



Feb. 12, 2024

Commissioner Michael Conway
Colorado Division of Insurance
Consumer Services, Life and Health Section
1560 Broadway, Suite 850
Denver, Colorado 80202

Commissioner Conway:

On behalf of Colorado Hospital Association (CHA) and our more than 100 member hospitals and health systems statewide, we are writing to provide feedback on [Draft Proposed Amended Bulletin B-4.127](#) concerning the methodology for calculating hospital and provider reimbursement rates to support premium rate reductions for Colorado Option standardized health benefit plans. The following comments reiterate past recommendations that CHA has submitted to the Division of Insurance (DOI) to support operational success of the Colorado Option.

The proposed bulletin uses outdated rates to calculate the Statewide Hospital Median Reimbursement Rate, without accounting for data lags or routine inflationary factors. This would make the 2025 plan year reimbursement floor be based on 2023 rates, creating a de facto rate cut to providers inconsistent with the statutory methodology for establishing hospital payment rates. The Medicare reimbursement rates established through the rate hearing process must be based on the plan year for which a rate is being set, using the most current Medicare prospective or cost-based payment rates available, trended forward to the applicable plan year, and accounting for rate modifications through recent fiscal intermediary letters and/or Centers for Medicare and Medicaid Services (CMS) published trend factors applicable to the proposed rating period. While we understand the need for carriers to know what rates to calculate for rate filing, for purposes of the commissioner having the ability to impose rates during the hearing, they must be the most current Medicare rates. As noted in prior comments submitted to DOI, it is crucial that Medicare reimbursement rates are based on the most recent time period, and so we reiterate our request that this be addressed in this bulletin and other regulations for the Colorado Option.

We request consideration of this recommendation to ensure operational success for implementation of the Colorado Option, and we welcome further dialogue with the DOI on this issue.

Regards,

Adeline Ewing

Adeline Ewing
Manager, Public Policy