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As part of Colorado’s “Saving Cities Millions”...

the **TOWN OF BERTHOUD** could save  
**\$140,289 ANNUALLY (56.6%)** on employee health insurance

if voters approve the **ColoradoCare Citizens’ Initiative #20**

**Why the big savings?**

A universal health care system—private providers paid with combined funds—reduces layers of administrative costs; allows for bulk purchasing of drugs and medical equipment; and reduces fraud and duplication.

**How are savings calculated?** An economic analysis of health care spending in Colorado has calculated that comprehensive health coverage for every resident could be paid for with pre-tax payroll premiums of 6.67% for employers; 3.33% for employees; (and 10% on non-payroll income).

A. Cost of health care insurance for the Town of Berthoud, 2013/2014 budget <sup>1</sup>:

Health Insurance Premiums 2014	\$ 214,490
Medical Portion (59% <sup>2</sup> ) of Workers’ Comp Premiums 2013	<u>33,257</u>
Total Cost for Health Care Insurance	\$ 247,747

B. Cost with ColoradoCare:

Berthoud payroll, 2013 budget (note different year than ins. premiums)	\$ 1,611,063
ColoradoCare Employer Premiums are 6.67% of Payroll	<u>x .0667</u>
Total Cost with ColoradoCare	\$ 107,458

The difference between A and B means **a saving to the town of \$140,289** and a reduction in the cost of health care coverage from 15.4% of payroll to a simple 6.67% with the medical portion of workers' comp included.

Under ColoradoCare, employees would pay just 3.33% of salary for family health coverage--a significant decrease for many employees. If employers took the option of paying part or the entire employee share at the full 10%, the Town of Berthoud would still save \$53,384.

**Additional savings not measured include:**

- Employer time spent administering health care benefits and the medical portion of workers’ comp
- Employee work time spent learning about the employer’s health plan and workers’ comp medical

**Good news for employees:** New hires and part-time employees would have health care coverage for themselves and their dependents and would be able to continue care with the health professionals of their choice. There would be no co-insurance or deductibles. With modest co-pays, which could be waived for financial difficulty and designated primary and preventive care, ColoradoCare out-of-pocket expenses would be substantially less than with existing policies. ColoradoCare medical coverage is comprehensive, and would include mental health and designated dental, vision, and hearing benefits.

<sup>1</sup> Town of Berthoud figures provided by Faith Smith, Accountant, 12/23/13.  
<sup>2</sup> This figure comes from a 2008 study by the National Council on Compensation Insurance focusing on the rising cost of health care as opposed to other components of Workers' Compensation--e.g., loss of wages, compensation for permanent bodily injury, disability. Workers' Compensation premiums reported by Ms. Smith were \$56,368.

*Vote for ColoradoCare in November, 2016*