



## ANTICIPATING A STATE HEALTH CARE OPTION:

Will Businesses Face Higher Costs or Will Quality and Access be Cut?

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### HOUSE BILL 19-1004:

Recent legislation tasked Governor Jared Polis and his administration with developing a so-called state option: a new type of insurance plan that would significantly expand the role of state government within Colorado's healthcare industry. ***This study analyzes the potential effects of a state option on providers, insurers, markets, and the Colorado economy.***

### STUDY FINDINGS:

Government price controls needed to facilitate below-market premiums likely do not cover the full costs of care, and therefore the reduced **medical revenue to health care providers could range from -\$494 million up to -\$1.4 billion.**

Access to care, quality of care, and the stability of the broader health insurance market may be adversely affected, and *healthcare providers will find recovering unpaid costs much more difficult.*

**Medical providers will be faced with limited options, either CUT costs in a way that may adversely impact quality and access, or PASS costs on to the remaining private insurance market.**

#### CUT Costs

The state option could cause a potential loss of **1,500 to 4,500 healthcare workers** across Colorado, including doctors, nurses and others directly involved in patient care. This would only **exacerbate the state's existing shortage** of primary care physicians, nurses, and other healthcare providers.

#### PASS on Costs

If lost revenues from the state option are shifted to employer-provided insurance plans and other private sources, **the state economy could lose between 2,900 and 8,320 total jobs and \$320 million to \$919 million in total GDP.**

CHANGE IN HEALTH CARE INDUSTRY OCCUPATIONS		
Total Health Care Jobs	Health Diagnosing & Treating Practitioners (i.e. Doctors)	Other Health Care Workers (i.e. Nurses)
-4,490	-2,020	-2,460

ECONOMIC IMPACT TO COLORADO		
Shift 100% of Lost Expenditure to Remaining Private Insurance		
Total Employment Impact	GDP Impact (\$Millions)	Annual Disposable Personal Income Loss for Family of 4
-8,320	-\$919	-\$836



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