



## WHAT IS AT STAKE WITH THE COLORADO PUBLIC OPTION?

### Key Questions for Guiding the Discussion

Download the full study: [www.remipartnership.org](http://www.remipartnership.org)

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*A state option: a new type of insurance plan that would significantly expand the role of state government within Colorado's healthcare industry.*

#### Objectives of HB19-1004

- Create a public option for health care coverage
- Leverage existing infrastructure
- May decrease costs Coloradans
- Increase Competition
- Improve Access to High-quality, affordable and efficient health care

#### Summary of "Final Report for Colorado's Public Option" as of Nov.15, 2019

- Requires private insurance companies to sell new health insurance product
- Immediately available in individual market and soon group market
- Public option hospital payment rates to be set by new formula rather than through hospital and carrier negotiations

*Only 5,700 previously uninsured Coloradans would enroll in the public option.  
Out of roughly 370,000 currently uninsured that would amount to a 1.5% reduction in the uninsured population.*

## Potential Impacts

Uncertain • Unprecedented • Unintended

#### HOSPITALS

- Reduced expansion and less profitable services
- Cost shift to less-regulated payors and markets
- Diversification into less regulated ventures
- Departures or closures in rural areas

#### EMPLOYERS

- Cancellation of employer-sponsored insurance plans, forcing employees into lower-cost public option plans
- Employers passing on higher group costs through higher employee contribution requirements and/or reduced benefits

#### CARRIERS

- Departure from fully insured programs
- Departure from Colorado
- Fewer services and/or increased pricing to other services

#### INSUREDS/PATIENTS

- Increased premiums and/or contribution requirements
- Fewer carrier choices
- Limited networks and/or access to services
- Displacement from employer-sponsored coverage to individual market

## A few Questions to Frame the Discussion:



**Patients/Insured:** If savings for buyers of a public option insurance come through lower revenue to both hospitals and insurance companies (with restrictions), without significant change to their costs, how will their decisions impact patient access and choice?



**Hospitals:** What choices will hospitals have to make if facing lower revenue and lesser/no change in costs or expectations from investors and community partners?



**Insurance Carriers:** How will insurance carriers respond to a mandate to sell the public option insurance product?



**Other Providers in the Medical Economy:** How will other medical service providers, besides hospitals, be impacted by the implementation and possible expansion of the public option?



**Employers:** How will employers react to a public option plan and will they be impacted by future cost-shifting?



**State and Local Government:** As employers, regulators, and health care providers, how will Colorado state and local governments be impacted by the public option?

### Key Take Away

Focusing exclusively on reducing insurance premiums via direct government actions could come at the expense of patients, employers, insurance carriers, hospitals and others. ***Policy makers should continue to explore the potential impacts and consider policy alternatives that mitigate those effects.***

***The full report includes more detailed questions relevant to the public option debate. It can be found at the link below:***

[WWW.REMIPARTNERSHIP.ORG](http://WWW.REMIPARTNERSHIP.ORG)