

Proposed initiative measure 2023-2024 #105

BY PROPONENT(S)- Ronald Leinbach, Rita Durbin

**AN ACT TO ESTABLISH STATE RUN HOSPITALS (Section 25.5-1-101 (Art 12))**

**A proposed tax of five percent on all medical entities doing business in Colorado, and an establishment of an independent third-party facilitator who would collect one thousand dollars per year per person, and record eligibility of persons to be seen at State run medical facilities (subscribers), the tax and monies collected would be used to fund the state run hospitals, for the betterment of health care in Colorado. Effective date of the proposed initiative shall be 1/1/25**

**The benefits of Act-Legislative declaration**

- (a) Additional facilities available in the event of next pandemic
- (b) Lowering of overall cost of health care in Colorado, due to increased competition with current health care institutions in operation in Colorado, and those businesses profiting excessively.
- (c) Decrease in the overall confusion and excessive paperwork involved in obtaining health insurance and care in the State of Colorado.
- (d) Medical care that is more affordable, more available, and better quality.

- (e) Small business will benefit by being able to offer affordable health care for employees.

Be it enacted by the people of the State of Colorado

**Section 25.5-1-101(Art 13).** MEDICAL ENTITY DEFINITION- ANY BUSINESS WHOSE SERVICE OR PRODUCT IS CONSUMED OR DISTRIBUTED IN THE STATE OF COLORADO FOR THE PURPOSE OF PROVIDING PATIENT HEALTH CARE AND ASSOCIATED PRODUCTS FOR COLORADO RESIDENTS:

- (a) Hospitals- Hospital licensed or certified by the Department of Public Health and Environment pursuant to Colorado Revised Statue section 25-3-601.
- (b) Health insurance companies- any carrier or health insurer offering health benefit plans or health coverage plans to residents of the state of Colorado as described in Colorado Revised Statue section 10-16-102.
  - 1. Vision insurance
  - 2. Dental insurance
  - 3. Major medical insurance
  - 4. Supplemental insurance
- (c) Dentists- a dentist who is licensed to practice dentistry pursuant to Colorado Revised Statue Title 12 Article 220.
  - 1. Cosmetic dentistry

2. Orthodontics
3. Endodontics
4. Periodontics
5. Oral surgery
6. Dental implant
7. Dentures
8. Prosthodontics
9. Oral implantology

(d) Pharmacies- prescription drug outlet as defined under Colorado Revised Statue 12-280-103(43)

(e) Surgical centers- any facility performing surgery in the state of Colorado or physically located in the state of Colorado as described in Colorado Revised Statue section 25-3-601.

(f) Manufacturers- any manufacturer selling service or equipment to medical entities in the state of Colorado, whereby the end product or service resides or is performed in the state of Colorado.

1. Pharmaceutical manufacturers
2. Equipment manufacturers
3. Software manufacturers- (medical software and patient record manufacturers, otherwise known as EMR)

(g) Service company- any organization servicing medical equipment at any medical entity located in the state of Colorado

(h) Doctors' offices- any doctor's office doing business in the state of Colorado or physically located in the state of Colorado, as described in Colorado Revised Statute section 12-36-106.

1. Dermatologist
2. Family practice
3. Pediatrics
4. Oncologist
5. Ent- ear, nose, and throat
6. Surgeons
7. Cardiologist
8. Gynecologist
9. Neurologist
10. Gastroenterologist
11. Psychiatrist
12. Endocrinologist
13. Internist
14. Radiologist
15. Anesthesiologist
16. Ophthalmologist
17. Allergist
18. Emergency Medicine
19. Nephrologist
20. Infectious disease
21. Geriatrician
22. Pulmonologist
23. Otolaryngologist
24. Hematologist
25. Internists
26. Hospice and palliative medicine

- (l) Urgent Care facilities- Urgent Care facilities, emergency rooms, free standing emergency rooms in the state of Colorado, as described in Colorado Revised Statute section 25-3-601.

**Section 25.5-1-101(Art 14)- STATE RUN MEDICAL FACILITY DEFINITION- A MEDICAL FACILITY LEASED OR NEWLY CONSTRUCTED BY THE STATE THAT SHALL PROVIDE ALL THE SERVICES UNDER THE DEFINITION OF A MEDICAL ENTITY.**

- (a) State run facility or facilities and personnel for State run facility or facilities is funded by five percent tax on medical entities and independent subscribers as described in section three.
- (b) State run facility or facilities shall be for use of subscribers only (See section 25.5-1-101(Art 15), paragraph (
- (c) State run medical facility consists of five story facility that houses thirty to fifty beds and attached building for facilities infrastructure that has the following architecture.
  1. Basement- support services (sterile processing, environmental services, facilities
  2. First floor- emergency department, urgent care, lab, pharmacy, radiology
  3. Second floor- operating rooms, pre and post op rooms
  4. Third floor- inpatient rooms
  5. Fourth floor- clinic specialties as mentioned under doctor's office medical entities.
  6. Attached building- HVAC and boiler infrastructure.

**Section 25.5-1-101(Art 15)- INDEPENDENT THIRD-PARTY FACILITATOR  
DEFINITION- INDEPENDENT THIRD PARTY, NOT CURRENTLY A CARRIER OR HEALTH  
INSURER, WHOSE PURPOSE WOULD BE ENROLLMENT AND VERIFICATION OF PAYMENT  
ONLY**

- (a) Subscriber- any person paying one-thousand dollars per person per calendar year to enroll in independent insurance membership. Collected by the Independent third-party facilitator.
- (b) Subscribers are entitled to all services provided at the state-run facility or facilities- with no copay, no deductible, providing their one-thousand dollar per year payment is up to date.
- (c) A subscriber card will be issued by the independent third-party facilitator to the subscriber with a picture of the subscriber on the card, this is the only ID that would need to be presented to be seen at the state-run facility or facilities.
- (d) Subscriber cards can only be used at state-run facility or facilities.

**Section 25.5-1-101(Art 16)- FINANCING FURTHER EXPLANATION**

- (a) The first year 1/1/25-1/1/26 is for collection of tax, as to provide a cushion for second year of taxation, also second year would be

- when State run facilities would be put into operation, thus financing would always be ahead of any spending.
- (b) There would be an estimated three hundred and fifty million dollars of revenue from four major hospital systems based on public sources of their revenue for 2022
  - (c) Any overage of collected taxes are to be rolled over into the new fiscal year.
  - (d) If it should become necessary for additional funding, which does not seem likely based on the overall medical spending in the state of Colorado, an additional vote would be required to raise the tax rate.
  - (e) Also, should the Act pass and be successful in the state of Colorado, additional funding could be requested from Federal Sources.
  - (f) The five percent tax will be collected per transaction from the medical entity as described in Section 25.5-1-101 (Art 13) To be collected quarterly, by the State treasurer.

**Section 25.5-1-101(Art 17)- EFFECTIVE DATE. THIS PROPOSED INITIATIVE TAKES EFFECT JANUARY 1, 2025.**





