



Third Time Is No Charm

The Latest Colorado Public Option Proposal Still Threatens the Jobs of Health Care Workers and May Trigger Higher Costs for Businesses and Households

MARCH 2021

HB21-1232

Introduced during the 2021 Colorado legislative session, HB21-1232 poses a significant change to health care in Colorado. The bill would set price targets for individual market and small group plan premiums 20% below 2021 rates, which if not met, would prompt the creation of new state authority to mandate reduced-price plans.

You can read CSI's full report at

<https://commonsenseinstituteco.org/third-time-no-charm/>

KEY FINDINGS

While the newest version of the public option proposal has key differences from earlier versions, it still has severe economic impacts and unintended consequences.

The latest proposal also gives authority to create a new state entity, which could begin selling "standardized plans" by 2025, with premiums more than 30% below projected levels. Lower payment levels would be set for **all providers, and physicians, nurses, chiropractors, hospitals** and many others, would be required to accept the new state option, or face disciplinary action, including the loss of their license to treat patients.

Since HB21-1232 cuts prices without reducing the costs of delivering care, health providers would be faced with a critical choice...either.

**CUT services and access to care or
PASS the costs of the Colorado option plan to all others.**

CUT Costs

The health care system would face revenue cuts **from \$830M to \$1B** in 2024.

- 3,900 to 4,900 healthcare workers could lose their jobs –** at the top end that's roughly 2% of all healthcare jobs in Colorado.



PASS Costs

Health care providers may be forced to pass along the costs of the Colorado option plan to commercial payers.

- This additional cost on employers and workers would create a drag on the state economy, causing a **net loss of 4,300–5,400 jobs and a loss of \$470M in personal income in single year.**