

Draft Report

- Scientific literature review-based overviews of financing options, economic impacts, and coverage approaches
- Model-based cost estimates
 - Current policy and partial and full publicly financed and privately delivered reforms
 - Total and per capita cost at years 1, 2, 5, and 10
 - Health care expenditures by payer
- Stakeholder input

Key Personnel

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Scientific Literature Review

- Cost of Emergency Care
- Lost Time, Productivity, and Unemployment
- Medical Bankruptcy
- Medical Financial Hardship
- Health Determinants, Social Spending, and Healthcare Costs
- Economic Impacts for Employers, Employees, and Households
- Federal and Legal Constraints to Healthcare Reform in Colorado

Cost of Emergency Care (1.2.3.1)

The aim of this review is to describe the scientific research and data pertaining to the costs of emergency department care, urgent care, and intensive care, particularly for individuals who are unable to afford preventive or primary care in lower-cost settings, and ways that healthcare reforms may impact these costs.

Summary of Findings

Shifting health care use for non-emergent issues from the emergency department to primary care and urgent care reduces overall healthcare costs. Increasing primary care access can prevent individuals from experiencing more serious health crises, which would reduce emergency care use and contribute to health care cost-savings over time, especially for uninsured individuals. However, Colorado data suggests that increases in preventive care use following the implementation of the Affordable Care Act have not yet decreased the state's rate of emergency care utilization. This may indicate that health insurance and primary care affordability are not the only factors in increasing preventive service utilization; convenience and accessibility are also key.

Reforms to Colorado's health care system through the introduction of a partial or full publicly financed and privately delivered component may reduce emergency department utilization and therefore overall healthcare costs to the extent that reforms increase access to preventive and primary care. Additionally, the current scientific literature suggests that any cost savings would take one to three years to realize.

Model based cost estimates

- Estimate the total cost in Colorado's current healthcare system to be \$38.3 billion.
- Estimate of the total cost in a partial publicly financed and privately delivered reform option ranges from \$38.6 billion to \$39.34 billion
 - Cross over from private market
 - Reimbursement rates
- Estimate of the total cost in a full publicly financed and privately delivered reform option ranges from \$34.62 billion to \$37.78 billion
 - Reimbursement rates

Model based cost estimates methods

Data

- 2018 Medicare Expenditure Panel Survey data (MEPS)
- 2018 American Community Survey data for Colorado (ACS)

Calibration

- Centers for Medicare and Medicaid services
 - Medicare and private market
- CO HCPF for Medicaid

Partial and full publicly funded and privately delivered reform option

- Cost profile based on the employment based private market, premium subsidies for low-income individuals, various reimbursement rates, etc.
- Medicare costs stay the same in the reform options
- include a price elasticity correction to more accurately reflect potential cost-savings under different reimbursement rates.

Model based cost estimates

- in a multi-payer universal health care system with the assumption that the publicly funded portion of this option further captures 10% of the privately insured market, **total healthcare expenditures would be 2%-3% higher compared to status quo depending on the level of provider reimbursement rates.**
- **in a full publicly financed and privately delivered universal health care system, expenditures would be 3%-10% lower depending on the level of provider reimbursement rates.**
- Our 2, 5, and 10 year estimates apply the Colorado average 4.5% annual health care cost growth rate
 - Price controls/regulations could significantly decrease long-term costs in the full publicly financed and privately delivered reform option compared to status quo
- Provider retention and hospital financial health is a major consideration

Table: Point estimate and 95% confidence intervals for total healthcare expenditure in the state of Colorado under the various scenarios. Assuming a Colorado population of 5,773,714 (2020 census figure).

Overall population cost (in billions)	Reimburse 100%	Reimburse 150%	Reimburse 200%	Reimburse as private (250%)
Status quo – no uninsured adj.	-	-	-	38.20 (35.97, 40.63)
Status quo (with cost calibration for uninsured)	-	-	-	38.30 (36.07, 40.75)
0% private crossover	39.13 (36.77, 41.65)	39.20 (36.83, 41.72)	39.27 (36.89, 41.79)	39.34 (36.95, 41.86)
10% private crossover	38.88 (36.53, 41.37)	39.03 (36.67, 41.54)	39.18 (36.81, 41.70)	39.34 (36.95, 41.86)
20% private crossover	38.60 (36.27, 41.08)	38.85 (36.50, 41.34)	39.09 (36.74, 41.60)	39.34 (36.95, 41.86)
Full publicly financed and privately delivered	34.62 (32.30, 37.00)	35.67 (33.27, 38.14)	36.73 (34.24, 39.27)	37.78 (35.22, 40.40)

Stakeholder input