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Colorado Hospital Association

**Chris Tholen, Vice-President of Financial Policy
Rural Health Care Access & Affordability**

MAY 9, 2016

Colorado Health Insurance Cost Increases: Perceived Causes and Percent Changes



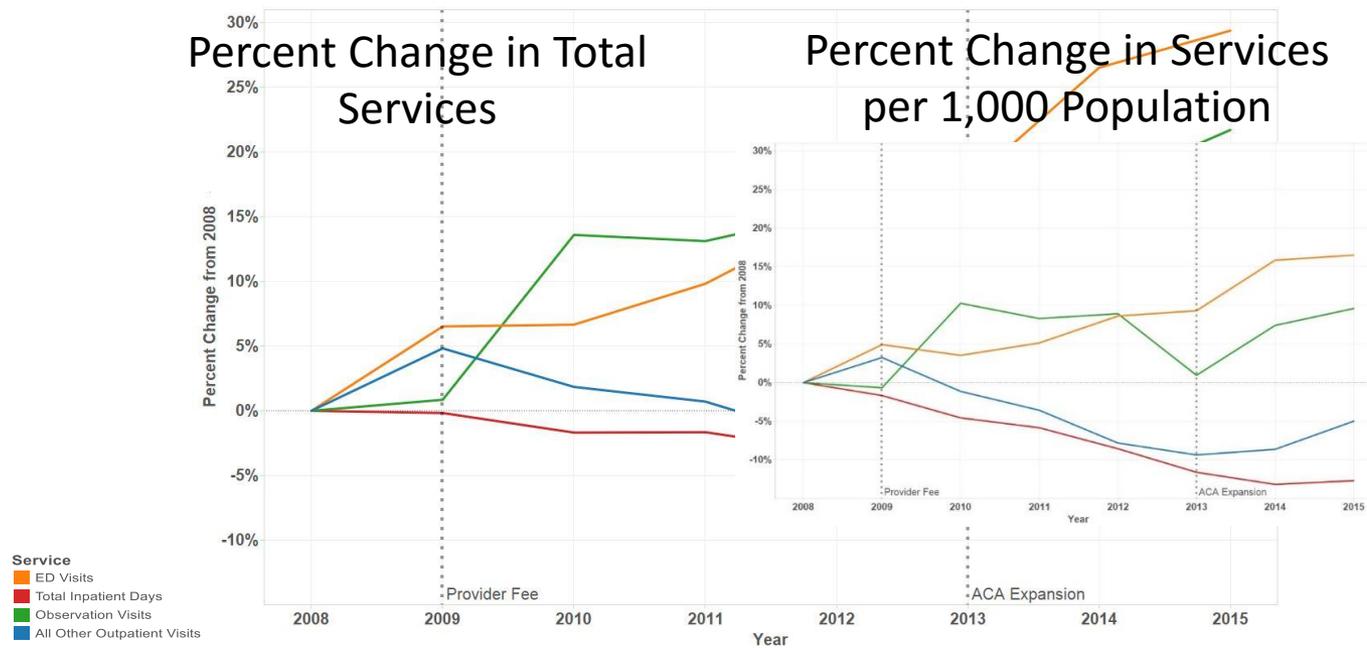
Employer Ranking of Factors Behind Increased Health Care Costs in 2015



Source: Lockton Employer Benefits Survey 2016

Percentage Increases in Health Insurance Cost for Employers 2003-2016

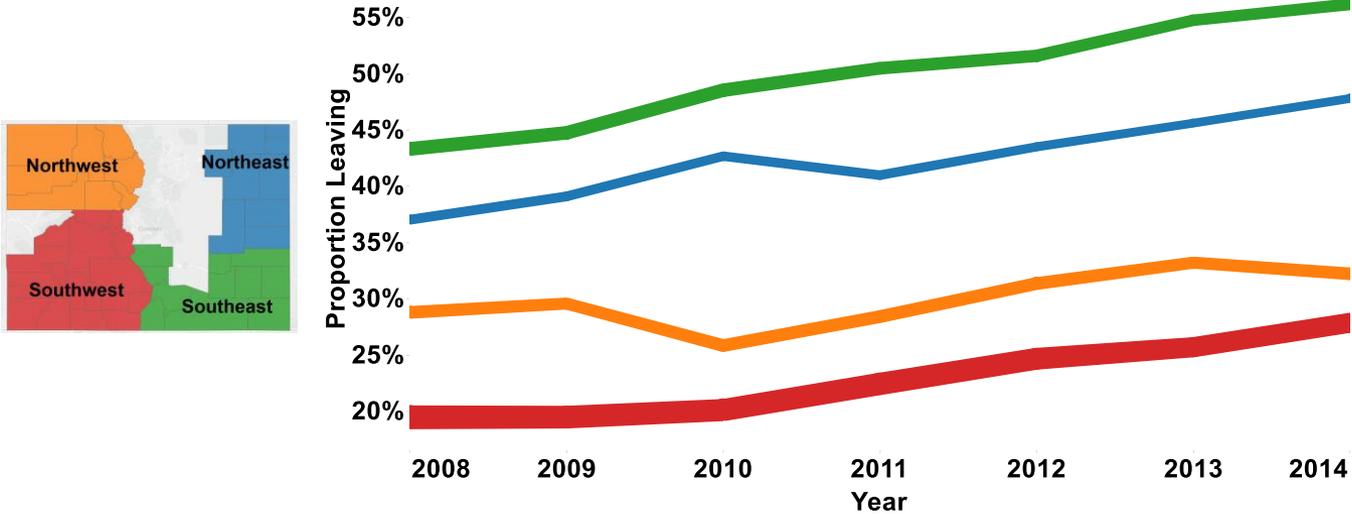
Utilization Trends—2008 to 2015



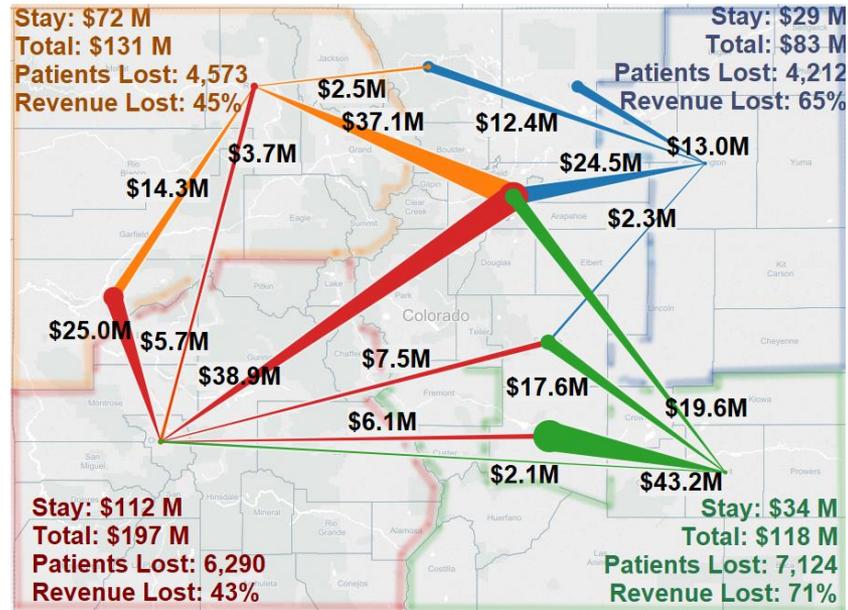
Payment to Cost Ratio by Payer Group

	CY 2009	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014
Medicare	0.78	0.76	0.77	0.74	0.66	0.71
Medicaid	0.54	0.74	0.76	0.79	0.80	0.72
Insurance	1.55	1.49	1.54	1.54	1.52	1.59
CICP/Self Pay/ Other	0.52	0.72	0.65	0.67	0.84	0.93
Overall	1.05	1.06	1.07	1.07	1.05	1.07

Inpatient Out-Migration from Rural Regions



Regional Migration of Revenue



\$281 Million



Steve ErkenBrack

*President & Chief Executive Officer
Rocky Mountain Health Plans
2016*



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Milliman, Inc.

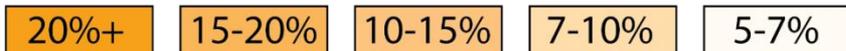
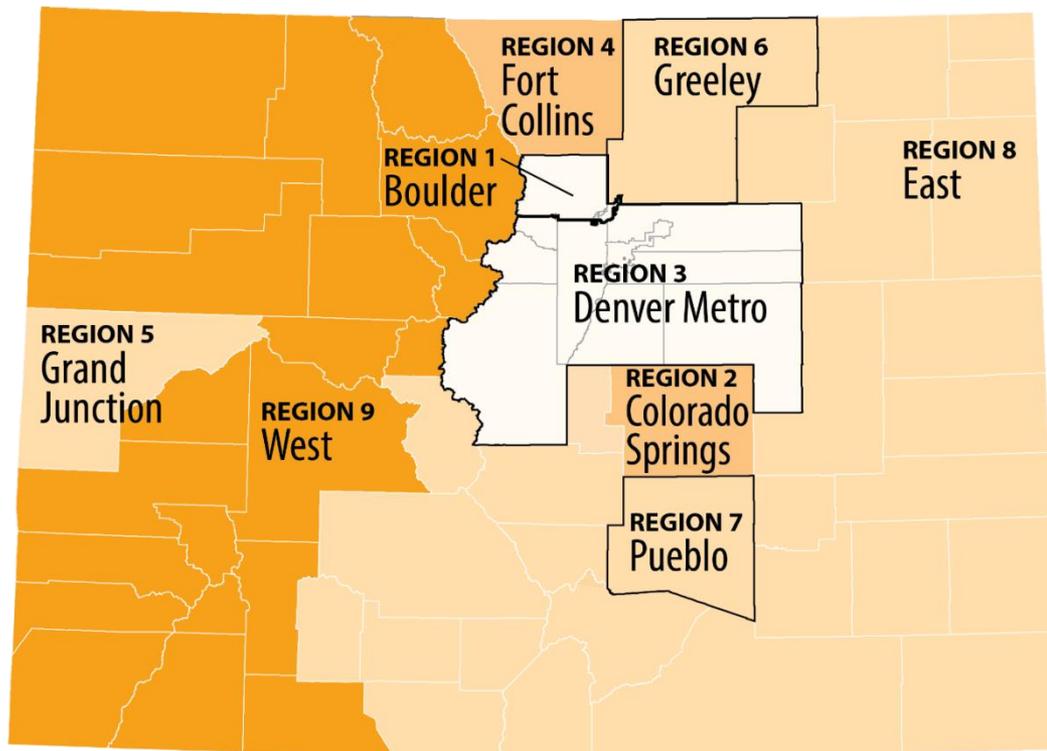
Medical Index for 2015



Milliman Medical Index
(Average Cost for Family of 4 w/ PPO Coverage)



Uneven Price Increases Across Colorado



Region	Individual
Statewide	9.8%
Boulder	5.8%
Colorado Springs	10.0%
Denver	6.2%
Fort Collins	10.0%
Grand Junction	9.4%
Greeley	9.1%
Pueblo	6.2%
Eastern Plains	9.0%
Western Slope	25.8%

Source: Colorado Division of Insurance



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COLORADO HEALTH ACCESS SURVEY



Why Mesa's Uninsured Lack Coverage, 2015

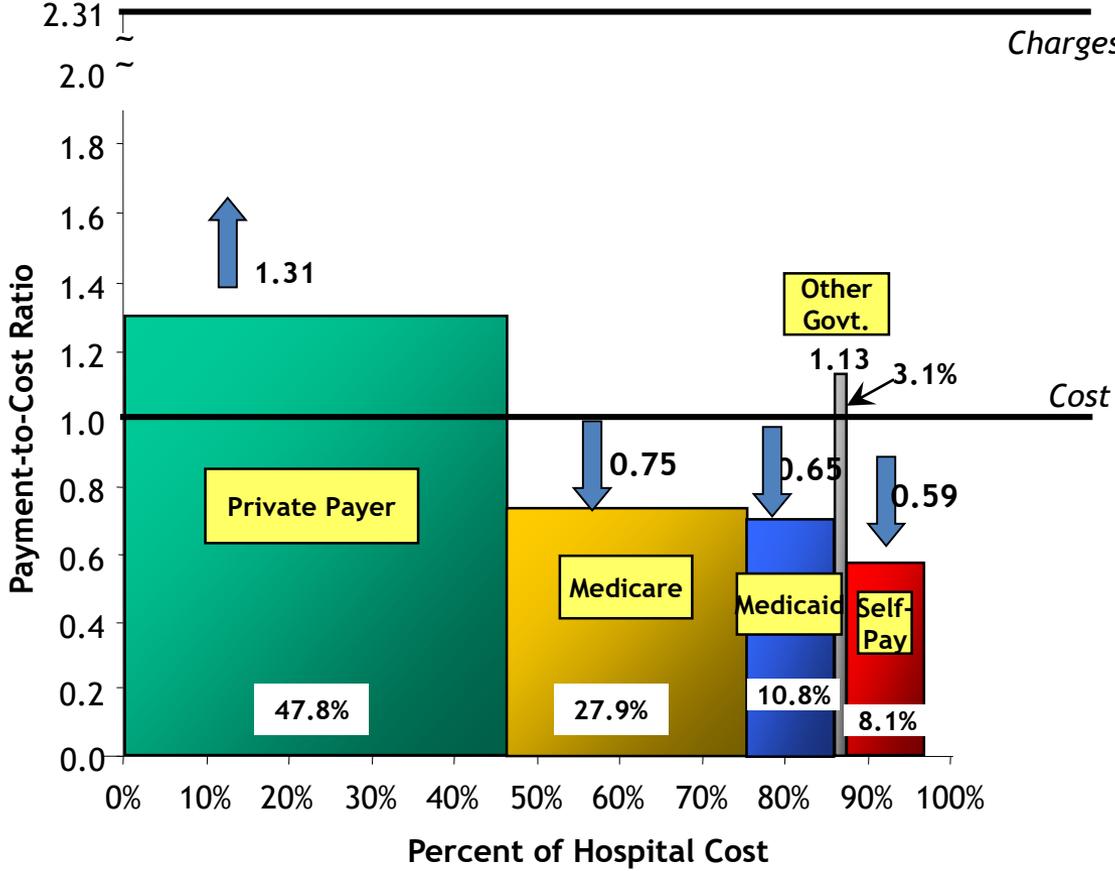
	Percentage
Insured family member lost job or changed employers	25.5%
Working family member is not offered or not eligible for insurance	23.4%
Cost is too high	78.4%
Do not need health insurance	12.2%
Do not know how to get health insurance	5.3%



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Summary Comparison of Hospital Payment Levels in Colorado



Source: The Lewin Group analysis of Colorado Hospital Association data.

Drivers – Health Care Costs



- Statutes that shift costs or raise costs, not lower costs
- Pharmacy
- IT: segmentation, not integration
- Regulatory dysfunction
- Inefficiency of coverage by Silo
- Technological advances
- Overuse of Hospitals / Emergency Departments
- Fee for service
- Cost shift
- Aging
- Malpractice
- Provider Monopoly Overcharging
- Integration of Care (e.g. Autism)
- Nursing underuse / misuse