



Amendment 69: What You Need to Know About the “ColoradoCare” Single-Payer Health Care Measure

By Linda Gorman

In November 2016, voters will decide on Amendment 69, a state constitutional amendment which would create ‘ColoradoCare,’ a single-payer, government run health care system in Colorado. Here’s what ColoradoCare would do:

1. ColoradoCare will increase the state income tax to 14.63 percent, the highest in the country.

There is a 6.67 percent tax on the total payroll of all employers, and a 3.33 payroll tax on employees. All other “non-payroll income from all beneficiaries” will be taxed at 10 percent. The new taxes would be added to the 4.63 tax Colorado already imposes on income.

A “beneficiary” is an “individual whose primary residence is in Colorado.” Citizenship or permanent residence is not required.

ColoradoCare will be exempt from TABOR. Once a year it may hold an election to increase the income tax by whatever amount it sees fit. The election apparently does not have to be scheduled at any regular time, and the proposal to increase the tax does not have to be written so that a yes vote is a vote to increase the tax. The tax increase will pass if a majority of ColoradoCare “members” vote in favor of it. A “member” differs from a “beneficiary” in that a member must be at least 18 years of age and “whose residence must have been in Colorado for one continuous year.”

No definition of residence is given. According to the Secretary of State website, Colorado voters without fixed permanent homes can give parks, vacant lots, or homeless shelters as their home for registration purposes and then use a post office box as a mailing address.

2. ColoradoCare will control medical prices and medical spending.

ColoradoCare will “administer a coordinated payment system for health care services and control the per capita cost of health care.” This means that it can set a limit on overall spending and make health care a zero sum game for state residents.

The initiative states that no health care provider may “require a beneficiary to make a copayment or submit to any other cost-sharing arrangement without ColoradoCare’s approval.” It “shall not” require “copayments for designated primary and preventive care services.” It “shall not charge beneficiaries any deductibles.”

A “beneficiary” is anyone with a primary residence in Colorado. A health care provider is defined as “a health care professional licensed by the State of Colorado and includes individuals, hospitals, and other health care facilities licensed or certified by the state.” It also includes “an individual or entity that provides services, medical interventions, pharmaceuticals, or equipment used to treat beneficiaries.”

In practice, this provision would apparently make it illegal for anyone providing almost any health care service to accept any payment from a state resident that is not the same as the payment allowed by ColoradoCare.

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3. ColoradoCare is not health insurance.

Specifically, the initiative states that “Payment of the premium tax does not constitute the purchase of a health insurance policy by an employer or taxpayer.” There is no contract involved. People in Medicare or Medicaid will be protected by federal laws requiring access to certain kinds of treatment. The rest of the state’s residents will only be able to access the health care services that ColoradoCare chooses to provide, unless they buy additional health insurance.

4. ColoradoCare can assess unlimited income taxes.

It is also exempt from normal government controls. “ColoradoCare is not an agency of the state and is not subject to administrative direction or control by any state executive, Department, Commission, Board, Bureau, or Agency.”

ColoradoCare will be run by an elected board of 21 trustees. Three trustees will be elected by “Members” from each of seven newly created voting districts in Colorado. A “member” is someone who “is at least eighteen years of age and has had a primary residence in Colorado for at least one year.” The “members” do not have to be U.S. citizens. The proposed amendment is silent on how a year of residency will be determined. The districts must have roughly equal populations of “members.”

A trustee can only be removed by a majority vote of the other trustees. Board members are not subject to recall elections.

5. ColoradoCare will administer all State and Federal health programs except Medicare.

It will collect the federal premiums that flow through Connect for Health Colorado, control and administer all Medicaid and Children’s Basic Health Plan funding, funding for Worker’s Compensation, and “any other state and federal health care programs.”

It will not have access to Medicare funds unless the federal government certifies it as a Medicare Advantage plan. Absent a future agreement with the federal government, it will not pay for people covered by Medicare Parts A, B, or D, or those who would have been covered by Parts B and D had a “beneficiary” purchased those plans.

It will also not pay for services covered by other health insurance. It retains the right to sue for damages for injuries caused to a beneficiary and put a lien against any recoveries.

6. The Colorado General Assembly will lose control of roughly a third of the state budget.

The proposed amendment says that the state must fund ColoradoCare at the level that it funded Medicaid and other federal health programs, even though it no longer will have control of the way the money is spent.

After the first year, the amount of state funds that flow to ColoradoCare must increase each year by the rate of inflation and state population growth.

7. All personal health care data will be deposited in a database for publicly available research.

It will also be made available to thousands of people working in health care. The ColoradoCare Board will “promulgate rules that protect beneficiary confidentiality while allowing for publicly available research of ColoradoCare’s databases.”

ColoradoCare “will maintain a central database of medical records for management and research purposes” and is part of “efficient medical records and billing records systems that can be easily accessed by providers and beneficiaries.”

No penalties are specified if ColoradoCare fails to adequately protect personal data. If it is classified as a state health oversight agency, it will be exempt from HIPAA privacy requirements.

Conclusion

The ColoradoCare Amendment imposes the highest state income taxes in the nation. It creates a centrally run, monopoly health program. It does not guarantee health care or replace health insurance.

Decades of evaluations of existing centrally planned monopoly health care programs show their costs are poorly controlled, they have long waiting lists for even basic care, limit access to new drugs, have miserable quality, and discourage new discoveries.