National Health Care Reform in Colorado

Key Components

- Protects consumers, improves affordability and holds insurers accountable.
- Contains costs for public & private programs to ensure fiscal sustainability.
- Cracks down on waste, fraud and abuse in Medicare and Medicaid.
- Expands coverage to those who are currently uninsured.

What the Various Reforms Do and When They Take Effect

- Requires insurance companies to allow young people to stay on their parents' policies until age 26. Takes Effect: Within 6 months
- Prohibits rescissions, restricts annual limits on coverage and precludes insurers from denying coverage to children because of a pre-existing condition. Takes Effect: Within 6 months
- Provides tax credits to small businesses to help cover employee premiums.
 Takes Effect: Within 6 months
- Prohibits health insurance companies from discriminating against adults because of a pre-existing condition. Takes Effect: 2014.
- Provides tax credits and subsidies for low- and moderate-income families to offset the cost of insurance premiums. **Takes Effect: 2014.**

Additional Benefits for Consumers and Public Health Programs

- Reduces family health insurance premiums by \$1,510 \$2,160 without reducing benefits, as compared to what they would be without health reform by 2016. [Senate Finance Committee estimate based on CBO, 11/30/09]
- Closes the Medicare prescription "donut hole" coverage gap.
- Establishes a tax on high-cost plans to control rising insurance premiums.
- Boosts Medicaid primary care reimbursements to physicians to 100% Medicare for two years with federal dollars.
- Increases the number of primary care doctors, nurses and physician assistants through new investments in student loan programs and other incentives.
- Institutes new patient care models in Medicare and Medicaid, such as Accountable Care Organizations (ACOs) and medical homes, as well as other payment reforms intended to link payment with quality outcomes.

TALKING POINTS & FAST FACTS: HOW COLORADANS WILL BENEFIT

- If you like the health plan you have, you can keep it. If you like the doctor you have, nothing in this national reform takes away that choice. But you will have more consumer protections and greater control.
- The old system was unsustainable. The cost of doing nothing was too high.
- Colorado is better positioned than most states to make the most of national reforms because of initiatives begun by Gov. Ritter and the legislature the past several years.
- National reforms will lower health care costs for Colorado families and small businesses. A new study shows that implementing national reforms in Colorado can reduce the cost of private insurance premiums by 10 percent to 25 percent.
- These reforms provide tax credits for up to 68,800 Colorado small businesses to help make coverage more affordable [Source: HealthReform.gov].
- The reforms will provide coverage to 500,000 currently uninsured Coloradans.
- The reforms will increase funding to 160 community health centers in Colo.
- The reforms will not "bust" Colorado's budget as some have claimed. In fact, there will be no state General Fund impact until at least 2017.
- Expanding health insurance coverage will strengthen the economy and create new jobs for Coloradans – as many 23,000 new jobs by 2019, according to a new study.
- As we proceed, we must remain committed to improving access, quality and cost. This commitment is one that we believe will pay off in the both fiscal and personal health for our state and its residents. If people are healthier, it costs us all less money.

POSSIBLE Q & A

Will we see better value or lower costs?

- Yes. According to the CBO, Americans buying the same coverage they have today in the individual market will see premiums fall by 14 to 20 percent compared to what they would pay today without health insurance reform. It is estimated that it will reduce family health insurance premiums in Colorado by \$1,510 - \$2,160.
- This is because reform will accomplish two important things: more people with coverage, and competition and administrative savings in the reformed market.

What if we did nothing?

- If we maintain the status quo, then health insurance premiums will continue to skyrocket and families and small businesses will be priced out of coverage.
- Inaction is simply not an option, because we know what that future will look like. Insurance premiums will continue to skyrocket, families and small business will continue to be priced out of coverage, and health care cost growth will continue to increase, putting an unsustainable burden on our state.
- The stakes were too high to do nothing.

What would you say to people afraid of losing what they have?

 If people like the plan they have, they can keep it. If they like their doctor, nothing in this plan takes that choice away. But they'll have more consumer protections that give them greater control.

What does this reform do for Coloradans?

- It ends the worst insurance company practices and outlaws discrimination against Americans with pre-existing conditions.
- It reduces costs for people with insurance and makes coverage more affordable for people without it today.
- It sets up a new competitive insurance marketplace where small business owners and families get the same buying power and insurance choices that all members of Congress will have to allow them to shop for the insurance plan that works best for them.
- o It increases the number of Coloradans with health care coverage.

• What do you think about Attorney General Suthers joining the multi-state lawsuit on constitutionality?

- We do not agree with his decision.
- Why would we want to exempt ourselves from something that does so much good for Coloradans?
- Most constitutional scholars agree that Congress does have this power under the Commerce Clause.
- Health care and health insurance both affect and are distributed through interstate commerce. And that gives Congress the power to legislate a coverage requirement using its Commerce Clause powers.
- Under existing health and labor laws, the Federal Government has a significant role in regulating health insurance.

Who conceived the "individual mandate"?

- o The individual mandate was originally a Republican idea. It was conceived by Mark Pauly for George Bush Sr. to compete against a Democratic proposal for an employer mandate. "There was a kind of an ethical and moral support for the notion that people shouldn't be allowed to free-ride on the charity of fellow citizens," Pauly says.
- The policy was originally included in many Republican and Clinton-era proposals. The leading GOP alternative plan known as the 1994 Consumer Choice Health Security Act included the requirement to purchase insurance.
- Further, this proposal was based off of a 1990 Heritage Foundation proposal outlined a quality health system where "government would require by law every head of household to acquire at least a basic health plan for his or her family."

How will this impact the number of uninsured Coloradans?

- Colorado currently has an estimated 750,000 770,000 uninsured residents.
- With the implementation of national reform, we anticipate another 500,000 people having access to coverage through the coverage expansions and through the Exchange.
- o This will dramatically decrease the numbers of uninsured in Colorado.