



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# Enhanced Premium Tax Credits: Impact on Colorado's Health Insurance Market


Commissioner Michael Conway  
September 10, 2025





- Impact of Expiration of the Enhanced Premium Tax Credits
- HB25B-1006 and its Impacts on Colorado's Affordability Programs



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- **Enhanced Premium Tax Credits are currently scheduled to expire December 31, 2025**
  - **Nearly 225,000 Coloradans depend on the tax credit to afford health coverage in the individual market**
  - **Loss of ePTCs affects premiums, enrollment, federal passthrough funding**

# Impact of ePTC Expiration on Federal Funding

## Historical Pass -through Funding Awarded:

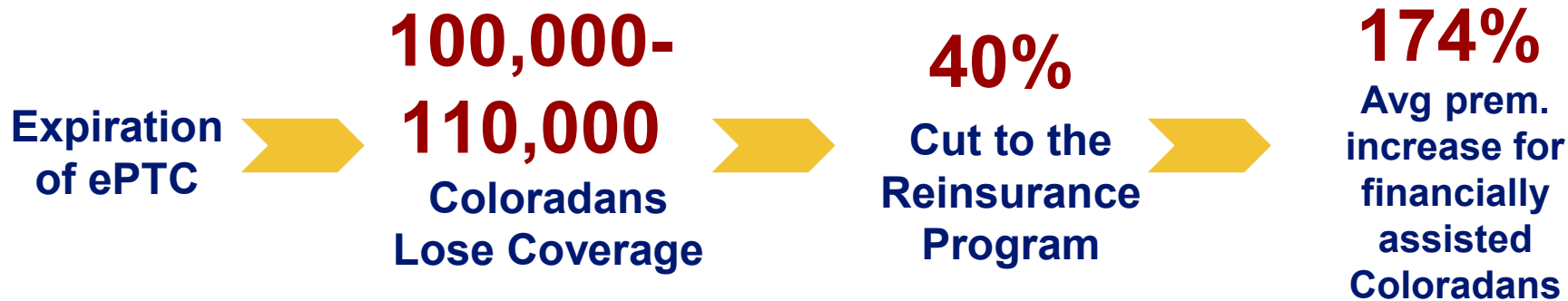
Plan Year	2020*	2021*	2022*	2023	2024	2025
Pass-Through Funding Awarded	\$132,788,381	\$182,680,879	\$196,705,975	\$245,012,430	\$361,715,479	\$339,125,752

\*Reinsurance program included in 1332 waiver; Colorado Option program not yet included in 1332 waiver

2026 Estimated Funding	
<u>With ePTCs Continuing</u>	<u>Without ePTCs Continuing</u>
\$250 million	\$145 million

Federal policy changes are expected to reduce federal funding available to Coloradans by approximately **\$105 million**

# Impact of ePTC Expiration on Premiums



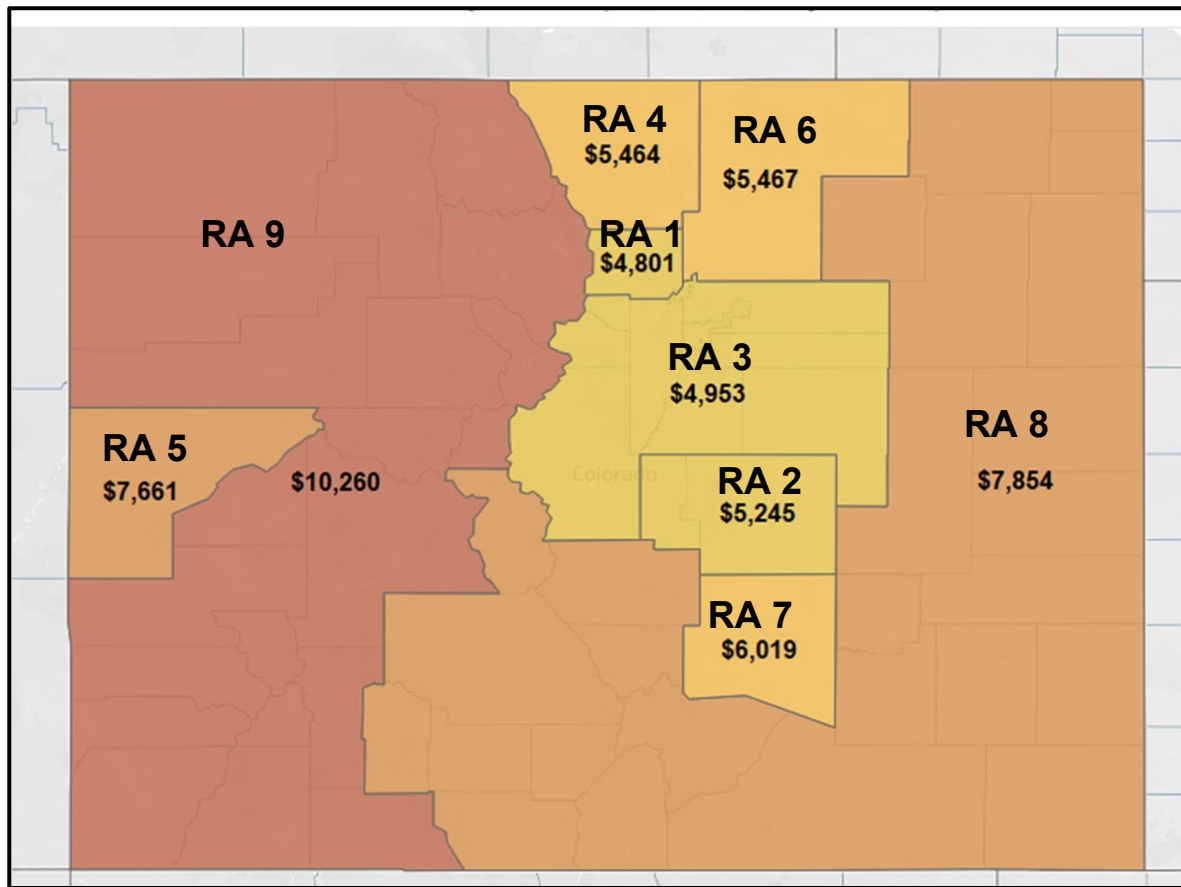
With the expiration of ePTCs, premiums will be more expensive, resulting in ***fewer people being able to afford their health insurance coverage.***

When coverage becomes unaffordable, many healthier individuals choose to drop their coverage. Anticipating that a higher proportion of individuals with greater health care needs will remain enrolled, ***insurers raise premiums to account for the increased morbidity in the risk pool.***

The reinsurance program reduces premiums; and therefore, it reduces the amount the federal government pays in subsidies. The state keeps those savings in the form of “pass-through” funds via a 1332 Waiver. The main source of funding for the reinsurance program is the 1332 waiver. ***When fewer people have insurance and when subsidies are cut, that leads to less funding for the reinsurance program.***

Insurers have requested to increase the base rate premium by 28% for 2026, on average. But the average net premium increase after loss of subsidies will be substantially higher. These premium increases will impact individuals and families who purchase their coverage in the individual market, which is approximately 321,000 Coloradans.

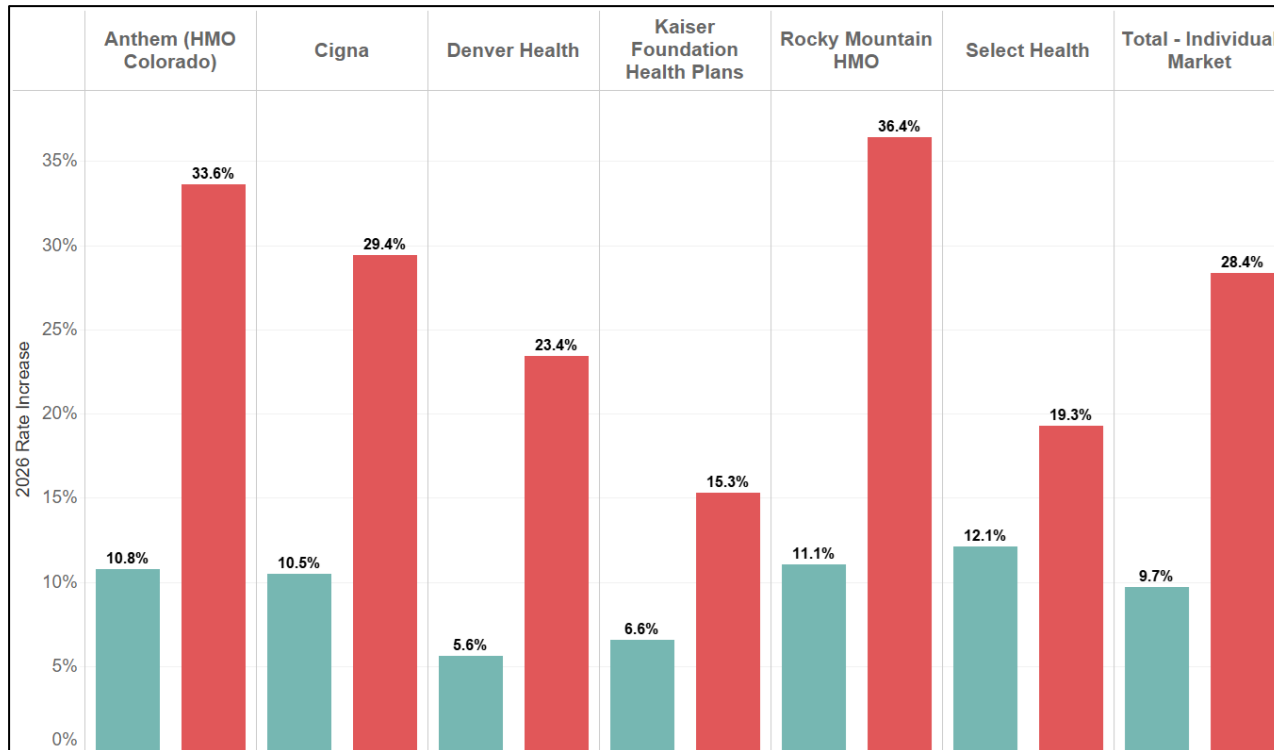
# 2026 Annual Premium Increases for a Family of Four\* as a Result of ePTC Expiration



\*Family of four is defined as two 40-year-olds, a 20-year-old, and a 10-year-old

Family of Four Premium Increase		
Rating Area (RA)	2026 Annual Premium	Approx. Net Premium Increase - 400% FPL
1 - Boulder	\$24,453	\$13,353
2 - CO Springs	\$26,027	\$15,027
3 - Denver	\$25,129	\$14,129
4 - Fort Collins	\$25,676	\$14,676
5 - Grand Junction	\$29,091	\$18,091
6 - Greeley	\$25,686	\$14,686
7 - Pueblo	\$26,419	\$15,419
8 - East	\$32,309	\$21,309
9 - West	\$36,832	\$25,832

# Projected Rate Impacts due to ePTC Expiration



■ 2026 Rate Increase if ePTCs continue

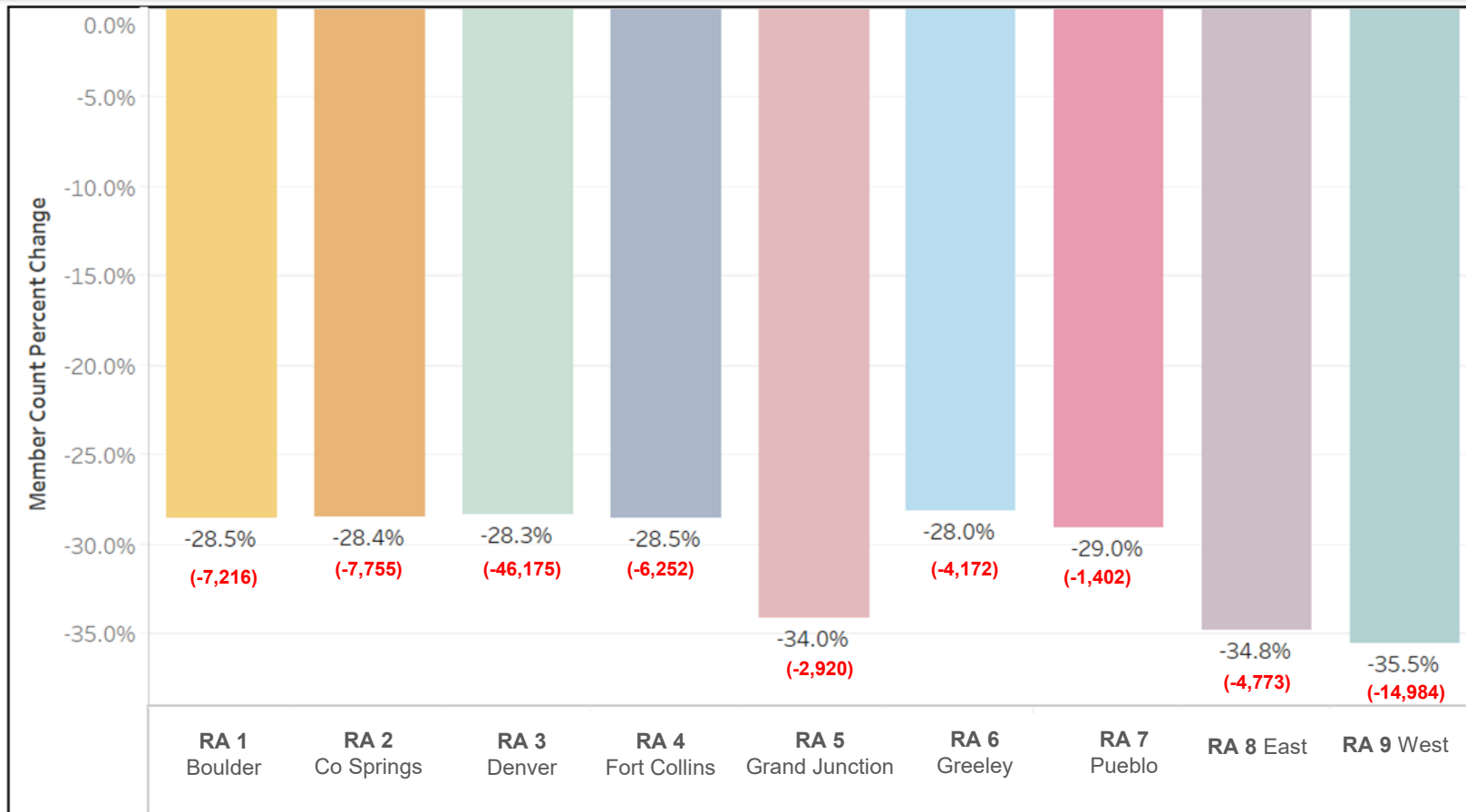
■ 2026 Rate Increase if ePTCs expire

- The expiration of ePTCs will create a 17% rate increase in the individual market
  - Approximately half of this rate increase is due to reinsurance federal funding decrease
- If ePTCs were to continue and reinsurance continued to have same 20% premium reduction, the average rate increase would be 9.7% across all carriers in the individual market

# Projected Change in Enrollment from 2025 to 2026



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## Average Net Premium Increase by Income

Annual Income		2025 Avg Member Monthly Premium	2026 Avg Member Monthly Premium*	Premium Increase
<150% FPL	\$0-23k	\$3	\$28	833%
150-200% FPL	\$23-30k	\$17	\$88	418%
200-250% FPL	\$30-37k	\$64	\$169	164%
250-400% FPL	\$37-60k	\$136	\$215	58%
>400% FPL	\$60k+	\$411	\$541	Subsidy Cliff



\*Estimate as of May 2025

# Net Premium Impact for a Family of Four



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Percentage of FPL	Annual Income	2025 Net Annual Premium (with ePTCs)	No ePTCs
100%	\$32,150	\$0	\$662
133%	\$42,760	\$0	\$881
150%	\$48,225	\$0	\$1,987
200%	\$64,300	\$1,286	\$4,173
300%	\$96,450	\$5,787	\$9,433
401%	\$128,600	\$10,931	\$27,180
425%	\$136,638	\$11,614	\$27,180

Presentation Topic  
Date

# Average Net (Member Paid) Premium Increase 2025 → 2026

## 2025 to 2026 Avg Member Premium Increase

Average Statewide Increase	Subsidized Enrollees* (Income <400% FPL)
<b>28%</b>	<b>174%</b>



# Impacts on Net Premium/Enrollment



County	Avg Net Prem. Increase for Financially Assisted	Estimated enrollment loss	Percentage decrease in enrollment
Arapahoe	179%	9,877	25%
Eagle	159%	2,047	35%
El Paso	159%	7,080	27%
Montrose	344%	1,015	35%
Weld	189%	4,172	28%



# Pre-Special Session PY 26 Affordability Programs



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Prior to HB25B-1006, the status of HIAE programs for plan year 2026 was:

A reinsurance program with a 12% impact to reducing premiums (in previous years the impact was 20%).

An on-exchange premium wrap of \$50 for individuals up to 200% of the Federal Poverty Limit (FPL).

An OmniSalud program with an enrollment cap of approximately 2,500 (an over 80% decrease from 2025).

House Bill 25B-1006 - Improve Affordability Private Health Insurance was passed by the legislature and signed into law by Gov. Polis on Thursday, August 28th.

# Overview of HB25B -1006

## Funding Mechanism Change Highlights

- A one-time additional \$10.26 million, subject to the HIAE's "waterfall" structure.
- A one-time additional \$100 million, not subject to the "waterfall", where up to:
  - \$50 million towards reinsurance
  - \$50 million towards on-exchange subsidies
  - \$5 million towards OmniSalud
- A one-time transfer of up to \$20 million in surplus between HIAE programs

## Policy Change Highlights

- OmniSalud plan design flexibility
- Seeking input from individuals affected by Enterprise programs to inform recommendations
- Budget Transparency
- 2027 Audit







# Impact of HB25B- 1006 to PY 26 HIAE Programs

## Reinsurance

Allows for 20%  
impact to  
premiums  
(Up from 12%  
impact)

## On-Exchange Subsidy

\$80 pmpm  
premium wrap  
plus \$29 PMPM  
for each  
dependent up for  
up to 400% FPL

## OmniSalud

Approximately  
6,700 enrollees  
will be covered  
(Up from ~2,500  
enrollees)



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# Questions?

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