



COLORADO
Gov. John Hickenlooper

January 4, 2017

The Honorable Kevin McCarthy
Majority Leader
U.S. House of Representatives
H-107, U.S. Capitol Building
Washington, DC 20515

Dear Majority Leader McCarthy,

In response to your letter from December 2nd, we urge you to protect health care coverage for the over 600,000 Coloradans that have gained coverage under the Affordable Care Act. We simply cannot support efforts to repeal current law without a plan to immediately protect Coloradans.

We share your commitment to putting patients first, and Coloradans have a history of coming together to improve health care. In 2008, our bipartisan, blue ribbon commission on health care reform made key recommendations, many of which have now been adopted by state and federal policymakers. Colorado's Accountable Care Collaborative program is saving money and improving the quality of care in our Medicaid program. Bipartisan efforts to expand Medicaid and create our state-based marketplace have driven coverage to historic levels. Our offices of the State Innovation Model and eHealth Innovation are helping to make it as easy to access mental health care as it is to see your primary care doctor, while making sure your health records are accessible to you no matter where you seek care.

Colorado's businesses and their employees have benefited from slower growth in health care costs that have resulted from the Affordable Care Act. When more Coloradans are uninsured, the costs of uncompensated care are borne by employers, as providers must raise their prices and insurers pass these costs on to businesses and their employees. Since the passage of the Affordable Care Act, annual increases in premiums and out of pocket costs for employer sponsored insurance have been cut in half nationally. As a result of expanding Medicaid, Colorado has added an additional 31,000 jobs and household earnings are up more than \$600 a year.



Because of the progress Colorado has made, repealing the Affordable Care Act without an immediate replacement may be disastrous. In the wake of “repeal and delay,” Colorado’s individual health insurance market may collapse, as insurance companies abandon our market in the face of market uncertainty. Over 160,000 Coloradans, including 27,000 children, who receive coverage through our public exchange, Connect for Health Colorado, will be without protection.

In response to your questions, we welcome conversations about giving states additional flexibility to improve health care for our citizens. Our state has had discussions about Section 1332 waivers and believe that such waivers could be vehicles to drive innovation at the state level. Coloradans have discussed potentially using such a waiver to align income eligibility rules between Medicaid and our state-based marketplace or to eliminate the “family glitch.” Unfortunately, greater flexibility cannot make up for a lack of funding. Should the federal government pull back its financial commitments, we simply cannot afford to make up the difference.

We are interested in discussing new and innovative ideas for improving the Medicaid system. Coloradans are striving to lower costs and improve health by making sure that patients get the right care, in the right setting, at the right time. Our state is in the process of improving upon its successful Accountable Care Collaborative program, an innovative approach to Medicaid that focuses on data driven, coordinated primary care. We look forward to continuing an open collaboration with our federal partners that will grant Colorado the flexibility to move this program into the next phase.

At the same time, we are concerned that block grant and per capita cap proposals will make it difficult to maintain coverage and benefits for Coloradans over the long term. Many proposals would force us to make impossible choices in our Medicaid program. These proposals would shift the cost of providing health care to Colorado’s most vulnerable citizens on our limited state budget or force us to make difficult cuts. We should not be forced to choose between providing hardworking older Coloradans with blood pressure medication or children with their insulin.

We have heard from countless Coloradans who are concerned about the future of their health care. More than 100 groups representing all 64 of our state’s counties, businesses, patients, people with disabilities, consumers, doctors, hospitals, insurers and others have asked us to protect the progress we have made on coverage, access, and quality. They agree that the ACA should not be repealed without a clearly identified and carefully considered replacement plan in place. They have asked us to reject proposals that put vulnerable populations at risk and shift costs onto our state.

We stand ready to work with you, in a bipartisan manner, to improve upon the advances we have made and continue to protect Coloradans. We look forward to discussing these

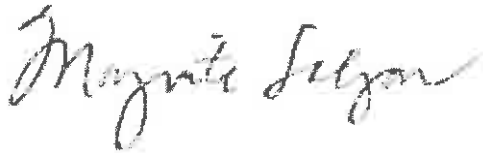
issues with you in person and attending your convening of Governors and Commissioners on this topic later this year. Feel free to contact the Governor's Senior Health Policy Advisor, Kyle Brown (kylem.brown@state.co.us; 303-866-5361), with any questions.

Thank you for your efforts to improve the health of Coloradans and all Americans.

Sincerely,



John W. Hickenlooper
Governor



Marguerite Salazar
Commissioner of Insurance