

About this guide

This guide provides price comparisons for the Colorado mandated small group health benefit plans marketed in the Denver metropolitan and Boulder-Longmont geographic areas. The figures quoted were drawn from a November 2003 survey of health carriers that write small employer group health products in Colorado. The carriers quoted in this guide were asked to provide monthly premium quotes for the following plans¹:

- Basic Indemnity Health Benefit Plan
- Basic Preferred Provider Organization (PPO) Health Benefit Plan
- Basic Health Maintenance Organization (HMO) Health Benefit Plan
- Standard Indemnity Health Benefit Plan
- Standard PPO Health Benefit Plan
- Standard HMO Health Benefit Plan

This guide provides premiums that would be quoted for single coverage for employees ages 36 and 62 years-old. It also provides premium quotes for family coverage for a 34-year-old employee and for a 54-year-old employee.

Who is a “Small Employer”?

• Employers with 2 – 50 employees

Any employer with 2 – 50 employees who work 24 hours or more a week on a permanent basis (including household employees); and

• Business groups of one

A business group of one includes both the sole employee of an employer and a self-employed individual who works 24 hours per week on a permanent basis; has carried on significant business activity for at least one year before applying for coverage; and has derived a substantial part of their income which is sufficient enough to pay for annual health insurance premiums.

How do I read the chart?

The charts show premiums for selected ages and for both a single employee and a family (i.e., employee, spouse and one or more children). Look at the premiums for employees that most closely mirror the composition of your employer group.

Is price the only factor to consider?

No. Other important factors include how an insurance carrier handles claims and consumer complaints, the carrier's experience in the small group market, restrictions on access to providers, and the company's financial condition.

What does the premium comparison show?

It pays to shop around. There is a wide variation in rates charged for identical plans. For example, coverage under a Standard Indemnity Plan for a Denver employee, age 54, with spouse and children, ranges from \$1,248 to \$3,541 per month. Under a Standard HMO Plan, coverage for a single Boulder employee, age 36, ranges from \$265 to \$448. Some plans have competitive rates for young people but not for older people. Some have competitive rates for single individuals but not for families.

If a carrier has low basic and standard plan premiums, will it also have low rates for its other small group products?

Carriers are required to set new business premiums for small group products based on plan design. Thus, if a carrier has competitive premiums for its Standard Plans, it should also have competitive premiums for both richer and leaner plans. However, it is difficult to compare the premiums charged for the carriers' other plans as the plan designs are non-standardized.

As a small employer, do I only have guaranteed access to the Basic and Standard plans?

No. All small employers with 2-50 employees must be sold any plan a carrier actively markets.

With respect to business groups of one, a carrier must offer all of its small group plans but if your application indicates any health problems, the carrier can limit your choice of plans to the Basic and Standard Plans only. Additionally, small employer carriers may limit the guaranteed issuance of the Basic and Standard Plans to an open enrollment period, which is defined as the 31 days following the birth date of the applicant, or within 31 days of any one of three other "qualifying" events. [See Section 10-16-105(7.3)(i), C.R.S.]

What's new?

Benefits

As of January 1, 2004, the benefit levels for all of the Basic and Standard health benefit plans underwent significant revisions due to a change in the law [Section 10-16-105(7.2), C.R.S.] that requires the Commissioner to survey small group carriers on an annual basis to determine the range of health benefit plans available.

The standard health benefit plans reflect the average level of coverage offered in the small group market and the basic health benefit plans reflect the lowest level of coverage offered in the small group market.

In addition, the basic plans no longer include the following mandated benefits: low-dose mammography; mental illness (except for biologically-based mental illness); hospice care and home health services; alcoholism; prostate screening; and anesthesia and hospitalization for dental procedures for children.

Complete benefit summaries for all plans can be found in Regulation 4-6-5, which is available on the Division's website.

Rates

Three new rating factors can be used by carriers in calculating rates: health status, claims experience and industrial classifications.

Health Status – If a carrier uses health status to calculate rates, only one factor is permitted for each small group. A health questionnaire, requesting reasonable information, may be used to help determine this factor.

Claims Experience – If a carrier uses claims experience to calculate rates, only one factor is permitted for each small group.

Industrial Classifications – If the carrier uses the standard industrial classifications to calculate rates, only one factor is permitted for each small group. No enrolled employee should be charged directly for any such adjustment.

More information regarding small group rating rules can be found in Regulation 4-6-7, which is available on the Division's website.

Small Employer Group Health Premium Comparison

A Survey of Costs for the Mandated Standard Health Benefit Plan For DENVER and BOULDER – LONGMONT



A publication of the
Department of Regulatory Agencies
Colorado Division of Insurance
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¹ Benefit summaries can be found in Regulation 4-6-5 on the Division website.

JANUARY 2004 SMALL GROUP HEALTH BENEFIT PLAN PREMIUM SURVEY -- DENVER MSA ¹

Company Name	Basic Indemnity				Basic Preferred Provider				Basic HMO				Standard Indemnity				Standard Preferred Provider				Standard HMO			
	Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4	
	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54
Aetna Life Insurance	238	610	792	1,029	156	398	518	672	-	-	-	-	407	1,042	1,388	1,799	247	633	808	1,054	-	-	-	-
Anthem BC/BS	-	-	-	-	194	502	630	872	-	-	-	-	-	-	-	-	275	711	892	1,235	-	-	-	-
Cigna Healthcare of CO	-	-	-	-	-	-	-	-	388	1,007	1,275	1,474	-	-	-	-	-	-	-	444	1,153	1,461	1,688	
Guardian Life Ins. Co.	334	844	673	1,007	189	483	577	829	-	-	-	-	427	1,073	846	1,248	278	707	824	1,158	-	-	-	-
HMO Colorado, Inc.	-	-	-	-	-	-	-	-	294	761	954	1,321	-	-	-	-	-	-	-	340	881	1,105	1,530	
Humana Insurance	295	755	911	1,175	216	539	659	844	-	-	-	-	398	1,030	1,234	1,597	298	757	915	1,178	-	-	-	-
Kaiser	-	-	-	-	-	-	-	-	213	504	636	874	-	-	-	-	-	-	-	265	627	790	1,087	
Mega Life & Health	646	1,758	1,506	2,565	641	1,745	1,494	2,546	-	-	-	-	790	2,151	1,842	3,139	887	2,415	2,068	3,523	-	-	-	-
Mid-West National Life	641	1,745	1,494	2,546	645	1,756	1,504	2,561	-	-	-	-	887	2,415	2,068	3,523	829	2,256	1,933	3,292	-	-	-	-
New England Life	612	1,599	2,007	2,646	354	926	1,162	1,531	-	-	-	-	819	2,140	2,686	3,541	524	1,369	1,718	2,265	-	-	-	-
Pacific Life & Annuity	-	-	-	-	192	540	633	771	-	-	-	-	-	-	-	-	280	782	928	1,121	-	-	-	-
Pacificare Life Assurance	-	-	-	-	158	429	608	735	-	-	-	-	-	-	-	-	220	600	851	1,027	-	-	-	-
Pacificare of CO, Inc.	-	-	-	-	-	-	-	-	235	640	908	1,096	-	-	-	-	-	-	-	263	717	1,016	1,227	
Principal Life Ins. Co.	284	816	965	1,343	242	696	822	1,145	-	-	-	-	412	1,186	1,401	1,950	326	938	1,108	1,543	-	-	-	-
RM Healthcare Options	-	-	-	-	178	422	516	770	-	-	-	-	-	-	-	-	234	552	675	1,008	-	-	-	-
Rocky Mountain HMO	-	-	-	-	-	-	-	-	317	748	915	1,366	-	-	-	-	-	-	-	348	823	1,007	1,503	
Trustmark Life Ins. Co.	246	649	806	1,077	258	682	846	1,131	-	-	-	-	372	982	1,219	1,628	368	972	1,206	1,611	-	-	-	-
Trustmark Ins. Co.	246	649	806	1,077	258	682	846	1,131	-	-	-	-	372	982	1,219	1,628	368	972	1,206	1,611	-	-	-	-
United Healthcare Ins. Co.	334	890	1,088	1,579	201	535	654	949	-	-	-	-	421	1,121	1,370	1,988	253	673	823	1,194	-	-	-	-
United Healthcare of CO	-	-	-	-	-	-	-	-	329	876	1,070	1,553	-	-	-	-	-	-	-	360	959	1,171	1,700	
United Wisconsin Life	351	733	1,001	1,420	270	563	768	1,090	-	-	-	-	431	900	1,277	1,742	378	789	1,076	1,528	-	-	-	-
AVERAGE	\$384	\$1,004	\$1,095	\$1,588	\$277	\$727	\$816	\$1,172	\$296	\$756	\$960	\$1,281	\$521	\$1,366	\$1,505	\$2,162	\$384	\$1,008	\$1,135	\$1,623	\$337	\$860	\$1,092	\$1,456
MEDIAN	\$334	\$816	\$965	\$1,343	\$216	\$540	\$659	\$949	\$306	\$755	\$935	\$1,344	\$421	\$1,073	\$1,370	\$1,799	\$298	\$782	\$928	\$1,235	\$344	\$852	\$1,061	\$1,517

JANUARY 2004 SMALL GROUP HEALTH BENEFIT PLAN PREMIUM SURVEY -- BOULDER - LONGMONT PMSA ¹

Company Name	Basic Indemnity				Basic Preferred Provider				Basic HMO				Standard Indemnity				Standard Preferred Provider				Standard HMO			
	Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4		Single		2 Parent Family of 4	
	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54	Employee Age 36	Employee Age 62	Employee Age 34	Employee Age 54
Aetna Life Insurance	274	703	913	1,185	179	459	597	775	-	-	-	-	469	1,201	1,599	2,074	285	730	932	1,215	-	-	-	-
Anthem BC/BS	-	-	-	-	203	525	659	912	-	-	-	-	-	-	-	-	287	744	933	1,291	-	-	-	-
Cigna Healthcare of CO	-	-	-	-	-	-	-	-	388	1,007	1,275	1,474	-	-	-	-	-	-	-	444	1,153	1,461	1,688	
Guardian Life Ins. Co.	334	844	673	1,007	189	483	577	829	-	-	-	-	427	1,073	846	1,248	278	707	824	1,158	-	-	-	-
HMO Colorado, Inc.	-	-	-	-	-	-	-	-	387	1,003	1,258	1,742	-	-	-	-	-	-	-	448	1,162	1,457	2,018	
Humana Insurance	329	845	1,016	1,313	240	601	731	939	-	-	-	-	444	1,153	1,378	1,785	331	845	1,018	1,312	-	-	-	-
Kaiser	-	-	-	-	-	-	-	-	213	504	636	874	-	-	-	-	-	-	-	265	627	790	1,087	
Mega Life & Health	646	1,758	1,506	2,565	641	1,745	1,494	2,546	-	-	-	-	790	2,151	1,842	3,139	887	2,415	2,068	3,523	-	-	-	-
Mid-West National Life	641	1,745	1,494	2,546	645	1,756	1,504	2,561	-	-	-	-	887	2,415	2,068	3,523	829	2,256	1,933	3,292	-	-	-	-
New England Life	582	1,519	1,907	2,514	337	879	1,103	1,455	-	-	-	-	778	2,033	2,552	3,364	498	1,300	1,632	2,151	-	-	-	-
Pacific Life & Annuity	-	-	-	-	182	510	598	729	-	-	-	-	-	-	-	-	264	739	877	1,060	-	-	-	-
Pacificare Life Assurance	-	-	-	-	159	434	615	742	-	-	-	-	-	-	-	-	223	606	859	1,038	-	-	-	-
Pacificare of CO, Inc.	-	-	-	-	-	-	-	-	270	736	1,044	1,260	-	-	-	-	-	-	-	303	824	1,168	1,411	
Principal Life Ins. Co.	308	887	1,048	1,460	263	756	894	1,244	-	-	-	-	448	1,289	1,523	2,120	354	1,020	1,205	1,677	-	-	-	-
RM Healthcare Options	-	-	-	-	428	1,012	1,237	1,848	-	-	-	-	-	-	-	-	561	1,325	1,620	2,420	-	-	-	-
Rocky Mountain HMO	-	-	-	-	-	-	-	-	760	1,796	2,195	3,278	-	-	-	-	-	-	-	836	1,976	2,416	3,608	
Trustmark Life Ins. Co.	236	624	775	1,035	248	655	813	1,086	-	-	-	-	357	944	1,171	1,564	354	934	1,159	1,548	-	-	-	-
Trustmark Ins. Co.	236	624	775	1,035	248	655	813	1,086	-	-	-	-	357	944	1,171	1,564	354	934	1,159	1,548	-	-	-	-
United Healthcare Ins. Co.	334	890	1,088	1,579	201	535	654	949	-	-	-	-	421	1,121	1,370	1,988	253	673	823	1,194	-	-	-	-
United Healthcare of CO	-	-	-	-	-	-	-	-	329	876	1,070	1,553	-	-	-	-	-	-	-	360	959	1,171	1,700	
United Wisconsin Life	328	684	934	1,325	286	598	816	1,158	-	-	-	-	402	840	1,146	1,626	401	838	1,143	1,622	-	-	-	-
AVERAGE	\$386	\$1,011	\$1,103	\$1,597	\$297	\$774	\$874	\$1,257	\$391	\$987	\$1,246	\$1,697	\$525	\$1,379	\$1,515	\$2,181	\$411	\$1,071	\$1,212	\$1,737	\$443	\$1,117	\$1,411	\$1,919
MEDIAN	\$329	\$845	\$1,016	\$1,325	\$248	\$601	\$813	\$1,086	\$358	\$940	\$1,164	\$1,514	\$444	\$1,153	\$1,378	\$1,988	\$354	\$845	\$1,143	\$1,548	\$402	\$1,056	\$1,314	\$1,694

1. MSA is a Metropolitan Statistical Area. PMSA is a Primary Metropolitan Statistical Area.