

How CHI Analyzed ColoradoCare: Step-by-Step

EXPENSES

STEP

1

We projected all health spending for Colorado in 2019, the first year ColoradoCare could start.

Examples: Hospital care, prescription drugs, medical equipment, dental care, nursing homes, insurance profits, many others.



STEP

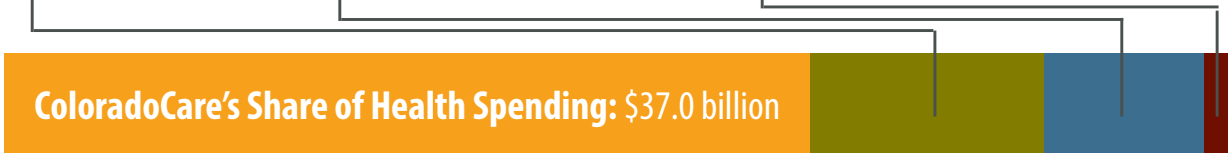
2

We subtracted spending for which ColoradoCare would not be responsible.

Federal: \$11.4 billion
Medicare, TRICARE, Veterans Administration

Uncovered Services: \$7.9 billion
Some adult dental, vision and hearing, cosmetic surgery, others

Remaining Private Insurance: 5 percent
Some people eligible for ColoradoCare would choose to keep their private coverage.



STEP

3

We adjusted ColoradoCare spending for savings and new expenses.

We subtracted savings: \$5.3 billion.

Savings come from administrative efficiency, hospital costs and other areas.



We added new expenses: \$4.6 billion.

These include administration and increased use of care.



ColoradoCare's Adjusted Spending: \$36.3 billion

Pause

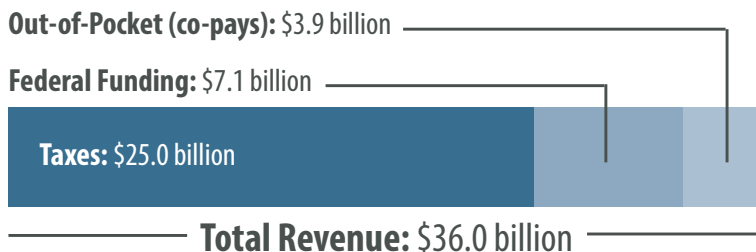
At this point, we have an estimate of how much ColoradoCare would spend in its first year: **\$36.3 billion**. Now we need to see whether it would have the revenue to sustain that spending. *Move on to Step 4.*

REVENUE

STEP

4

We added up the revenue for ColoradoCare.



STEP

5

Finally, we **calculated** the surplus or deficit.

Spending: \$36.3 billion
minus
Revenue: \$36.0 billion
equals
Deficit: \$253 million