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July 10<sup>th</sup>, 2019

Honorable Alex Azar  
Secretary  
Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20220

Honorable Steven Mnuchin  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

**Re: Colorado Section 1332 Waiver Application**

Dear Secretary Azar and Secretary Mnuchin:

The Global Healthy Living Foundation (GHLF) appreciates the opportunity to submit comments on Colorado's Section 1332 State Innovation Waiver Application.

By way of background, GHLF is a 20-year-old non-profit patient organization reaching millions of chronically ill patients and their caregivers across the country through social media, community events and online support and education. GHLF works to improve the quality of life for patients living with chronic disease by making sure their voices are heard and advocating for improved access to care at the local level. Our patients suffer from chronic conditions including arthritis, psoriasis, gastrointestinal disease, cardiovascular disease and migraine. Our patients rely on affordable, accessible, and adequate healthcare coverage to manage their complex conditions in order to function in everyday life.

GHLF is committed to ensuring that any changes to the health care system fosters growth in coverage that is adequate, accessible and equitable for all patients. A strong, robust marketplace drives individual's ability to gain access to comprehensive coverage that includes all of the treatments and services necessary to stay healthy at an affordable cost. GHLF supports Colorado's efforts to strengthen its marketplace via a Medicaid waiver to implement a reinsurance program, and we urge your Departments to approve the application.

Reinsurance is an essential tool to stabilize the health insurance market and maintain reliable coverage for high-cost patients like those we represent. By assisting insurance companies cover claims of high-cost enrollees, insurers are able to maintain affordable premiums for individuals buying into the individual insurance market. The federal government has provided reinsurance in a variety of situations, including the Medicare Part D prescription drug benefit, in an attempt to stabilize premiums at an affordable rate. A recent analysis of the seven states that created a reinsurance program through

Section 1332 waivers found that these states reduced their internal individual market premiums by an average of 19.9 percent in their first year.<sup>1</sup> Colorado is expected to have similar positive outcomes.

Colorado's proposal includes a reinsurance program for the 2020 to 2022 plan year. Based on an initial analysis commissioned by the state, this program is expected to reduce premiums by 16 percent and increase the total number of individuals obtaining health insurance through the individual market by 2.9 percent. This is a major achievement for individuals with pre-existing chronic conditions, as they will have equitable access to affordable and comprehensive coverage. The individual market, due to the smaller risk pool, is not only less open to individuals with pre-existing conditions but is also, generally, more expensive in comparison to employer-based insurance. Reinsurance programs minimize the health disparity gap dividing those who are left scavenging through the individual market and those given insurance coverage by their employer.

As many states consider different strategies and methods to stabilize their marketplaces, GHLF is pleased Colorado has submitted an application that is projected to improve coverage and affordability without compromising access to essential health benefits or sacrificing important insurance protections for patients with chronic illness. We believe that this 1332 Waiver application will help stabilize the individual market in Colorado and protect patients and consumers. Thank you for the opportunity to provide comments.

Respectfully submitted,



Corey Greenblatt, MPH  
Manager of Policy and Advocacy  
Global Healthy Living Foundation

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<sup>1</sup> Avalere. *State-Run Reinsurance Programs Reduce ACA Premiums by 19.9% on Average*. March 2019. Retrieved from <https://avalere.com/press-releases/state-run-reinsurance-programs-reduce-aca-premiums-by-19-9-on-average>.

