Voters in Colorado will head to the polls this November not only to cast their ballots for the next president of the United States, but also to determine whether they will become the only state in the nation to adopt single-payer health care.

Amendment 69, also known as ‘ColoradoCare,’ was placed on the ballot after achieving the required threshold of 100,000 signatures and following an advocacy campaign led primarily by Colorado state Sen. Irene Aguilar, a practicing physician, and the author and documentarian T.R. Reid. U.S. Sen. Bernie Sanders, Noam Chomsky and the Colorado League of Women Voters also have endorsed the amendment.

Supporters contend that instituting a single-payer system would benefit Coloradans by lowering administrative costs associated with the current health care system, creating cost savings by eliminating the profit margins that private insurance companies currently enjoy, increasing the range of benefits for consumers and expanding coverage to all residents (currently 7 percent of Coloradans remain uninsured).

However, creating a universal health care system in Colorado has been opposed not only by conservatives, but also by many prominent figures on the left. Colorado Gov. John Hickenlooper, U.S. Sen. Michael Bennett, House Speaker Dickey Lee Hullinghorst and House Majority Leader Crisanta Duran, all Democrats, have issued statements in opposition to Amendment 69. ProgressNow, a progressive advocacy group, has also come out against ColoradoCare.

Opponents cite a number of concerns, particularly the costs associated with providing health care for every resident in the state. A study by the nonpartisan Colorado Health Institute estimates that in 2019, the first year ColoradoCare would go into effect, totals costs would amount to about $36 billion. Opponents also worry that the tax increases needed to fund ColoradoCare could prove to be a significant burden for individuals and employers, as well as discouraging new business development in the state.

So what are the policy specifics of ColoradoCare and what would happen if Amendment 69 is approved by voters? Let’s take a deeper look:

**What is ColoradoCare and How Would it Work?**

ColoradoCare, if approved, would replace the current healthcare system established under the Affordable Care Act with a citizen-owned health care cooperative, in which every resident would automatically become a member. The cooperative would be overseen by a 21-person Board of Trustees, elected by its members, and classified as a ‘political subdivision’ of the state, thus not under direct control of the legislature, governor or any state agency.

ColoradoCare would be the primary insurer for most Coloradans, except those covered under Medicare or by the Veterans Administration, though individuals with private insurance still would be
able to keep their plans. As with the ACA, under ColoradoCare many preventive measures would be covered at no cost, though some services would require copays. (The full list of benefits as outlined in the amendment can be found here [7]).

Unlike the ACA, large employers would not be responsible for providing health insurance plans for their employees. Instead all employers, regardless the size of their organizations, would pay their portion of the payroll tax and their employees would receive benefits directly from ColoradoCare.

**How Would ColoradoCare be Financed and What Would it Mean for Providers?**

ColoradoCare would be paid for in large part by increasing taxes. A payroll tax of 10 percent would be levied, with 3.33 percent paid by employees and 6.67 percent paid by employers. Non-payroll income would be taxed at 10 percent, which includes taxes on income from self-employment, interest and dividends, capital gains, and real estate earnings. Retirement income and Social Security benefits would also be taxed at 10 percent, though an exemption exists for up to $33,000 for individuals and $60,000 for couples. Federal funds, primarily from diverted Medicaid payments, and copayments made by patients would also help pay for ColoradoCare.

ColoradoCare would not directly employ any health care providers, but rather would reimburse providers the same way that private insurance companies, Medicare and Medicaid do now. The Board of Trustees would determine the rates of reimbursement for medical services and medications, though providers would be under no obligation to continue operating in the state if the rates dropped below what they deem sufficiently profitable.

Providers unhappy with reimbursement rates would remain free to contract with private insurers, though it is anticipated that the number of private health insurance companies operating in the state will be substantially reduced if ColoradoCare goes into effect.

**What about Medicaid?**

ColoradoCare administrators would be able to apply for waivers in order to receive federal funds that currently pay for Medicaid coverage, though the federal government would be under no obligation to approve of those waivers, or could decide to only approve a partial allocation of Medicaid funds.

Another matter of contention involves the Hospital Provider Fee, which transfers state and federal funds to help hospitals recoup losses associated with treating Medicaid patients (since Medicaid often reimburses at lower rates than private insurance and Medicare), and whether or not that funding would still exist if ColoradoCare is implemented. (A thorough discussion of this topic can be found here [8].)

Questions also remain related to how ColoradoCare would provide for long-term and nursing home care services that are currently covered under Medicaid.

**So What’s the Bottom Line?**

Adopting Amendment 69 would be an expensive gamble for Colorado to take. Vermont is the only other state that has attempted to implement a single-payer system, though they abandoned the project after three years due to the costs involved [9].

Opponents have raised many valid concerns [10] about the economic consequences of ColoradoCare, including potential impacts on business growth, disproportionate tax burdens on small business owners and independent contractors, and the limited ability of a single state to effectively bargain down prices with drug companies and other medical industries.
Other concerns involve the constitutional nature of ColoradoCare, which would prevent legislative or gubernatorial oversight and thus curtail the ability of lawmakers to make modifications over the course of implementation or pull the plug if ColoradoCare starts to pull state budgets deeply into the red (the Colorado Health Institute predicts [5] a 10-year deficit of 7.5 billion).

Given these issues, perhaps it is not surprising that ColoradoCare is being attacked by lawmakers and advocacy groups on both sides of the political spectrum. Voters also seem hesitant about the costs involved. The most recent polling shows Amendment 69 having little chance of approval this November, with only 27 percent of registered voters supporting the measure.

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