

The Colorado Universal Health Plan



Saves Colorado \$1.4 Billion Per Year

These cost savings result from:

- Using a standard prescription drug formulary and competitive drug and durable medical device purchasing
- Streamlined medical billing and provider payment
- Using standard electronic medical records and individual “Smart Card” medical records
- Eliminating commercial health insurance company high overhead administrative costs for advertising, sales, executive compensation, and claim denial and appeal processes
- Promoting preventive services and expanded primary care capability to reduce hospitalizations and better manage chronic health problems.



How the Plan Will Be Funded

1. Create a statewide health care enterprise under existing law. The Colorado Tax Payers’ Bill of Rights (TABOR) allows for the creation of state-operated “enterprises” to collect fees for services and expend funds in the course of fulfilling their legal purpose as defined by Colorado legislature. If authorized by the State, the Colorado Universal Health Plan will manage a trust fund to pay medical bills for all Coloradoans, creating a single-payer health care system.
2. Secure waivers to move Federal Medicare and Medicaid funds into the health care enterprise fund. Under the Federal Affordable Care Act, individual states may request waivers to Medicare and Medicaid programs to implement innovative state programs that will improve access to care and reduce health care costs. Such a waiver **would bring approximately \$8 billion federal dollars into the trust fund each year**. Additionally, the State would provide funds that currently represent the State’s share (50%) of Medicaid funds. Colorado Medicaid funding was approximately \$2.5 billion in 2011.
3. Collect health care fees (premiums) paid by Coloradoans. Health services fees or premiums would be paid by individuals and families at scaled rates based on ability to pay. Persons or households that qualify for Medicaid would not pay a premium because their premium would be paid into the trust fund by the State. Individuals and households with incomes above Medicaid eligibility levels will pay premiums into the trust fund at income-scaled rates that are projected to average at least **20% less than commercial health insurance rates**. The board of governors for the system will have the authority to adjust rates to assure long-term solvency.