

The Honorable Ken Salazar  
702 Hart Senate Office Building  
Washington, D.C.

RE: 208 Commission for Health Care Reform

Dear Senator Salazar:

The Colorado Commission for Health Care Reform is nearing the end of its work. We will present our final report and recommendations to the legislature by the end of January. 24 of the 27 members of the Commission support the 32 recommendations we will submit. Of particular note is the breadth of the Commissioners in support of these recommendations. We were not only appointed by six different elected officials (three Democrats, three Republicans), but we also bring perspectives from consumers, providers, payers, hospitals, brokers, businesses (small and large), mental health services, government, health plans, and rural Colorado.

This broad consensus was reached only after much hard work. Over the course of the past 18 months, we have spent thousands of hours in this effort. We solicited, received and evaluated more than 30 proposals. We selected four of those proposals – each reflecting a distinct approach to reform – for extensive economic modeling. The Commission then crafted a fifth proposal, taking the best ideas that were submitted in all proposals and considering the results of the economic modeling of the four selected proposals.

In the course of our work, we held more than 20 meetings throughout the state to obtain public input. We created four task forces to obtain specific perspectives on all the proposals from: (1) the business community, (2) providers, (3) rural Colorado, and (4) vulnerable populations.

We appreciate the interest you have shown in our efforts. That has been reflected not only by your meeting with us in April, but by the ongoing efforts of your staff, notably Karen Howard and Piper Su, to keep apprised of our work. We especially appreciate your statement that you wanted to know what efforts could be made on the federal level to facilitate health care reform.

In this regard, we note that a more coordinated and unified federal approach would facilitate state reform efforts, which must otherwise navigate through a maze of disparate laws (ERISA, HIPAA, the IRS code) and multiple agencies. It is in that spirit that we submit the following specific issues that arose as we structured our efforts to cover the uninsured and make health care more affordable. We emphasize that this list is not exhaustive. Within the time constraints for the final report of the Commission, we could not provide an exhaustive overview of issues related to Federal law and regulation. However, there is a level of consensus that the following issues may impede potential reform, and that these concerns can only be addressed by the federal government:

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Private Sector:

1. Premiums for Individual Health Insurance should be tax deductible.
2. To encourage wellness, health plans in Colorado (and other states) should be authorized to offer different smoker/non-smoker rates so long as the Plan offers tobacco cessation programs.
3. Business owners should be allowed to participate in IRS Section 125 plans.
4. States should be allowed to apply premium assessments on stop-loss carriers that serve ERISA plans.

Public Sector:

5. To expand access, Medicare provider payments should be increased, and Congress should re-evaluate the current formula for calculating physician compensation (known as SGIR).
6. SCHIP should be expanded.
7. Medicaid should cover childless adults
8. States should have the flexibility to determine how best to enforce citizenship requirements for Medicaid and SCHIP populations.
9. States should have greater flexibility to determine how best to spend federal public health funds (e.g. convert disease specific funding to general public health funding to best meet the needs of the state).
10. The maximum income level allowed for person to “buy-in” to Medicaid should be raised.

Again, we note that these are but ten of the concepts that could be addressed at the federal level in order to better accommodate state health care reform efforts. Many of the issues have emanated from considerable debate among members of the commission. Although the Commission is coming to its end, its members remain willing to continue our efforts to serve as resources for your office to address these issues.

In the end, we did not view our job as presenting a simplistic solution to a problem that is intertwined with layers of complexity. Rather, we recognized that we were given the opportunity to “jump-start” the debate, and have tried to submit a foundation for the debate that will go forward among the state’s policy-makers in the coming years. In that light, the federal environment in which this discussion must occur is critical, and we appreciate your willingness to consider the foregoing issues.

Please do not hesitate to let us know how we could help in that regard, and thank you again for your support and commitment to this critical public issue.