longer be denied for pre-existing conditions
- 296,093 individuals with traditional Medicare used one or more free preventative services in 2012.

- Consumers received greater value because insurers must spend at least 80% of premium dollars on healthcare and quality improvements instead of overhead, executive salaries or marketing. 208,197 Colorado residents will benefit from over $27 million in rebates this year.

- Insurance companies must publicly justify any rate increases of 10% or more to HHS and all increases to the Division of Insurance.

- Almost 2 million Coloradans are free from worrying about lifetime limits on coverage.

- 1,321 uninsurable residents received subsidized coverage.

In the last three years Colorado has benefitted greatly in other ways from the Affordable Care Act, especially through direct investments and grants:

- $1.3 million in planning grants.
- $17.2 to the Prevention and Public Health Fund
- $104 Million to support Health Centers
- $1.2 Million to expand the Physician Assisted Training Program
- $4 Million to school based health centers
- $10 Million to Maternal, Infant, and Early Childhood Home Visiting
- Programs, and
- the training of 146 new clinicians who are now serving rural, urban and frontier communities

All of this has already occurred despite the lack of specific legislative action to change statutes or regulations. Now we are challenged to catch up to protect what is already in place and then get ahead by making the changes that are required to make sure our statutes align with federal regulations so we can continue to create state-wide reform and implement the Affordable Care Act and the Colorado Health Benefit Exchange Act properly.

This is a difficult and time consuming process because the final outcome is a moving target and we still do not have all of the definitions we need develop a finished project. The airplane is in the air but there are still mechanics out on the wings adjusting the engines. This bill was written to change only the statutes that we have identified must be changed, and

provides some discretion to the Commissioner to do through the public rule making process other ongoing decisions that must be made. There are those who would like to see other things included in this bill, and you may see some amendments from those who want more certainty in one section or another, but experience tells us that statute is more difficult to change and keep current than rules and regulations as implementation of health care reform continues to unfold. There are, and will continue to be many questions unanswered, but with this framework we will continue to work in a collaborative fashion to achieve the ultimate goal: accessible, high quality care for all Coloradans.

Getting to this point has been a collaborative effort. The Division of Insurance, The Governor's Office and COHBE staff have spent hours learning the issues and creating solutions by attending meetings, participating in conference calls, reviewing thousands of pages of documents and hosting dozens of stakeholder meetings for hundreds of advocates to select the Essential Health Benefits and to help draft this alignment legislation. Because of the expertise of the Division Staff, the division has assumed a major role in what you have before you. Deputy Commissioner Peg Brown and Dayle Axman, the Life/Health Supervisor, are here to answers technical questions and guide you through this legislation.

As I stated earlier, as we worked on this document there was the temptation to make numerous statutory changes in many sections of current law, but instead, the focus of this bill is on only those changes required to align Colorado statute with the Affordable Care Act to make sure health care reform lives up to its promise by protecting what has already been accomplished and being in-sync with key parts of the law which take effect in 2014 and beyond.