

I. CAHP- Introduction

The Colorado Association of Health Plans (CAHP) is a trade association of health plans providing health benefits to over 3 million Coloradans. CAHP represents the health insurance industry before the Colorado General Assembly, the Division of Insurance, and other governmental entities. CAHP works closely with business, consumer and professional organizations on health care public policy to ensure a competitive marketplace that allows for affordable, high-quality health care coverage for Colorado.

II. CAHP- Membership

CAHP's members are: Aetna, Anthem Blue Cross Blue Shield, Assurant, CIGNA Healthcare, Colorado Access, Colorado Choice Health Plans, Denver Health Medical Plan, Kaiser Permanente, Rocky Mountain Health Plans, and UnitedHealthgroup.

III. CAHP- Principles

- a. No One Should Fall Through The Cracks of Our Health Care System
- b. Health Care Costs Too Much
- c. Losing Your Job Shouldn't Mean Losing Your Coverage

IV. CAHP- On Costs

- a. Health insurers are in the business of making benefit plans that people can afford.
- b. Employers make choices about benefit designs. Insurers will design any plan that covers everything if people are willing to pay for it.
- c. Insurers try to balance creating comprehensive benefit packages and affordability.

Health insurance premiums are a reflection of costs. Insurance premiums *include* hospital, doctor, and pharmaceutical costs. Cost drivers include obesity, smoking, defensive medicine, medical errors, technology increase, new drugs, longer life spans, aging population, ineffective use of IT, and more.

Senator Carroll's bill, **HB 08-1389**, gave broad powers to the state insurance commissioner to **deny premium increases if an insurance company is deemed to make excessive profit.** Profit information is available to the public and online from the SEC and the CO Division of Insurance.

According to CMS National Health Expenditure data, **administrative costs have averaged 12% for the last 40 years.** Administrative costs include quality reporting, compliance, data security, nurse hotlines, disease and care management, ensuring adequate physician networks, health information technology, and premium taxes, which help fund programs like CoverColorado. I.e., Colorado insurers pay nearly \$200 million dollar per year in Colorado state premium taxes.

V. CAHP- Working Together

CAHP works the legislature, Governor's Office, DOI, physicians, businesses, and consumers. We aim to be constructive and collaborative. We are available for technical advice and feasibility issues.

If you have questions or comments you may reach me, Ben Price, CAHP Executive Director, as follows: (720) 261-2241 (mobile), or bprice@colohealthplans.org.