

NO on
69

Coloradans for Coloradans
March 29, 2016

What is Amendment 69?

Amendment 69 would replace the health insurance plans for most Coloradans with a massive new \$25 billion government-run system, funded by a 10% increase in taxes on those working in Colorado. The new system – untethered from the accountability or regulation of state government – would require the doubling of the state budget and give Colorado the highest state taxes in the nation.

Creates a new political subdivision of the State to run a state-funded health care system which would replace these existing sources of coverage with a yet to be defined system:

- Medicaid and Children's Health Insurance Program (CHIP)
- Individual and small group plans purchased through Connect for Health Colorado, CO's insurance exchange
- All other state-regulated benefits provided by employers
- Worker's compensation insurance
- All other state and federal health care funds for Colorado to ColoradoCare

Coloradans with Medicare, TRICARE and federally regulated health insurance from their employer (i.e.: FEHB Program) would maintain that coverage, meaning that there would still be a complex & fragmented health care financing structure – *this is not a complete single payer health care program*

Massive Costs – Doubles Colorado's Budget

Coloradoans have to balance their many priorities

- Amendment 69 would raise \$25 billion in new taxes, doubling the size of state government without addressing our state's challenges in K-12 education, high education, transportation, housing or human services.

The proposed state budget for 2016-17 is \$27 billion, covering all state functions including education, public assistance, public safety and Medicaid

As Coloradoans, we are passionate about health care, but we have other priorities that we care deeply about, too. Should we allow a sole issue - healthcare – to crowd out our support for so many other worthy issues?

Who Will Run ColoradoCare?

- 21-person Board of Trustees elected by “members of the plan” – not Colorado voters
- Established outside of state government
- NO requirement that these trustees have any experience in health care , insurance or anything else.
- NO requirements for ethnic, gender and age diversity, or balance in political affiliation.
- NO authority can contravene or overturn a decision by the Trustees.
- Trustees cannot be recalled.
- Exempt from the Taxpayer Bill of Rights (TABOR)
- Can raise taxes annually by a vote of the “members”

Our State Constitution

It Will Be Embedded In The Constitution and Can't Be Easily Changed.

- By making ColoradoCare a constitutional amendment which, if passed, would be exceedingly hard to amend to address flaws with its implementation.

“The budget is already burdened with too many constitutional measures — let alone one of this cost and magnitude.”

Former Governor Bill Ritter

What We Know About Amendment 69

It Will Hurt Working Families, Entrepreneurs & Retirees.

- To fund this system, proponents call for a 10 percent tax on payroll earned in Colorado. In addition, it taxes non-payroll income, including business income to entrepreneurs and family-owned businesses that realize their business income on their personal income tax statement. A69 would even tax a portion of retirement income.

Entrepreneurs, Family-Owned Businesses & Farmers

This new tax will disproportionately hurt those who have structured their businesses for tax purposes as “pass through” entities.

- This includes sole proprietors, partnerships, S corporations, LLCs, LLPs, many trusts, and income from farms and rental property.
- Anyone receiving income on a Schedule K-1, rental income, or income from a farm will have to pay the full 10 percent tax on all their business profits, whether or not those profits are ever withdrawn from the business and realized to the individual. In contrast, businesses that pay corporate taxes will not be subject to this 10 percent tax on their business profits.
 - Ex: Businesses owned by entrepreneurs and families that realize their business income on their personal income tax statement, will be required to pay the 10 percent tax on all business profits, whether or not that profit is ever actually withdrawn from the business and realized to the individual or family.
 - 82% of business tax returns fell into this category

What We *Don't* Know About Amendment 69

How Much Will It Really Cost?

- We don't know what this first-of-its-kind system will actually cost tax payers. If the estimated revenue is insufficient, ***ColoradoCare will either have to limit benefits or increase taxes again.***

What Health Care Benefits Will We Get?

- The amendment provides 11 broad categories of services that must be provided, but ***gives us no detail about the specific benefits.*** This makes it impossible for voters to determine whether or not this is a good deal for them.

What We *Don't* Know About Amendment 69

Who Will It Attract To Colorado?

- Today Colorado attracts the best and the brightest workforce and has a very healthy population. Today, Colorado's adult population is the leanest in the country and our health care costs are lower than most states. With A69, there will be ***financial incentives for people with high health care needs to relocate to Colorado*** to take advantage of publicly funded health care, thus changing the nature of our population and workforce and increasing health care costs for us all.

What We *Don't* Know About Amendment 69

What Will It Do To Access To Care?

- The assumption is that health care providers – doctors, clinics, hospitals, and nursing homes – will find acceptable terms with the new government-run health care system. However, that is not guaranteed. ***Colorado risks losing its health care workforce*** if the business terms offered by the government health plan aren't feasible. This is particularly concerning when you think about Colorado's many centers of excellence and the specialists we rely on to provide critical care to patients with complex cases and conditions.
- Colorado Children's Hospital reports it fears it will be unable to recruit the best and the brightest medical talent to work on innovative cures here in Colorado.

Colorado's Economy

We have one of the strongest economies in the country

- **We attract businesses to Colorado**

- Colorado stands out today as a magnet for new, cutting-edge companies – and the high-quality workers they attract. The significant tax increase will make Colorado less-attractive for employers and employees alike.

- **Colorado's unemployment rates are in the lowest bracket nationally**

- **US News & World Report Top 5 Cities in the US – 2016**

- Denver - #1
- Colorado Springs - #5

- **We attract technology companies**, which employ higher wage workers, stimulating all aspects of the economy: aerospace, telecom, banking/finance, medical devices, aviation, insurance, investment, IT-Software, clean-tech, health & wellness, PHARMA, etc.

The highest income taxes in the country change this. This Amendment Will Reverse Colorado's Vibrant Economic Growth

Why Should We Work to Defeat Amendment 69?

Continue Colorado's Progress

- CO is seeing the benefits of health reform. ***Our uninsured rate has dropped from 15.8 percent in 2011 to 6.7 percent in 2015.*** More than 160,000 people will get insurance through Connect for Health Colorado in 2016.

Invest In Practical and Possible Solutions: VT Has Shown This Isn't Possible

- In 2014 Vermont set out to be the first state in the country to move to a single-payer health care system. And, the state's governor, who initially championed their single-payer effort, ***killed the proposal because the financial models were overwhelming.*** Gov. Peter Shumlin said, "in my judgment, the potential economic disruption and risk would be too great to small businesses, working families and the state's economy."

Why Should We Work to Defeat Amendment 69?

Keep CO Competitive: Support a Vibrant Economy & Attract a Healthy Workforce

- To remain competitive, ***Colorado must maintain a reasonable tax structure and attract and support a healthy workforce.*** A69 creates a crushing new tax burden and attracts people who have high health care needs.

Focus on the Real Drivers of Health Care Costs Through Market Driven Reforms

- Rising health care costs are driven by a number of complex and interconnected factors, including behaviors that drive up instance of chronic disease, cultural values around end of life care and inefficiency in delivery of care. ***Changing the way we finance health care does nothing to address these cost drivers.*** There are many important initiatives underway in the public and private sectors to address the real cost drivers in health care. Trying to replace insurance carriers does nothing to advance these promising reforms. In fact, it distracts us ***by forcing the re-creation and refocus on the administration basics.***

Defeating Amendment 69: Summing Up

We can't afford it. This is a \$25 billion tax increase on working Coloradans. Our current state budget is \$27 billion. In one single vote, we would nearly double government spending for our state—while critical needs like education and transportation still go unmet.

It hurts working families and small business. To fund this system, proponents call for a 10 percent tax on payroll earned in Colorado. That puts an unfair burden on our small businesses and hard-working families.

This Amendment doesn't control costs. The benefits, providers, payments are unclear. The federal funding is unclear. There are no solutions to control costs in the Amendment; there is only a massive change in administration and control. *Any savings projections are simply not credible and not supported.*

Single Payer Doesn't Work in One State. Individuals, employers, and healthcare providers are not trapped inside Colorado. The A-69 impact to jobs, the economy, and healthcare provider quality access will be detrimental to Colorado and our residents.

We shouldn't mess with one of the strongest states in the nation. Our economy, our health, our attractiveness to business, our healthcare costs – we lead the nation in so much. Why would we implement an untested, single state solution that will reverse so much that is right with our state.

Why would we change the State Constitution, which is so hard to undo, to allow 21 unidentified individuals to implement a completely untested, risky scheme.

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Join Coloradans for Coloradans Today and Help Defeat Amendment 69

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