



February 2, 2022

Xavier Becerra
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Chiquita Brooks-LaSure
Administrator
Centers for Medicare and Medicaid Services
U.S. Department of Health & Human Services
200 Independence Avenue SW
Washington, DC 20201

RE: Colorado Section 1332 Innovation Waiver Amendment - Colorado Option

Dear Secretary Becerra and Administrator Brooks-LaSure:

United States of Care appreciates the opportunity to comment on Colorado's application to amend its existing 1332 waiver to further implement the Colorado Option. We strongly urge the Centers for Medicare & Medicaid Services (CMS) to approve this waiver amendment; it is a critical component of successful implementation of the Colorado Option, which aims to provide affordable coverage and advance health equity for Coloradans.

[United States of Care](#) (USofC) is a non-partisan non-profit founded in 2018 with a mission to ensure everyone has access to quality, affordable health care regardless of health status, social need, or income. We were established by a diverse [Board of Directors](#) and [Founders Council](#) to advance state and federal policies that solve the challenges people face with our health care system. We seek to [understand people's unique needs](#) to drive health policy innovation and partner with elected officials and stakeholders to pass and implement those ideas.

At USofC, we have a vision of a better, more equitable, accessible, and affordable health care system that is centered on peoples' needs. We recognize that only by putting the needs of people at the forefront of our research and policy solution design work can we ensure that the policies we create and champion work for people. Across the country, people have a desire for a health system that works when, where, and how they need it - at an [affordable cost](#). Our people-centered research has identified that Colorado is no different. Across all demographics, there are commonalities in the [problems people identify](#) within their health care system including cost, access to care, and equity.



Over the past two years, we have worked closely with a coalition of advocates in support of the Colorado Option and know just how critical this approach is to improve equity, reduce disparities, and increase affordability and access to care for Coloradans. This waiver amendment, along with requirements around standardized plan design and implementation of culturally responsive networks, will support affordability, increase care access, and advance health equity. We urge CMS to approve this waiver amendment so Colorado can continue its efforts to meaningfully improve affordability and advance health equity for Coloradans.

Colorado's Continued Commitment to Reducing Health Disparities

Throughout the ongoing COVID-19 pandemic, Colorado has passed legislation aimed at making tangible improvements to its health system and patient experiences. The [Colorado Option](#), the most recent in a [series of bills](#), strengthens the state's commitment towards improving health outcomes and reducing health disparities through several measures that will make health insurance more accessible, affordable, and equitable.

The burdens often experienced by our health care system, however, are not experienced uniformly in [Colorado](#). Black, Hispanic, Asian, American Indian/Alaska Native, and multiracial Coloradans experience a [greater risk of major health crises](#) and disproportionate burden of health conditions that lead to worse overall health than their white peers. The longstanding disparities affecting Coloradan health care have been exacerbated by the COVID-19 pandemic. The design of the Colorado Option provides a major [opportunity](#) to reduce health disparities and build health equity within the system by developing [culturally responsive provider networks](#) that can better [validate, understand, and affirm](#) the different cultures within a diverse population.

Many Coloradans [experience](#) barriers in accessing care that reveal inequities in the current system that need to be addressed, including insufficient distribution of providers, transportation barriers, language access challenges, communication barriers due to hearing loss, lack of trust in providers who do not share lived experiences, and a lack of flexible provider hours, among others. A key component of the Colorado Option in increasing access to care is the choice that it provides to consumers. Colorado Option plan networks must include the majority of Essential Community Providers as a means of better providing access to and sustaining care for populations who have been historically underserved by the health care system. This is a key step in strengthening provider networks that can help address the inequities that exist [across the current health care system](#).

The Colorado Option seeks to reduce the outsized costs of health care in Colorado while increasing access to care and centering equity as a key health system goal. The state's application for an amendment, if approved, will result in federal pass-through funding that can further these goals and tangibly improve health outcomes in Colorado, including through the creation of additional financial assistance for those who have previously been ineligible and have therefore gone without coverage.

Promoting Affordability and Choice for Coloradans

From our work [listening to people](#), we know that cost is their first concern when discussing the health care system. Our research reveals that the cost burden was the reason [42%](#) of people said they have gone without health insurance and [41%](#) of people under 30 chose to refrain from seeking medical care. In 2019, before the creation of the Colorado Option, USofC also conducted public opinion research in Colorado. From that research, we found that [Coloradans are disappointed in the cost of their health care](#). High premiums, out-of-pocket costs, travel costs, and the cost of taking time off work to seek care have presented a burden for Colorado consumers and resulted in Coloradans spending up to [20% of their income](#) on health care.

Furthermore, Colorado has some of the [highest health care costs](#) in the nation. Colorado hospitals rank first in total profit margin at [16%](#), which is more than double the national average of [7%](#). Colorado hospitals also rank 6th in terms of highest per-patient costs at a level [23% higher](#) than the national median. Exacerbating these concerns is Colorado's [under-65 uninsurance rate of 9%](#), which is higher than the [national average](#). To this end, we believe the premium reduction targets and the state's effort to address the underlying costs of care are a critical component of the Colorado Option plan.

Colorado Option issuers will be required to meet premium reductions totaling [15% between 2023 and 2025](#), and then limit growth based on medical inflation beyond 2025. If this waiver is approved, achieving these premium reduction targets will generate considerable savings for the federal government, which can be passed down to the state to provide more affordable coverage to enrollees¹. However, these premium reduction targets going into effect are contingent on this waiver's approval, making approval of this waiver amendment critical for success.

State Oversight to Promote Achievement of Premium Reduction Targets

If plans do not meet the premium reduction targets, they will be subject to rate reviews and may be required to participate in public hearings held by the Commissioner of Insurance. USofC supports this enforcement mechanism of the State to ensure the 15% premium reduction targets are met. The Commissioner's authority to set provider rates hold public hearings, and potentially institute fines or disciplinary action if the premium reduction targets are not met will support both plan and provider accountability to meeting these targets and promote affordability.

¹Pass-through funds will be reinvested in the state's Health Insurance Affordability Enterprise (HIAE), created in [2020 as part of an initiative](#) to support improved access to coverage for individuals who do not qualify for financial assistance under the ACA. The HIAE houses the state reinsurance program which has significantly reduced premiums in the state, and also provides financial assistance, outreach, and enrollment help to certain qualified individuals, including people in the [family glitch](#) and Coloradans without documentation. This population is 88% people of color, compared to 34.8% of Coloradans statewide. If approved, this waiver would allow pass-through funds generated through the premium reduction targets to be reinvested in the HIAE, sustaining the state's existing affordability mechanisms and allowing the state-only funding to focus where federal funding may be prohibited.



Increasing Plan Choice and Competition

We commend Colorado’s commitment to increasing plan choice and competition through the development of the Colorado Option’s standardized plan, offering an additional plan choice for Coloradans to select an affordable coverage option that aligns with their care needs. The standardized plans have been designed through an [extensive stakeholder process](#), with an emphasis on improving health equity, and will be required to offer primary, behavioral health, and perinatal services with no cost-sharing. In addition, cost-sharing structures will be shifted to promote greater affordability of high-value services that drive better health outcomes and increase equity, including reasonable co-pay amounts for prescription drugs. The addition of these standardized plans to the individual and small-group markets will not inhibit people from choosing a plan currently available on the state’s Marketplace but will broaden the choices available to Coloradans. It will also help reduce confusion among individuals shopping for and comparing coverage options, as standardized plans encourage carriers to compete on quality of network and customer services, rather than cost alone.

Advancing Equity through the Colorado Option

As described above, Colorado has worked diligently to ensure people have access to affordable coverage, yet disparities remain. In the years after the Affordable Care Act and before the COVID-19 pandemic, Colorado maintained an insured rate of [94%](#) of the population. However, the [7%](#) of Coloradans who were uninsured were disproportionately people of color. Black, Hispanic, Asian, American Indian/Alaska Native, and multiracial Coloradans have a [greater risk of major health crises](#) as well as an outsized burden of underlying health conditions.

The [Colorado Health Access Survey](#) has illuminated disparities in health insurance coverage across the state over the past several years. Between 2019 and 2021, the survey found that for White Coloradans, coverage increased during the COVID-19 pandemic, while the uninsured rate grew for the state’s Hispanic population. In 2019, [6%](#) of White Coloradans and [11%](#) of Hispanic Coloradans reported being uninsured; by 2021, only [4%](#) of White Coloradans reported being uninsured, while [13%](#) of Hispanic Coloradans reported being uninsured. Additionally, the premium reduction targets referenced above would promote the affordability of coverage in the small-group market where several [small businesses owned by people of color](#) have faced disproportionate financial challenges in the wake of the COVID-19 pandemic.

The same survey also found in 2021 that nearly [150,000 Coloradans](#) reported that a healthcare professional had treated them disrespectfully. The majority of these respondents attribute the disrespect to their disability, race, or language barrier. Coloradans of color, those living with a disability, and LGBTQ+ individuals also reported [higher levels of distrust](#) and difficulty finding a provider who fits their needs or shared lived experiences. Colorado has the opportunity to address these disparities in care through the [culturally responsive network requirements](#).

Culturally Responsive Networks in the Colorado Option

Colorado’s efforts represent a precedent-setting approach to developing provider networks that are “culturally responsive and, to the greatest extent possible, [reflect] the diversity of their] enrollees in terms of race, ethnicity, gender identity, and sexual orientation in the area that the network exists,” serving to advance health equity and address disparities in access. The state’s Division of Insurance (DOI) has engaged in a robust stakeholder engagement process and has committed to establishing a diverse advisory board with expertise in health equity to assist with network development.² We commend the Colorado Division of Insurance for facilitating this intentional process as they develop regulations to implement these equity-focused network requirements within the Colorado Option.

Even for those who are insured, affordability continues to be a barrier for those in need of care. While all Coloradans are worried about the cost of care, this burden falls disproportionately on Hispanic and Black Coloradans. People of color in the state were [twice as likely](#) to report that they were struggling to pay a medical bill compared to their white counterparts. In addition to racial barriers to affordable health care, there are also regional inequities throughout the state. Coloradans living in rural parts of the I-70 corridor have an uninsured rate of [14%](#), more than [double](#) the statewide average. Additionally, [16% of Coloradans](#) in the I-70 corridor reported having trouble paying a medical bill in 2021 in comparison to the statewide average of [11%](#). These discrepancies highlight both racial and geographic disparities in affordability and access.

There are clear inequities in Colorado regarding who has access to affordable care based on factors such as race and region. Reinvesting the pass-through savings generated under this waiver amendment in the HIAE, as described above, will allow the state to further increase affordability, improve access to coverage, and reduce these inequities. Successful implementation of the Colorado Option, as allowed by this waiver, will ensure Coloradans not only have more affordable options but have access to one of the most equitable insurance products in the country.

Investing in Outreach and Enrollment

The HIAE fund also provides for outreach and enrollment assistance to ensure people enroll in these new coverage options. While not explicitly included in the 1332 waiver request, we support the HIAE-funded effort to expand outreach and enrollment activities that will undoubtedly help individuals enroll in public option coverage. Further, as noted in the waiver request, supporting outreach presents a greater opportunity for the state to reduce uninsurance rates for Colorado altogether, particularly for people of color. By directing the pass-through funding to the HIAE,

² The Colorado DOI has been diligently working to develop regulations [implementing the Colorado Option](#), including the culturally responsive provider networks. The current provider network [draft regulations](#), set to be finalized in early 2022, outlines specific network requirements.



Colorado will be able to leverage the state dollars allocated to the HIAE for outreach and enrollment to provide both mass marketing campaigns and localized grassroots efforts, maintain outreach efforts outside of open enrollment, and target outreach and enrollment efforts to harder to reach communities (e.g., BIPOC, those experiencing homelessness, LGBTQ+, minority-owned small businesses, and immigrants.)

We also commend the Administration’s commitment to increasing access by investing additional resources in outreach and enrollment efforts at the federal level. For example, CMS made its [largest-ever investment](#) in the federal Navigator program ahead of the 2021 open enrollment period for the 2022 plan year, with a particular focus on underserved communities, including racial and ethnic minorities, people in rural communities, LGBTQ+, American Indians, and Alaska Natives, refugee and immigrant communities, low-income families, pregnant women and new mothers, people with transportation or language barriers or lacking internet access, veterans, and small business owners. We appreciate the Administration’s recognition of the need for increased Navigator funds and the importance of robust outreach and enrollment efforts to assist uninsured individuals to obtain affordable and comprehensive coverage. These investments have proved successful in increasing enrollment, as is demonstrated by the [historic number of people](#) who signed up for coverage during this open enrollment period, which was partially driven by these investments. This success at the federal level can be replicated in Colorado under this approved 1332 waiver amendment by generating pass-through funds to reinvest in outreach and enrollment efforts.

Thank you for the opportunity to provide comments on Colorado’s 1332 waiver amendment in support of the successful implementation of the Colorado Option. This waiver amendment is critical to implementing the requirements under the Colorado Option to achieve affordability and health equity goals outlined by the state, as demonstrated by its commitment to a robust, diverse stakeholder engagement process to ensure the needs of all Coloradans are addressed. If you have any questions or are interested in further discussion of the waiver amendment application, please do not hesitate to reach out to our Director of Policy Solutions, Liz Hagan, at ehagan@usofcare.org.

Sincerely,

A handwritten signature in black ink that reads "Natalie Davis". The signature is fluid and cursive, with a long horizontal stroke at the end.

Natalie Davis
Co-Founder and CEO
United States of Care