

Healthcare Affordability State Policy Scorecard

Polling data repeatedly shows that healthcare affordability is the number one issue that state residents, on both sides of the political aisle, want their policymakers to work on. This scorecard identifies areas where Colorado is doing well and areas where it can improve.

STATE:

COLORADO

RANK:

11

out of 42 states + DC

Colorado has relatively high healthcare spending per person with high spending growth. The percent of residents reporting affordability problems is comparably high, suggesting a need for immediate policymaker attention.

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
EXTEND COVERAGE TO ALL RESIDENTS 	4 OUT OF 10 POINTS Medicaid coverage for childless adults goes to 138% of FPL. Certain recent immigrants have state coverage options.	7 OUT OF 10 POINTS In 2018, CO was in the middle third of states in terms of covering the uninsured, ranking 25 out of 50 states, plus DC.	<i>CO should consider options that help families that make too much to qualify for Medicaid, like Basic Health Plan, reinsurance or supplementary premium subsidies. Consider adding affordability criteria to insurance rate review.</i>
MAKE OUT-OF-POCKET COSTS AFFORDABLE 	9 OUT OF 10 POINTS CO has some protections against skimpy, confusing STLD health plans and comprehensive SMB protections. CO has capped cost-sharing for insulin.	4 OUT OF 10 POINTS Forty-three percent of adult residents report healthcare OOP affordability burdens and CO ranked 31 out of 49 states, plus DC, for this measure.	<i>CO should consider implementing Standard Plan Designs in the Exchange.</i>
REDUCE LOW-VALUE CARE 	2 OUT OF 10 POINTS CO has not enacted meaningful patient safety reporting, performs around average for hospital antibiotic stewardship and has not yet measured the provision of low-value care.	9 OUT OF 10 POINTS CO ranks highly in terms of reducing C-sections for low-risk mothers (10 out of 50 states, plus DC) and ranks 4 out of 50 states, plus DC, in terms of per capita antibiotic prescribing.	<i>Curtailing low- and no-value care is a key part of a comprehensive approach to affordability. CO should use claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it. Moreover, the state should strengthen policies to address medical harm.</i>
CURB EXCESS PRICES IN THE SYSTEM 	4 OUT OF 10 POINTS CO is in the minority of states that has taken action to curb the rise of healthcare prices, with strong price transparency rules, among other policies.	7 OUT OF 10 POINTS CO is among the most expensive states, with private payer prices well above the national median, ranking 31 out of 42 states, plus DC, for this measure.	<i>Year-over-year increases in healthcare prices overwhelmingly drive healthcare spending in a state. CO should consider creating health spending targets and implementing a healthcare spending oversight entity.</i>

APCD = All-Payer Claims Database FPL = Federal Poverty Level EHR = Electronic Health Records OOP = Out-of-Pocket Costs SMB = Surprise Medical Bill STLD = Short-Term, Limited-Duration

See state notes on page 2.

Full report and additional details at www.HealthcareValueHub.org/Affordability-Scorecard/Colorado

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COLORADO NOTES

Methodological Notes:

State rank reflects the weighted sum of the policy and outcome scoring components. In this summation, the Extend Coverage to All Residents category received the biggest weight (reflecting its large impact on the uninsured population) and Reduce Low-Value Care received the smallest weight, reflecting its smaller impact on spending. A lower state rank number (i.e. close to 1) reflects a higher overall score and better performance when compared to other states.

For a complete discussion of methodology, please see healthcarevaluehub.org/affordability-scorecard/methodology.

The Problem:

Forty-three percent of Colorado adults report healthcare OOP affordability burdens, giving the state a ranking of 31 out of 49 states, plus DC, for this measure. The most common burden reported was 'made changes to medical drugs because of cost' (37% of adults), followed by 'trouble paying medical bills.' According to the BEA, healthcare spending in Colorado totalled \$6,568 per person in 2018.* Moreover, between 2013 and 2018, healthcare spending per person grew 28.3%.* While spending per person is comparatively low, residents are struggling to afford needed healthcare. Colorado has much work to do to ensure wise health spending and affordability for residents.



Extend Coverage to All Residents:

LOOKING AHEAD: Colorado received federal approval for a reinsurance program that will run in 2020 and 2021. In addition, state regulators have finalized a proposal for a "state option" health plan that could be available by 2022. Legislation passed in 2019 will add affordability standards to premiums.

Lawfully residing immigrant children and pregnant women are covered by Medicaid without a 5-year wait.



Make Out-of-Pocket Costs Affordable:

High-deductible health plans create barriers to care for many families. Between 2011 and 2016, the average deductible associated with employer coverage rose 8.2% per year in Colorado.* In 2019, Colorado capped cost-sharing for insulin at \$100/month in fully-insured plans. Colorado law requires the exchange to accept all plans; active purchaser approaches cannot be used.



Reduce Low-Value Care:

Addressing medical harm to increase patient safety can take many forms. One form is "never events," serious reportable events identified by the National Quality Forum (NQF) that should never occur in a health care setting.

Eighty-four percent of Colorado hospitals have adopted the CDC's 'Core Elements' of antibiotic stewardship – short of the goal of 100% of hospitals.

LOOKING AHEAD: Colorado is in the process of analyzing low-value care in their claims data.



Curb Excess Prices in the System:

Private payer prices in Colorado are 269% higher than prices paid by Medicare.*

Colorado's "Shop for Care" price transparency tool only includes data for selected radiology procedures but does pair that data with patient experience scores, distance and other useful data.

NOTE: The very high healthcare prices seen in Alaska (relative to the national median) means that most other states received a relatively good outcome score for this category.

* Informational data, not used in state score or ranking. DOI = Department of Insurance BEA = U.S. Bureau of Economic Analysis • Scorecard Updated: Jan. 7, 2020