



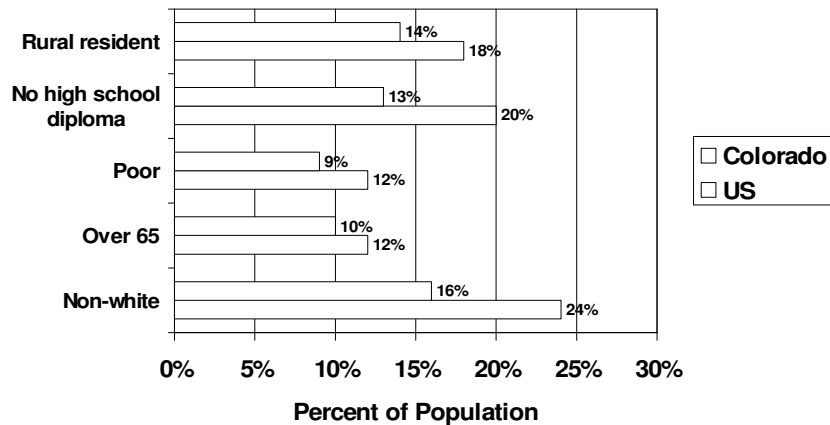
Blue Ribbon Commission for Health Care Reform

Health Reform in Colorado

The Road Behind –
The Road Ahead –
And Some Potholes Along the Way

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Starting Point for the Journey: Colorado Demographics



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Starting Point for the Journey: Colorado Politics

- 1992: Colorado voters approve TABOR, the nation's strictest tax and spending cap
- 2004: Democrats take control of both houses of the legislature for the first time in 44 years
- 2005: Voters pass ballot measure to suspend TABOR for 5 years
- 2006: Democratic governor replaces two-term Republican governor
 - Despite D wins, we're still more red than blue



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Starting Point for the Journey: Colorado Insurance, Medicaid/SCHIP

- In 2002, Colorado received HIFA waiver to cover pregnant women up to 200% FPL
- In 2004, tobacco tax increase was approved by voters; part of funds used to increase parent Medicaid eligibility to 60% FPL
- In 2007, law passed to require modified community rating in the small group market



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Starting Point for the Journey: Colorado Uninsured

- 792,000 – approx. 18% of population
- 70% in workforce or dependents of workers
 - 37.5% in firms that don't offer
 - 21% ineligible for employer's coverage
 - 11% eligible but don't take
- Found at all income levels
 - More than 50% have household income <\$50,000
 - 13% earn more than \$75,000 annually
- Ages
 - 40% between ages 19-34
 - 20% children
- 11% eligible but not enrolled in public programs
- 21% not citizens



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The Commission: History

- Created by legislation 2006
- Charge:
 - Identify and evaluate 3-5 proposals for comprehensive health reform; make recommendations
- 24 commissioners appointed by majority and minority leadership, governor
 - New governor allowed to appoint 3 more for 27 total
 - Providers, business, consumers, insurance industry, health experts



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Potholes 1

- No time
 - 11 month window – later extended to 13 months
- No money
 - \$100k funding from legislature (\$50k matching); raised \$1 million more
 - 83% from foundations
 - 8% from corporations, individuals



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Process

- RFP for proposals – received 31
- Selected 4 for evaluation; developed 5th
- Community input
 - Open meetings
 - 24 community meetings



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Proposals

- 11 included increased subsidies for low-income to purchase insurance coverage
- 10 proposed significant insurance market reform
- 10 included an individual mandate
 - “Massachusetts Effect”
- 6 single-payer proposals



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Major Features of Evaluated Proposals

- SEIU:
 - No mandates; public program expansions; subsidies; Connector; LTC reforms
- Underwriters:
 - Individual mandate; public program expansions; subsidies; Exchange; malpractice caps
- Safety net coalition:
 - Individual mandate; employer mandate; public program expansions; subsidies; consolidate all non-ERISA markets
- Single payer plan
- Commission proposal:
 - Individual mandate; public program expansions; subsidies; Connector



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Commission Recommendations - Roadmap to Reform

- Individual mandate
 - Expand public programs
 - Provide subsidies
 - Guaranteed issue in individual market
 - Enforce through income tax system
- Require employers to offer \$125 premium-only plans
- Connector
- Restructure, combine, expand Medicaid/SCHIP
- Raise Medicaid provider reimbursement



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Commission Recommendations - Roadmap to Reform

- Streamline admin burden
- Better access to cost, quality info
- Quality improvement (P4P, etc.) and care coordination (medical home, etc.)
- Health/wellness prevention measures (e.g. low/no co-pays for preventive care, lower premiums for healthy behaviors)
- Better service delivery for vulnerable populations (e.g., home- and community-based services)



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Potholes 2

- \$1.3 b price tag
 - Need tax increase to fund; must go to voters; Colorado voters don't embrace taxes
 - Competing priorities for new funding (transportation, education)
 - Need time to build support for tax increase
- Perception: "Commission wasn't serious about addressing costs"
 - Has compromised support in business community
- Some want to wait for DC



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Potholes 3

- Comprehensive approach – staged implementation
 - Makes sense to us!
 - But must be careful it doesn't become an excuse for incrementalism
 - Need to maintain focus, commitment, energy



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What the Landscape Will Look Like When We Get There

- Cover 86% of uninsured
- Cover all kids
- Reduce cost shift



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Upcoming Milestones

- Present recommendations to legislature Jan. 31
- Commission disbands
- Now it's in the hands of legislators...



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