



June 25, 2021

The Honorable Janet Yellen  
 Secretary  
 Department of the Treasury  
 1500 Pennsylvania Avenue, NW  
 Washington, DC 20220

The Honorable Xavier Becerra  
 Secretary  
 Department of Health and Human Services  
 200 Independence Avenue, SW  
 Washington, DC 20201

**Re: Colorado 1332 State Innovation Waiver Five-Year Extension Application Reinsurance Program**

Dear Secretary Yellen and Secretary Becerra:

Thank you for the opportunity to submit comments on Colorado’s 1332 state innovation waiver application.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions across the country. Our organizations have a unique perspective on what patients need to prevent disease, cure illness and manage chronic health conditions. The diversity of our groups and the patients and consumers we represent enables us to draw upon a wealth of knowledge and expertise and serve as an invaluable resource regarding any decisions affecting state health insurance marketplaces and the patients that they serve. We urge the Department of the Treasury and the Department of Health and Human Services (Departments) to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that any changes to the healthcare system achieve coverage that is adequate, affordable and accessible for patients. A strong, robust marketplace is

essential for people with serious, acute and chronic health conditions to access comprehensive coverage that includes all of the treatments and services that they need to stay healthy at an affordable cost. Our organizations support Colorado's efforts to strengthen its marketplace by submitting this application to renew its reinsurance program, and we urge the Departments to approve the application.

Reinsurance is an important tool to help stabilize health insurance markets. Reinsurance programs help insurance companies cover the claims of very high-cost enrollees, which in turn keeps premiums affordable for other individuals buying insurance on the individual market. Reinsurance programs have been used to stabilize premiums in a number of healthcare programs, such as Medicare Part D. A temporary reinsurance fund for the individual market was also established under the Affordable Care Act and reduced premiums by an estimated 10 to 14 percent in its first year.<sup>1</sup> A recent analysis by Avalere of seven states that have already created their own reinsurance programs through Section 1332 waivers found that these states reduced individual market premiums by an average of 19.9 percent in their first year.<sup>2</sup> This is true in Colorado as well; in 2020 and 2021 premiums in Colorado were reduced by 20% due to its reinsurance program.

Colorado's proposal will continue the state's reinsurance program through 2027. Based on the analysis commissioned by the state, this program is projected to continue to significantly reduce premiums and increase the number of individuals obtaining health insurance through the individual market. This will continue to help patients with pre-existing conditions obtain affordable, comprehensive coverage.

Our organizations believe this 1332 Waiver will help stabilize the individual market in Colorado and protect patients and consumers. Thank you for the opportunity to provide comments.

Sincerely,

American Diabetes Association  
American Heart Association  
American Lung Association  
Arthritis Foundation  
Asthma and Allergy Foundation of America  
Cancer Support Community  
Cystic Fibrosis Foundation  
Hemophilia Federation of America  
Mended Little Hearts  
National Hemophilia Foundation  
National MS Society  
National Organization for Rare Disorders  
National Patient Advocate Foundation  
National Psoriasis Foundation  
Pulmonary Hypertension Association  
Susan G. Komen  
The AIDS Institute  
The Leukemia & Lymphoma Society

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<sup>1</sup> American Academy of Actuaries, Individual and Small Group Markets Committee. *An Evaluation of the Individual Health Insurance Market and Implications of Potential Changes*. January 2017. Retrieved from [https://www.actuary.org/files/publications/Acad\\_eval\\_indiv\\_mkt\\_011817.pdf](https://www.actuary.org/files/publications/Acad_eval_indiv_mkt_011817.pdf).

<sup>2</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>.