

Markets Under Pressure

How We Got Here and What's Next

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December 14, 2015



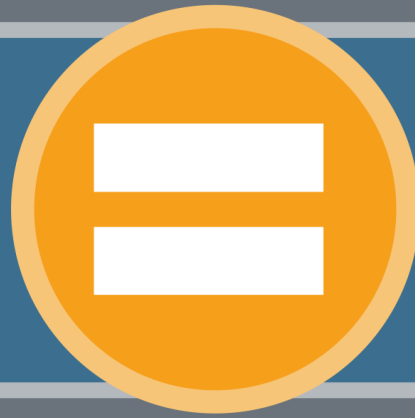
#HIHC15



Three Takeaways

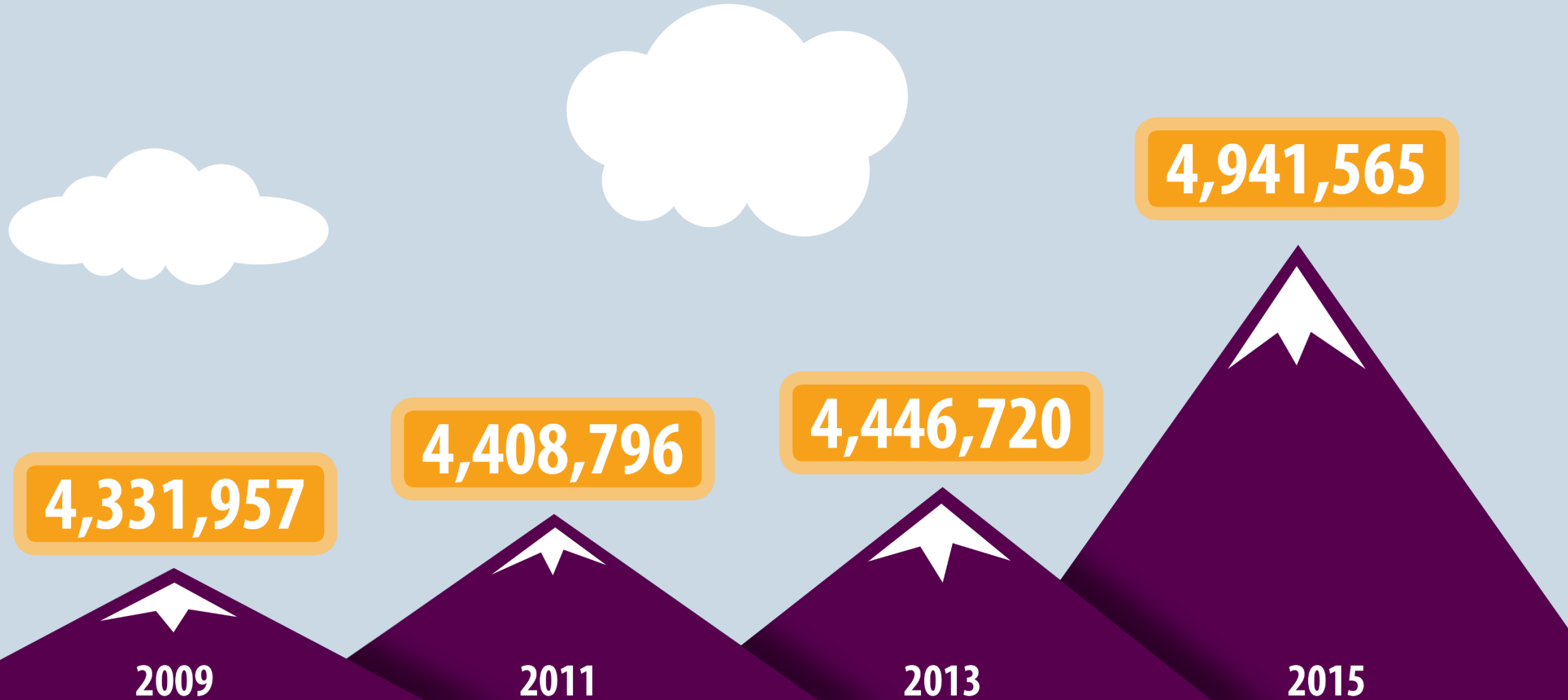
- Health care spending is back in the hot seat.
- Pressures have led to market instability.
- There is a greater need to test and evaluate new models.

More Insurance



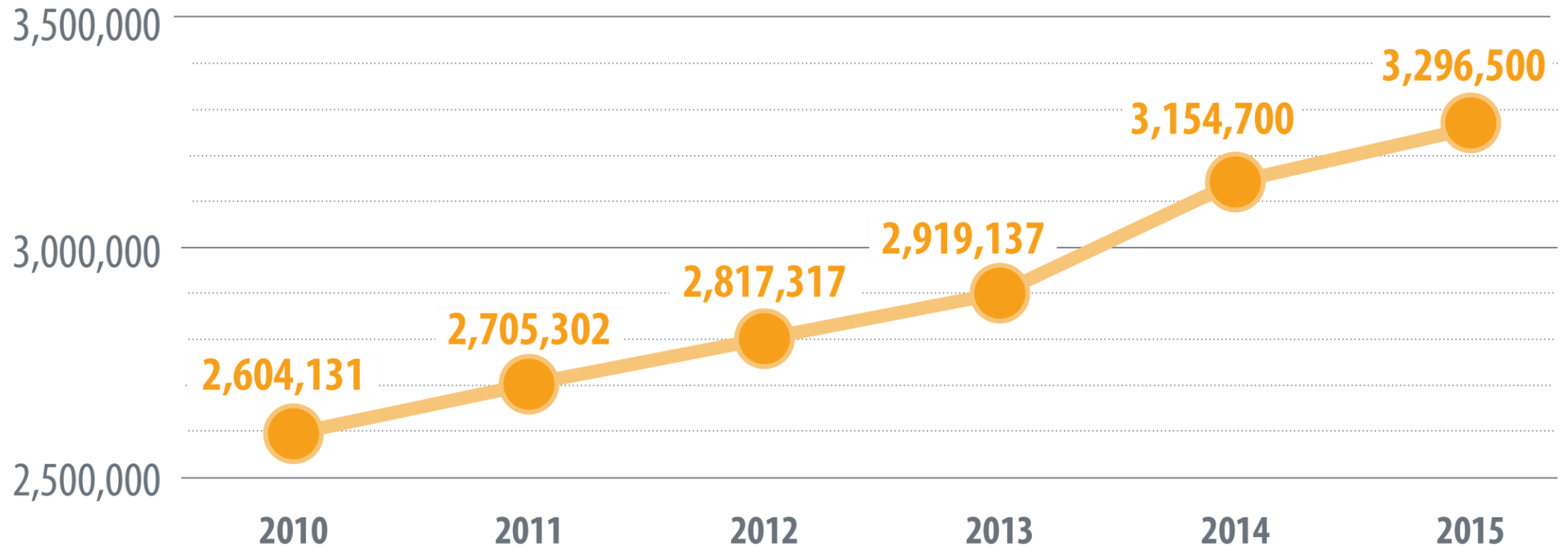
More Spending

Insured Coloradans: A New Record



Health Care Spending: Heading Higher

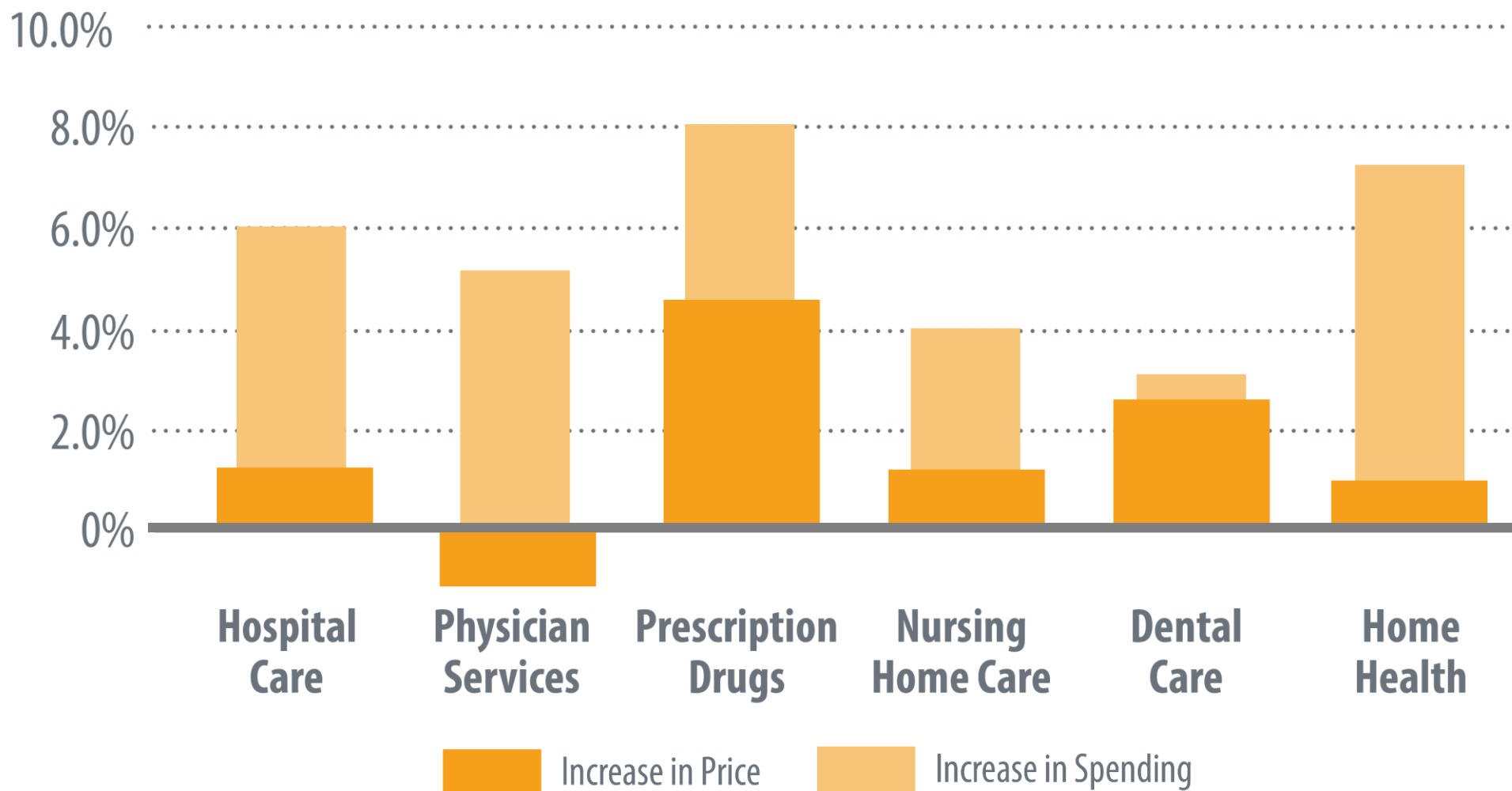
Total Expenditures in Millions of Dollars



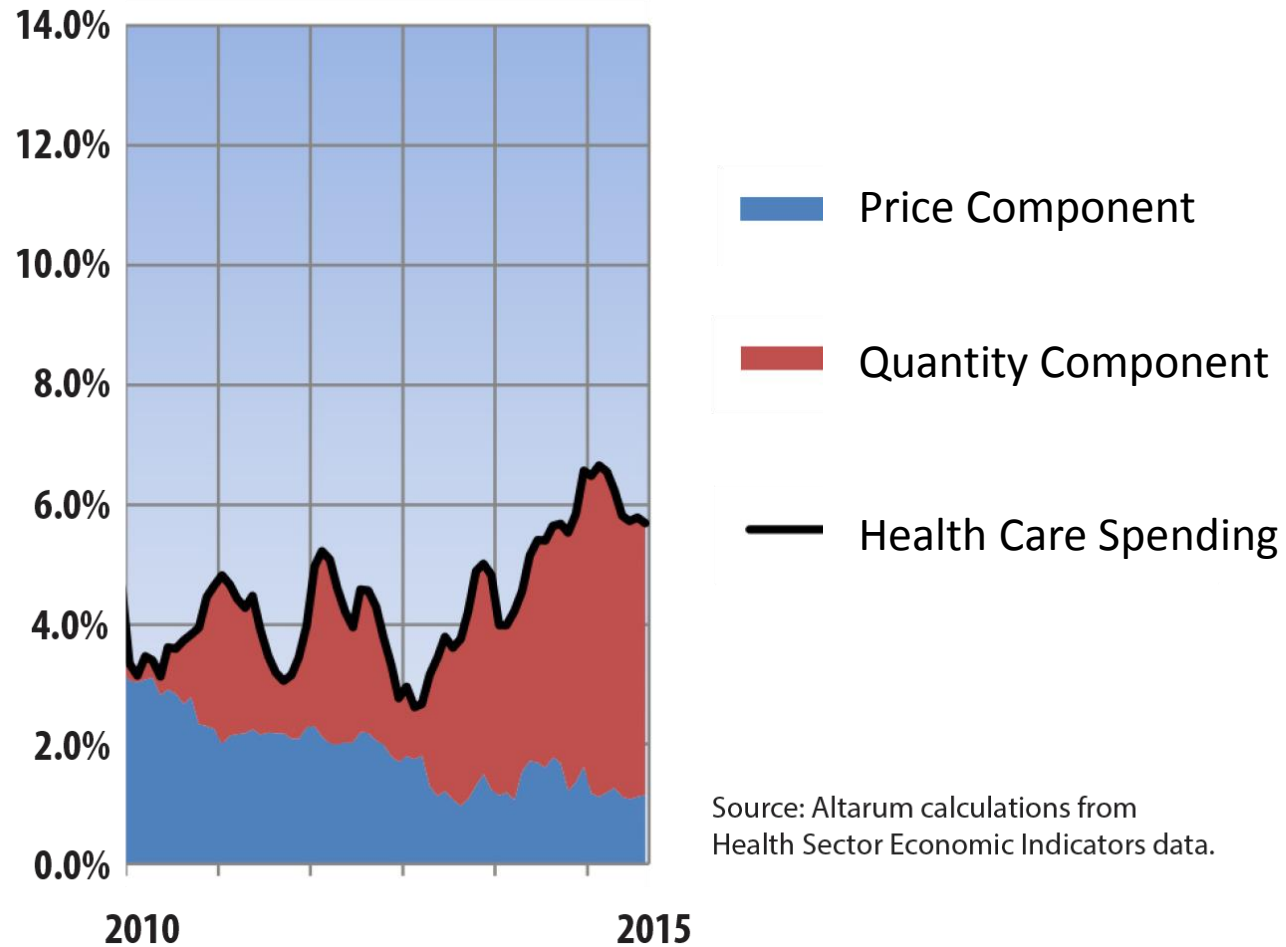
Breaking Down Health Care Spending: A Simple Formula



Spending Increases: Price Isn't the Culprit



Personal Health Care Spending Growth: Breaking it Down by Price and Use



Source: Altarum calculations from Health Sector Economic Indicators data.

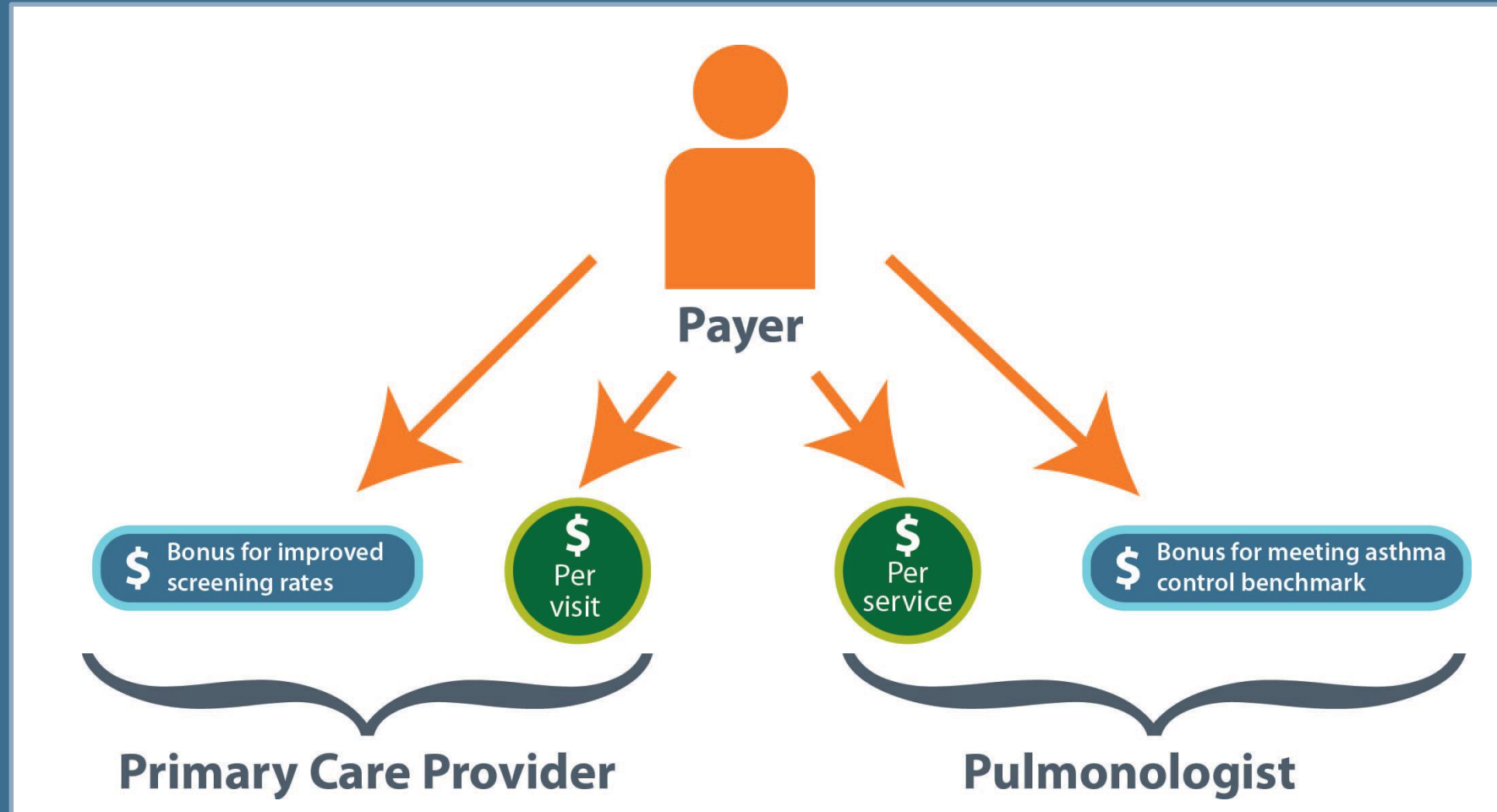
Payment Reform



Consumer Demands

Provider Market Instability

From Volume to Value Fee-For-Service Payment Model



Alternative Payment Models

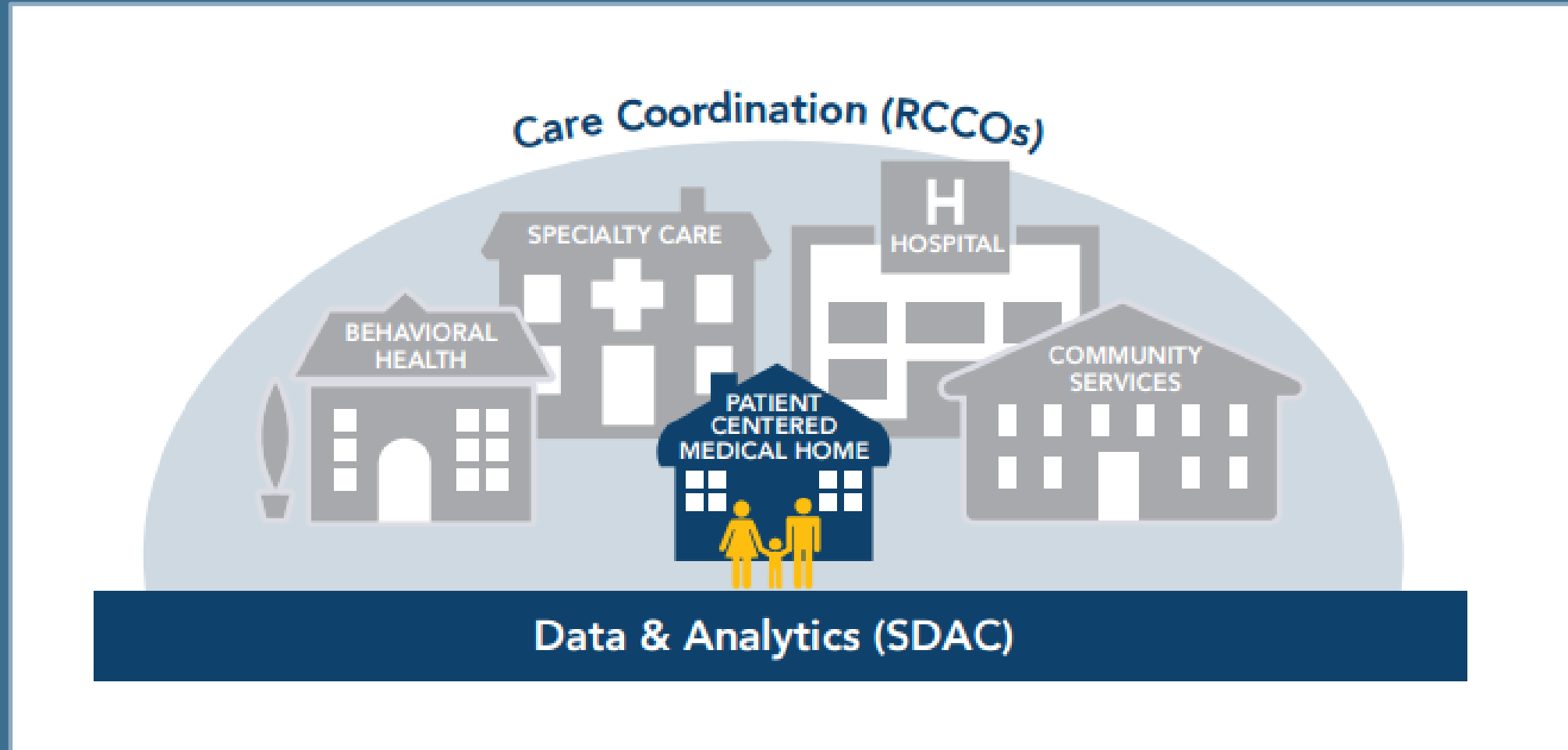


Health and Human Services Secretary
Sylvia Burwell



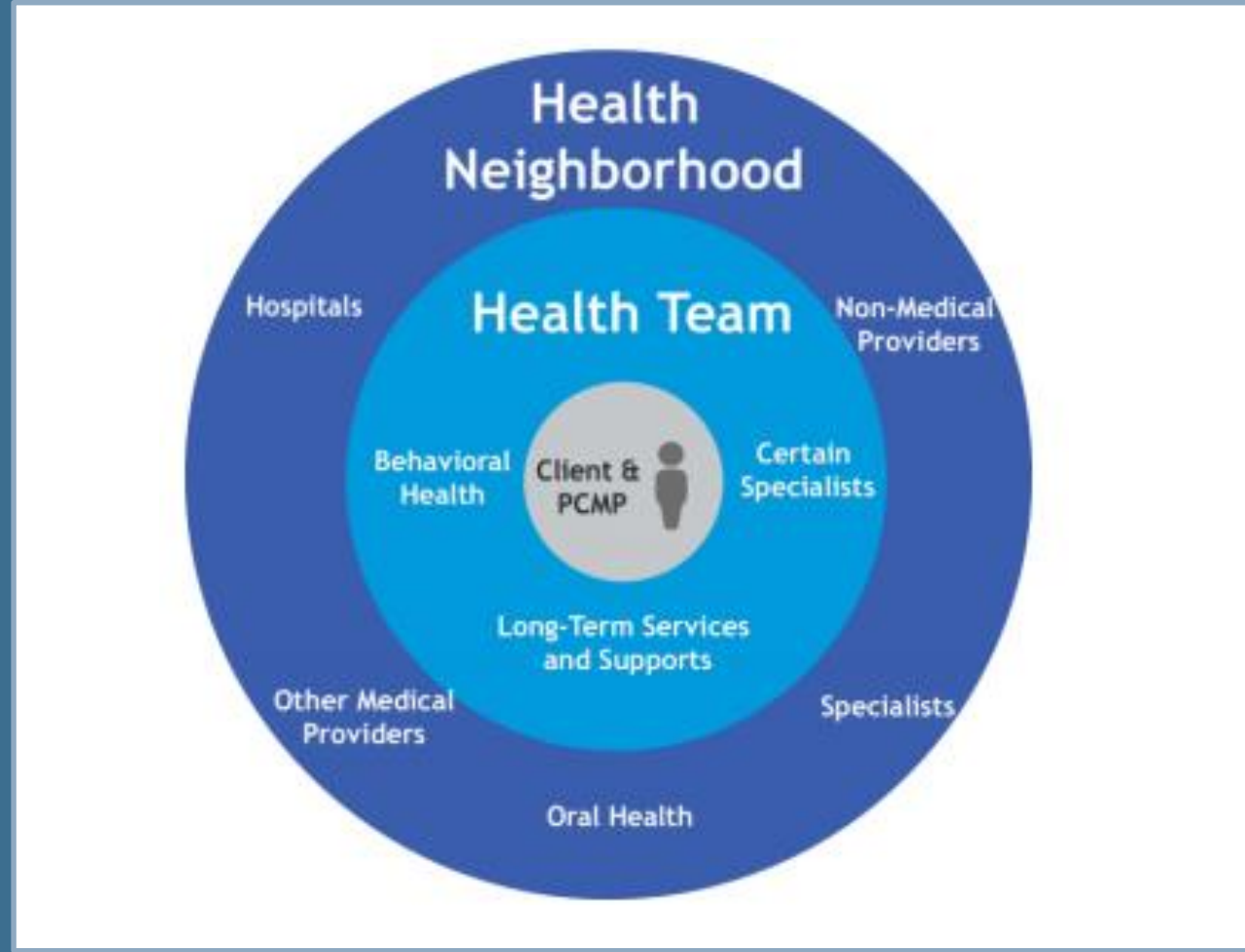
ACC 1.0

Holding Providers Accountable



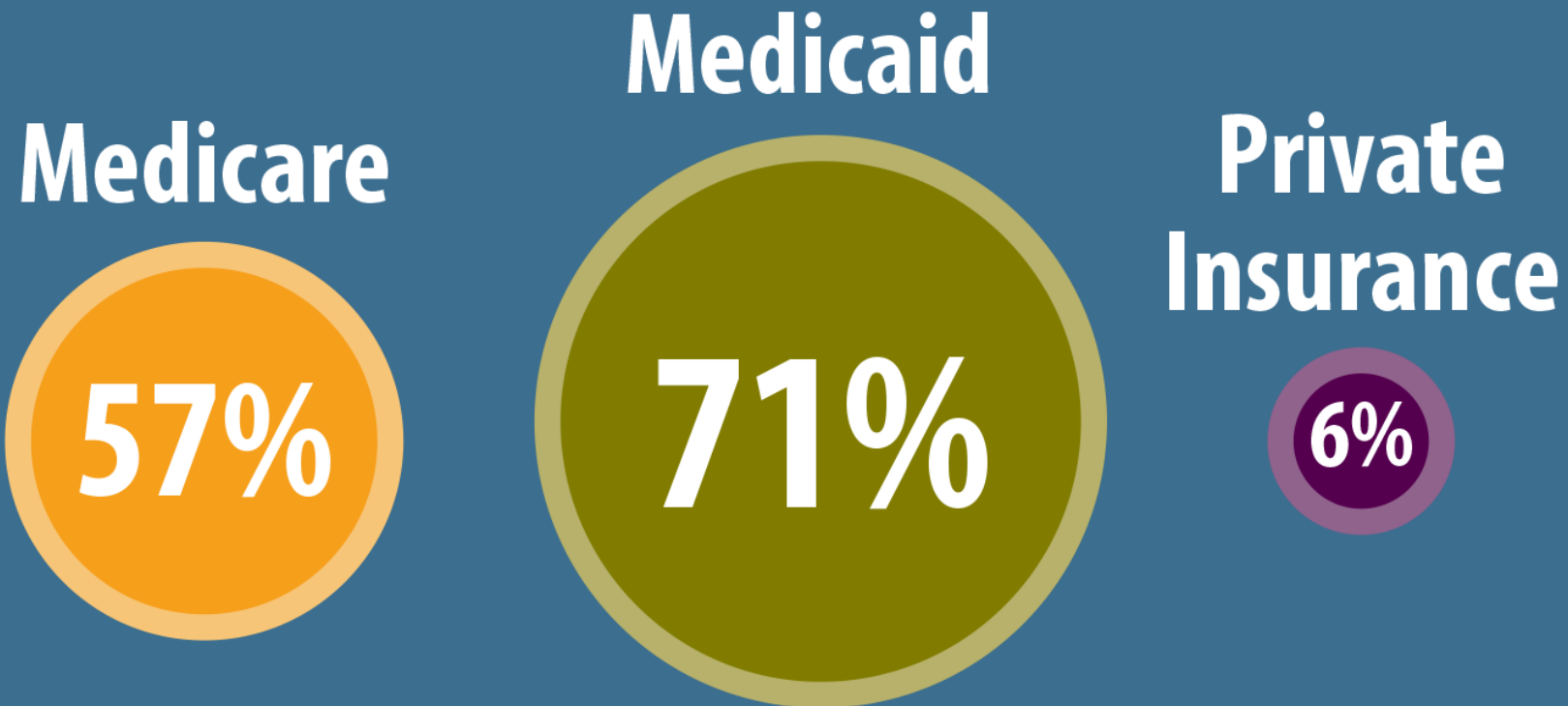
ACC 2.0

Integrating Care



Growth Will Be In Public Programs

Enrollment Growth, U.S., 2006-2022



Providers and Plans Are Under Pressure







Health systems that have applied for, or intend to apply for, an insurance license.




Payment Reform



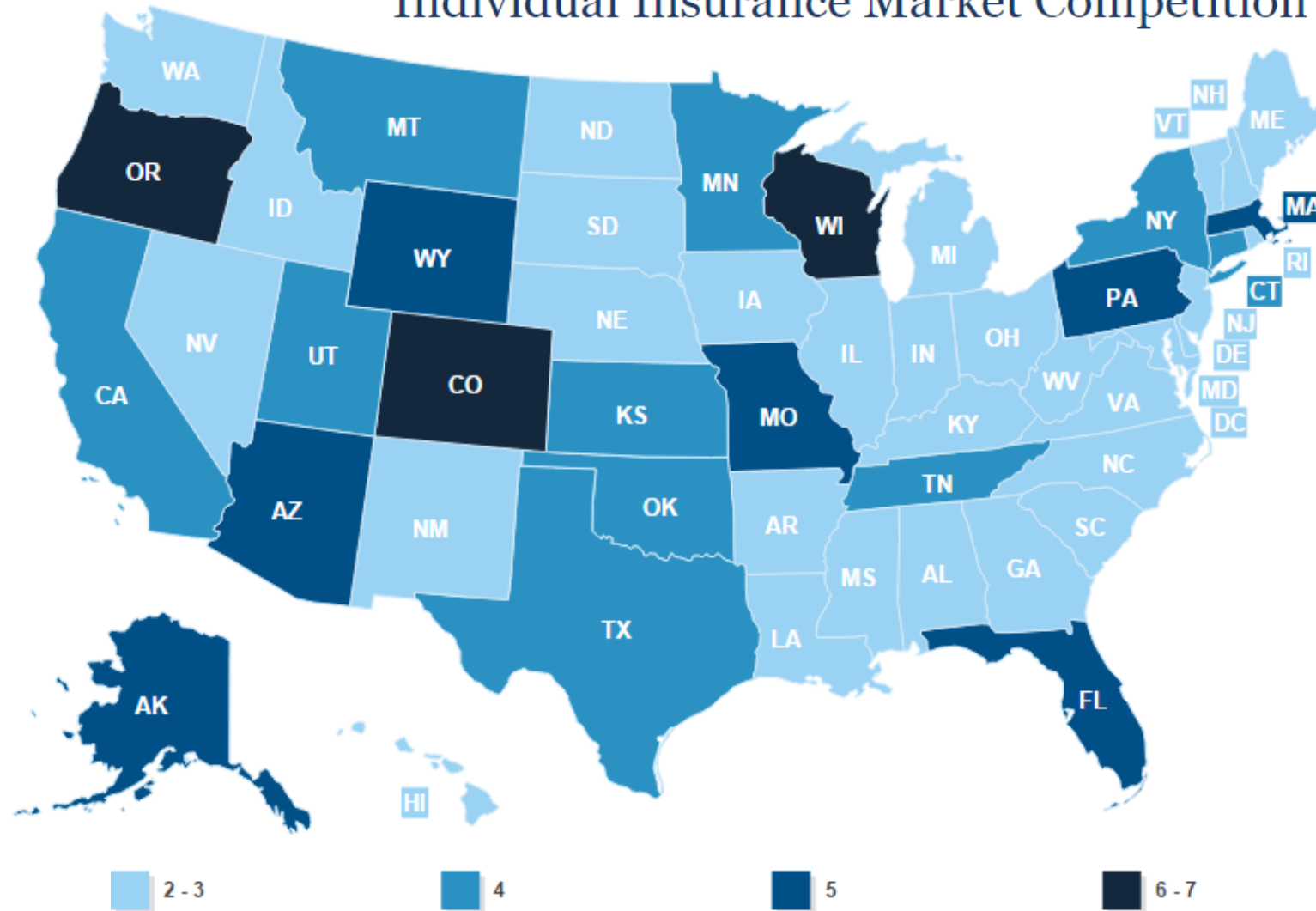
Consumer Demands

Insurance Market Instability

Quick quiz: How competitive is Colorado's individual insurance market?

1. Top ten most competitive states 
2. Average among all states
3. Bottom ten least competitive states

Individual Insurance Market Competition



Source: Kaiser Family Foundation, 2013. Number of insurers with greater than 5% market share.

aetna + **Humana**®



Cigna®

+

Anthem®
BlueCross BlueShield





YOUR NON-PROFIT HEALTH INSURANCE CO-OP.

BELIEVE IT



**Colorado HealthOP out of options,
will begin shutting down**

**Colorado HealthOP Shuts Down After Failed
Resurrection Bid**

**Colorado health exchange ready for
influx of customers of failed co-op**





**Save on your
Individual Insurance**



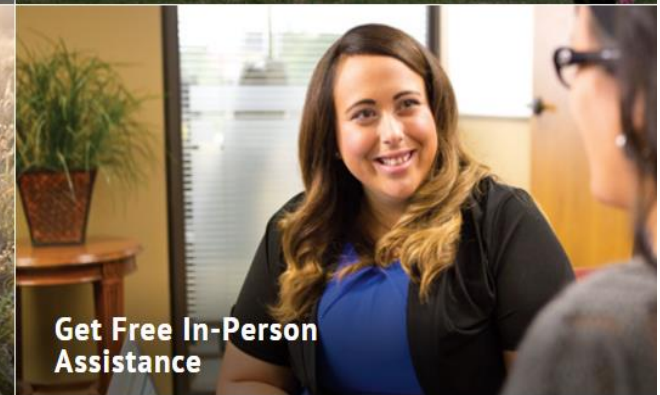
**Save Your Small
Business Money**



Renew for 2016



Compare Plans

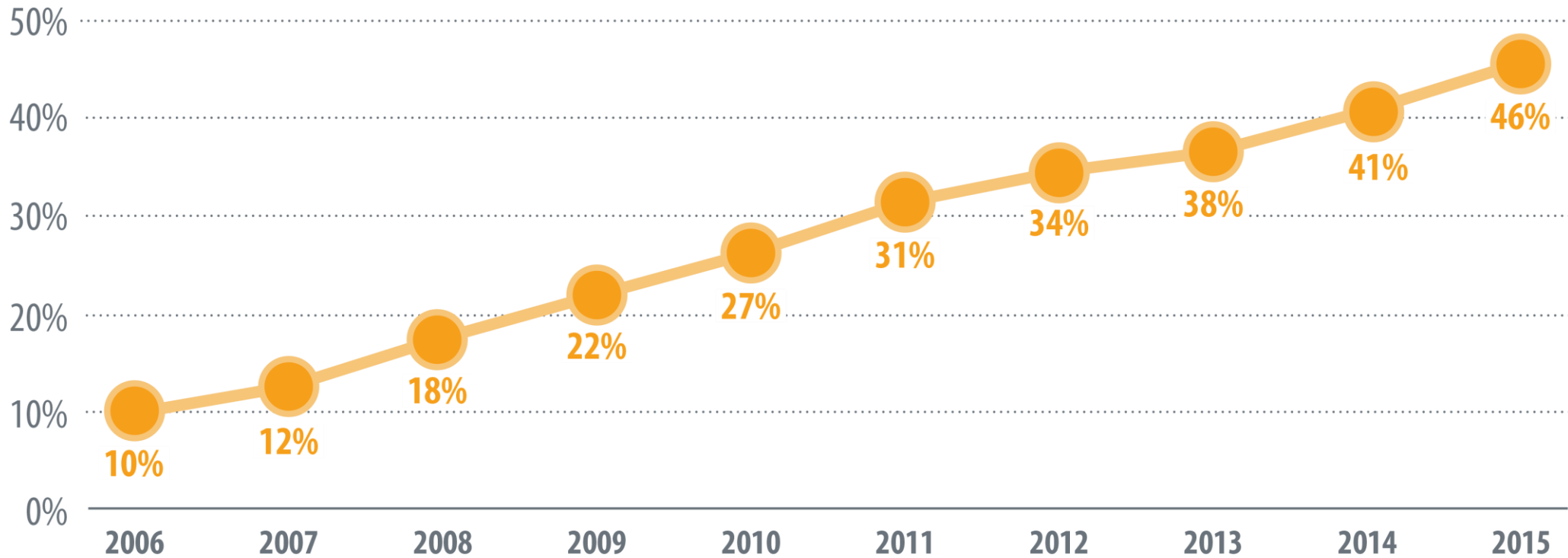


**Get Free In-Person
Assistance**

Welcome to Colorado's Health Insurance Marketplace, the only place to lower the cost of your health insurance and get access to our statewide network of free, in-person assistance.

From Price-Insulated to Price-Sensitive Employees

Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of \$1,000 or More for Single Coverage, 2006-2015



From Broad to Narrow Networks



FIRST CHOICE EMERGENCY ROOM

Real ER. Real Fast.™ | *FCER.com*



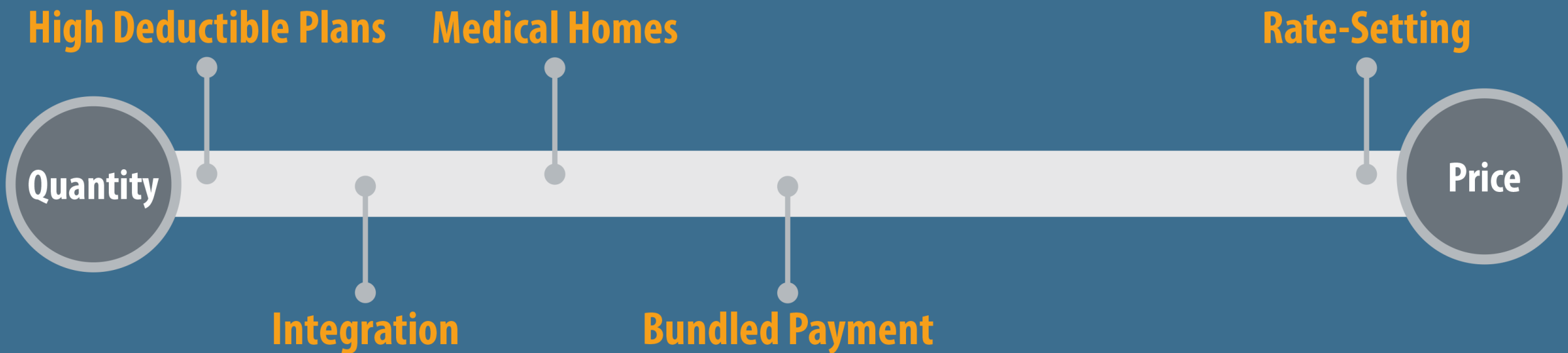
U B E R



What's the Next Frontier?



From Q to P



High Deductible Plans



Potentially *too* successful.

Quantity

Price

Integration



Change is tough.

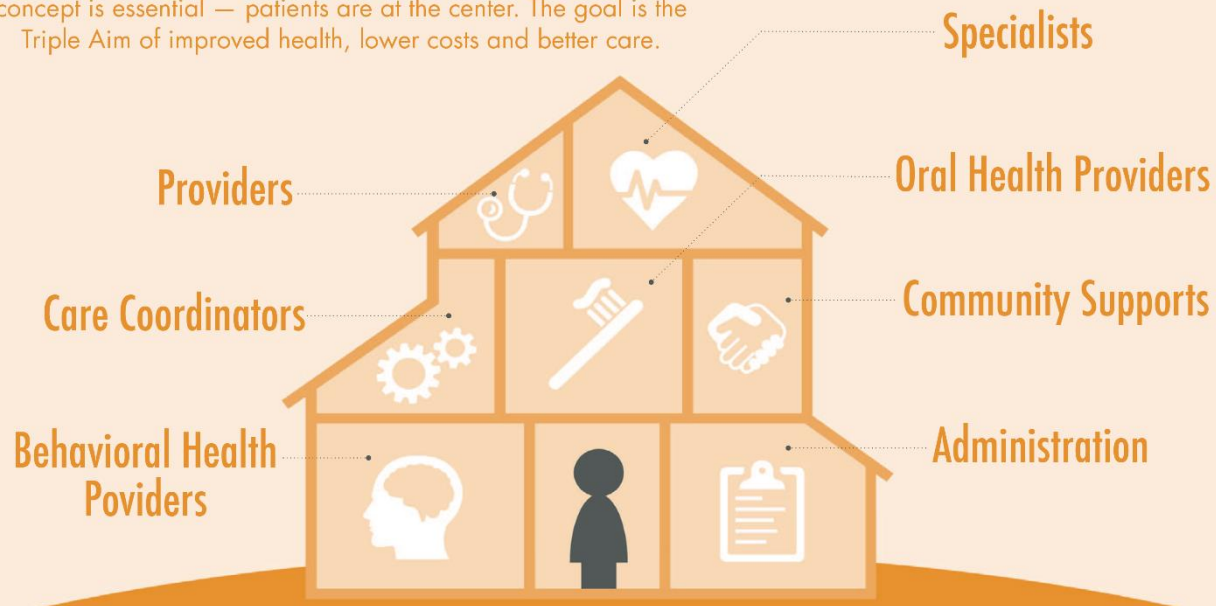
Medical Homes

Quantity

Price

Building a Patient-Centered Medical Home

More than two million Coloradans have a medical home, the Colorado Health Institute estimates. While definitions differ, one concept is essential — patients are at the center. The goal is the Triple Aim of improved health, lower costs and better care.

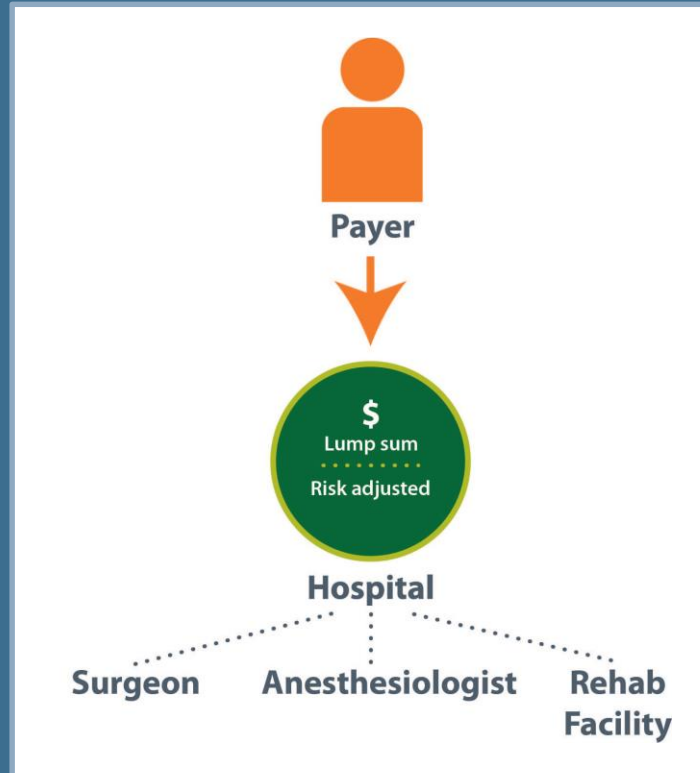


Not a one size fits all model.

Quantity

Price

Bundled Payment



Unintended consequences are a concern.

Quantity

Rate-Setting

Price



Never tested at this scale.

Three Takeaways

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#HIHC15

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