

NO^{on} 69

Coloradans for Coloradans

Amendment 69: Risky. Uncertain. Unaffordable

After years of debate and division, health care remains a critical issue for our nation. Across our country and our state, too many people still cannot afford – or gain access to – the health care they need. This is a real issue that impacts real lives. But regardless of whether you live on the Front Range, the Eastern Plains or the Western Slope; whether you are a Republican or a Democrat or an independent; even regardless of whether you philosophically support a national single-payer health care system or prefer a market-based solution...

Coloradans agree that Amendment 69 is not the right answer for Colorado.

Coloradans for Coloradans is a bipartisan, statewide, diverse organization of Colorado citizens who have come together to oppose Amendment 69. Here are some of the best reasons why.

Huge New Tax Burden. Amendment 69 will raise \$25 billion in new taxes to fund a massive government-run health care system called ColoradoCare. To put that in context, the total state budget is roughly the same size. All Coloradans will pay into this system through payroll and non-payroll income taxes – working families, entrepreneurs and seniors will be hit hard by this new tax burden. And it will inevitably have impacts on our economy and our ability to make investments in other public services like education and transportation. *Colorado can't afford Amendment 69.*

21 Member Board of Inexperienced Politicians Making Health Care Decisions for You. ColoradoCare is a “political subdivision of the state” run by a 21 member Board of Trustees, separate and apart from the checks and balances of other government programs. The Board is empowered to run this \$38 billion entity - \$25 billion of new tax revenue, plus \$13 billion of existing health care funding – and make decisions about health care benefits, payments to doctors and future tax increases. Yet, there are no requirements for experience in health care, no guarantee of political balance and no authority to recall these members. *Decisions about our health care are too important to leave to inexperienced, unaccountable politicians.*

Another Complex Policy Embedded in Colorado's Constitution. This is yet another complex and costly amendment to our state's constitution. And because this policy is embedded in our constitution it would be difficult to amend or change in the future. *It is irresponsible to put another complex amendment into our state's constitution.*

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Massive New Tax Burden, especially for Entrepreneurs & Small Businesses. Employers will pay 6.67 percent on total payroll. Employees will pay 3.33 percent on all payroll income. This totals a new 10 percent tax on all wages and earnings. In addition to the payroll taxes, a 10 percent tax will be assessed on all non-payroll income, including: interest collected on savings, dividends, capital gains, some retirement income and business income to entrepreneurs and other businesses that are established as “pass through entities” (e.g. 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. Since most entrepreneurs, small and family businesses use pass-through entities for structuring their business activities, the ColoradoCare tax will disproportionately fall on them. In 2015, Colorado had 52,032 corporate filers and 235,733 pass-through filers.

Unknown Benefits. One of the most pressing concerns of many Colorado families is the scope of their health insurance coverage, particularly for those who have worked hard to obtain specialized coverage. Amendment 69 outlines 11 broad categories of coverage (e.g. ambulatory patient services, hospitalization, emergency and urgent care, palliative and end-of-life care), but provides no specifics on benefit levels. Decisions on benefits and cost-sharing will be left to the 21 member Board of Trustees. It is impossible for Coloradans to compare the coverage they have today with what they might get under ColoradoCare.

Unknown Costs. ColoradoCare would be a first-of-its-kind, state-level government run health care program. The Board of Trustees will be empowered to manage expenses and revenue to keep the program financially solvent. If the \$38 billion of revenue is insufficient to meet expenses, the Board will be forced to either:

- reduce benefits,
- reduce payments to providers or
- raise taxes again.

Uncertainty for Worker’s Compensation. There are two parts of worker’s compensation insurance: medical coverage and wage replacement (indemnity). Under Amendment 69, ColoradoCare assumes responsibility for the medical portion of worker’s compensation only, leaving the indemnity piece to be covered by private carriers. An indemnity-only business is untenable because there is no opportunity to manage costs. As such, most carriers would likely stop doing business in Colorado, potentially leaving Pinnacle Assurance as the only carrier in the state – a risky position for Pinnacle and the customers it serves.

Continue Colorado’s Progress. Colorado has made significant progress in health care reform over the last decade. Colorado’s uninsured rate is down from 15.8 percent in 2011 to 6.7 percent in 2015. We have promising initiatives underway to make health care delivery more efficient and effective. To be sure, there is more work ahead, but we are on a path that is addressing coverage, cost and quality. We shouldn’t divert from the course that is working in favor of a risky, untested and uncertain proposal.