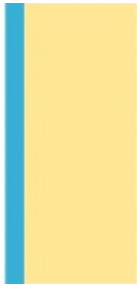




A healthy Colorado
includes everyone.



Three Possibilities for Colorado's Future Health Care Financing and Delivery

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Dr. Friedman analyzes cost and impact of three future pathways for Colo. health care.

- Repealing the ACA
- Implementing the ACA according to current law
- Implementing the Colorado Health Care Cooperative by approval of the voters

Results	Year	Repeal ACA	Implement ACA	Cooperative
Total Colo. Health care spending	2016	\$49 billion	\$50.5 billion	\$44.2 billion
	2024	\$85.7 billion	\$93 billion	\$69.5 billion
Percent of GSP (Sustainability)	2016	14.5%	15%	13.2%
	2024	17.5%	18.8%	14.2%
Percent uninsured	2016	17%	8%	.3%
	2024	23%	4%	.1%
% administrative expense (Includes provider office admin.)	2016	31%	31%	21.5%

Added costs with the Cooperative:

- Increasing use of medical services due to better access & including the previously uninsured
- Raising reimbursements for the Medicaid eligible patients to appropriately compensate Medicaid providers
- Installing new data and other administrative systems

Net Savings:

	Cooperative vs. repeal ACA	Cooperative vs. implement ACA
Total savings 2016	\$4.8 billion	\$6.3 billion
Total savings 2024	\$16.2 billion	\$23.5 billion
Per capita savings 2016	\$888/resident	\$1,167/resident
Per capita savings 2024	\$2,571/resident	\$3,683/resident

Source of savings with the Cooperative:

- Administrative efficiencies
- Reduced prices from bulk purchases of pharmaceuticals and medical equipment
- Fraud reduction
- As the system matures, other expected efficiencies from integrated delivery

Benefits:

Cooperative pays for over 90% of total Colorado health care spending by 2024, the Cooperative would pay for most medical expenses excluding elective cosmetic surgery, high cost dental procedures, and services and products of unproven medical value.

Paying for the Cooperative:

The Cooperative expects to receive Medicaid and the ACA subsidies through waivers. Coloradans will pay income-based premiums as follows:

- Employees--3% payroll premium (self-employed also pays)
- Employers--6% payroll premium & option to pay employees' share (self-employed also pays)
- 9% premium on non-payroll income capped at \$350,000/individual or \$450,000/family.

With these premiums, health-care costs will be less:

- 80% of all Colorado residents will pay less in any one year
- Employers who currently provide insurance lower cost from an 11.8% average combined employer and employee, not including the portion of medical workers' comp to 9%, which includes medical portion of workers' comp.
- For state and local governments, as much as \$2 billion annual savings in health care insurance

Jobs:

By redirecting \$3.3 billion of out-of-state spending to in-state spending, there would be a 23,000 net gain in Colorado jobs in 2016, and this will increase due to stimulating the economy.

www.couniversalhealth.org/research/economicanalysis/