

**The Supreme Court Ruling on the Affordable Care Act:
Implications for Colorado**
A Summary
June 28, 2012

The U.S. Supreme Court's decision to uphold the Affordable Care Act (ACA), and especially the individual mandate provision, stands to affect Colorado's health care system – and hundreds of thousands of the state's residents - on a variety of fronts.

CHI estimates that about a half-million uninsured Coloradans will gain health insurance by 2016.

These newly-insured Coloradans – those who will become eligible for an expanded Medicaid program, middle-income individuals and families who will qualify for government subsidies to purchase insurance, and employees of small and some larger businesses who aren't currently offered coverage – will most likely have significant implications for Colorado's insurance market as well as how health care is delivered in the state.

The Supreme Court ruling created more certainty for the Colorado Health Benefit Exchange (COHBE). Authorized by state law but funded initially through the health law, COHBE is scheduled to open a new marketplace designed to provide affordable insurance by late 2013. A good portion of the newly-insured will most likely buy their coverage through COHBE.

Finally, tens of millions of dollars in ACA-related grants will continue to flow to Colorado organizations, funding their efforts to improve the health care system. Many programs in Colorado are testing models to make health care more efficient, less expensive and better able to provide good health outcomes. CHI expects this forward-looking work to continue.

Five Questions Facing Colorado

With its ruling, the Supreme Court provided some important answers. But CHI anticipates that Colorado's policymakers, leaders and citizens will need to answer a number of other questions in the coming years in order to implement the law by 2014 and make it work best for Colorado, including:

1. **Will Colorado choose to participate in the Medicaid expansions outlined in the ACA?**
2. **Will the Colorado Health Benefit Exchange be open by October 2013?**
3. **What will be included in Colorado's definition of Essential Health Benefits?**
4. **Will the tax penalties be sufficient to encourage currently uninsured Coloradans to purchase coverage?**
5. **Constitutional issues aside, does the ACA survive ongoing battles over implementation?**

With today's decision, the legal challenge may be over, but the implementation battles remain. And the outcome will make a difference for the approximately 830,000 Coloradans without health insurance as of 2011.

Elections – from presidential and congressional to the state level – will most likely determine how the law is implemented beginning in 2014. Switching from a Democratic administration to a Republican administration could impact the law almost as much as a Supreme Court ruling striking it down would have. Especially crucial will be whether funding is allocated to pay for the provisions in the law.

Even more basic, will Coloradans find that health insurance really does become affordable? Will they be persuaded to buy health insurance rather than pay the penalty, or will they decide it makes more financial sense to pay the penalty?

How will those decisions affect the operation of Colorado's new health insurance marketplace and its ongoing viability?

Will Colorado be ready to care for a half million or so newly insured, with all of the implications those numbers hold for the state's health care workforce and its capacity to provide care, especially in currently underserved areas of the state.

The answers to these questions – and hundreds of others – will become clearer as the ACA heads toward 2014, when the majority of it is slated for implementation.