DYING For Coverage IN COLORADO

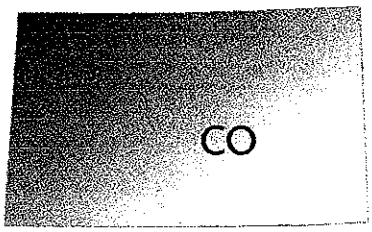
Families USA

March 2008

DYING FOR COVERAGE IN COLORADO

The number of uninsured Americans reached 47 million in 2006, and it continues to rise. For many of the uninsured, the lack of health insurance has dire consequences. The uninsured face medical debt, often go without necessary care, and even die prematurely. In 2002, the Institute of Medicine released a groundbreaking report, *Care without Coverage: Too Little, Too Late*, which estimated that, nationwide, 18,000 adults between the ages of 25 and 64 died in 2000 because they did not have health insurance. Subsequently, The Urban Institute estimated that at least 22,000 adults in the same age group died in 2006 because they did not have health insurance.[1]

To find out what this means for people across the nation, Families USA has generated the first-ever state-level estimates of the number of deaths due to lack of health insurance.



Our estimates are based on both the Institute of Medicine and The Urban Institute methodologies applied to state-level data.

In 2006, there were more than 2,709,000 people between the ages of 25 and 64 living in Colorado. Of those, 18.8 percent were uninsured.[2] Uninsured Coloradans are sicker and die sooner than their insured counterparts.

Working-Age People without Health Insurance Die Sooner

- Families USA estimates that one working-age Coloradan dies each day due to lack of health insurance (approximately 360 people in 2006).
- Between 2000 and 2006, the estimated number of adults between the ages of 25 and 64 in Colorado who died because they did not have health insurance was nearly 2,100.
- Across the United States, in 2006, twice as many people died from lack of health insurance as died from homicide.

Uninsured adults are more likely to be diagnosed with a disease in an advanced stage. For example, uninsured women are substantially more likely to be diagnosed with advanced stage breast cancer than women with private insurance.

WHY INSURANCE MATTERS

The uninsured are less likely to have a usual source of care outside of the emergency room.

- Uninsured Americans are up to four times less likely to have a regular source of care than the insured.[3]

The uninsured often go without screenings and preventive care.

- Uninsured adults are more than 30 percent less likely than insured adults to have had a checkup in the past year.[4]
- Uninsured adults are more likely to be diagnosed with a disease in an advanced stage. For example, uninsured women are substantially more likely to be diagnosed with advanced stage breast cancer than women with private insurance.[5]

The uninsured often delay or forgo needed medical care.

- Uninsured Americans are up to three times more likely to report having problems getting needed medical care.[6]
- Uninsured adults are more than three times as likely as insured adults to delay seeking medical care (47 percent versus 15 percent).[7]

Uninsured Americans are sicker and die earlier than those who have insurance.

- Uninsured adults are 25 percent more likely to die prematurely than adults with private health insurance.[8]
- Uninsured Americans between 55 and 64 years of age are at much greater risk of premature death than their insured counterparts. This makes uninsurance the third leading cause of death for the near-elderly, following heart disease and cancer.[9]

The uninsured pay more for medical care.

- Uninsured patients are unable to negotiate the discounts on hospital and doctor charges that insurance companies do. As a result, uninsured patients are often charged more than 2.5 times what insured patients are charged for hospital services.[10]
- Three out of five uninsured adults (60 percent) under the age of 65 reported having problems with medical bills.[11]

Endnotes

[1] Institute of Medicine, *Care without Coverage: Too Little, Too Late* (Washington: National Academy Press, 2002), and Stan Dorn, *Uninsured and Dying Because of It: Updating the Institute of Medicine Analysis on the Impact of Uninsurance on Mortality* (Washington: The Urban Institute, January 2008).

[2] The numbers presented here are from the Current Population Survey, which is conducted by the U.S. Census Bureau. Because of small sample sizes, the population estimates, as well as the percentage of people who are uninsured, may vary from year to year at the state level.

[3] Kaiser Family Foundation, *2003 Health Insurance Survey*, as cited in *The Uninsured: A Primer, Key Facts about Americans without Health Insurance* (Washington: The Kaiser Commission on Medicaid and the Uninsured, October 2006).

[4] Kaiser Commission on Medicaid and the Uninsured, *The Uninsured and Their Access to Health Care* (Washington: Kaiser Commission on Medicaid and the Uninsured, May 2000).

[5] Michael Halpern, John Bian, Elizabeth Ward, Nicole Schrag, and Amy Chen, "Insurance Status and Stage of Cancer at Diagnosis among Women with Breast Cancer," *Cancer* 110, no. 2 (June 11, 2007): 403-411.

[6] NewsHour with Jim Lehrer/Kaiser Family Foundation, *National Survey on the Uninsured, March 2003*, as cited in Kaiser Family Foundation, *The Uninsured: A Primer, Key Facts about Americans without Health Insurance*, op. cit.

[7] Kaiser Commission on Medicaid and the Uninsured, op. cit.

[8] Institute of Medicine, *Insuring America's Health* (Washington: National Academy Press, 2002).

[9] J. Michael McWilliams, Alan Zaslavsky, Ellen Meara, and John Ayanian, "Health Insurance Coverage and Mortality among the Near-Elderly," *Health Affairs* 23, no. 4 (July/August 2004): 223-233.

[10] Gerard Anderson, "From 'Soak the Rich' to 'Soak the Poor': Recent Trends in Hospital Pricing," *Health Affairs* 26, no. 3 (May/June 2007): 780-789.

[11] Michelle Doty, Jennifer Edwards, and Alyssa Holmgren, *Seeing Red: Americans Driven into Debt by Medical Bills, Results from a National Survey* (New York: The Commonwealth Fund, August 2005).

This report was written by:

Beth Wikler, Health Policy Analyst

and

Kim Bailey, Senior Health Policy Analyst

The following Families USA staff contributed to the preparation of this report:

Ron Pollack, Executive Director

Kathleen Stoll, Director of Health Policy

Peggy Denker, Director of Publications

Ingrid VanTuinen, Writer-Editor

Jenelle Partelow, Editorial Associate

Nancy Magill, Design/Production Coordinator

FamiliesUSA
The Voice for Health Care Consumers

1201 New York Avenue NW, Suite 1100 ▪ Washington, DC 20005
Phone: 202-628-3030 ▪ E-mail: info@familiesusa.org
www.familiesusa.org

Senate Chamber
State of Colorado
Denver

Sen. Bob Hagedorn
Sen. Steve Johnson
Rep. Anne McGihon
Rep. Tom Massey
Rep. Ellen Roberts

March 25, 2008

Centennial Care Choices

We will introduce legislation in March, 2008, to lay the foundation for implementing recommendations of the 208 Commission and the Governor over the next two and one-half years. The legislation will be designed to decrease Colorado's uninsured population by helping individuals and businesses obtain affordable health insurance through balanced public-private partnerships. The "Centennial Care Choices" legislation will include:

a. A request for the health insurance industry to create a menu of "value benefit plans" (VBPs) that would be evaluated and endorsed by the state and would be made available to all Coloradans.
b. Assistance to low income individuals and employees of businesses through a state subsidy of a portion of the VBP premium for those who do not qualify for government programs and cannot afford health insurance.
c. Assurance that this program builds upon the existing employer-based health insurance system, does not encourage businesses currently offering coverage to discontinue it, and promotes administrative efficiencies.

The legislation would authorize Colorado State government to take advantage of new federal laws that give states the flexibility to maximize Medicaid, the Child Health Plan, and other safety net programs so they can be expanded to more of our needy residents. It would promote consumer choice, and individual responsibility for preventive health care and living healthier lifestyles.

Principal goals of "Centennial Care Choices"

Recognizing that Colorado does not now have sufficient revenue to finance a comprehensive health care plan to solve its uninsured dilemma, the legislature must lay the groundwork for establishing a secure, stable program that will be sustainable for the long term – even during an economic downturn.

We also recognize that there a number of advocates who support a national government-operated health care system. However, it is by no means certain that there is majority support for a massive overhaul of the nation's health care system. Even if there was, it clearly would take a number of years for Congress to address myriad federal laws and programs that would have to be eliminated or significantly changed, such as ERISA, EMTALA, Medicare, Medicaid, SCHIP, Veterans Benefits, and the Federal Employee Health Benefit Plan, among others.

Colorado needs, and deserves, a more immediate response to the current problems related to the delivery of affordable health care in the state. A state-regulated balanced partnership between the private and public sectors in Colorado, as described above can, and will, begin to provide affordable health insurance to those who now are uninsured.

Fundamentals of the legislation

The legislature would direct the state Department of Health Care Policy and Financing (HCPF), in coordination with the Colorado Division of Insurance (DOI) and a panel of outside expert advisors, to draft a Request for Proposals (RFP). HCPF then would review and issue the RFP to the commercial health insurance industry. The RFP would:

- Ask commercial health plans to design "value benefit plans" (VBPs) that approximate 80 percent of the actuarial value of the current Colorado State Employees Preferred Provider Organization (PPO) health plan. Qualifying plans would be approved by the state and would be offered to all Coloradans if adopted by the General Assembly.
- Not specify any benefits or other details of what must be in the proposed plans. Each plan design would begin with a "blank slate."
- Require that the VBPs be structured to allow sliding scale subsidies from the state for low-income individuals and families. The maximum level of state support ultimately would be determined by the legislature, based upon the total amount of new revenue that would become available through the federal government, Colorado voters, savings from reducing the cost-shifting of caring for the uninsured – or any combination thereof.
- Include wellness programs, incentives for healthier behavior, and appropriate use of primary care when available.
- Require the use of health information technology.
- Encourage "pay-for-performance" where appropriate.
- Provide consumers with educational materials about how to access web-based health-care tools.
- Utilize regional networks of hospitals, physicians, and other health care professionals where available, and encourage innovative or collaborative efforts within communities.
- Include optional coverage choices consumers could add to their VBPs.
- Require that underwriting be limited to age and geography only, thereby allowing all Coloradans to enter the system (guarantee issue).
- Require that responses to the RFP include premium levels for each age category region-by-region.
- Assume an individual mandate, enforced through the tax code.

Next Steps for the Legislature and the Administration

- The administration would make recommendations to the 2010 General Assembly, by December 31, 2009, based upon responses received to the RFP. The recommendations would include estimated ranges of expansion for eligibility in Medicaid and the Child Health Plan; the number of uninsured Coloradans who could receive premium subsidies, and a sliding scale of total state revenues that would needed to reach various levels of the uninsured population.
- The estimates would take into consideration any actions that may be taken by the U.S. Congress during the 2009 session to increase Medicaid and/or Child Health plan funding for the states, and other potential reforms.
- The legislature would review the recommendations and determine what segment of the uninsured population should become eligible for assistance.
- The legislature also would approve or disapprove, but not modify, the recommended VBPs.
- The General Assembly then would direct HCPF, in concert with the DOI, to file a request with the federal Department of Health and Human Services for permission to expand eligibility for Medicaid and CHP. The request would include a premium subsidy component. It would require either an amendment to the state Medicaid plan as allowed under the federal Deficit Reduction Act, or an 1115 waiver request under the federal Medicaid laws.
- The legislature would require that all Coloradans have health insurance, with the minimum requirement that they are enrolled in a state-sanctioned VBP either individually or through their employer.
- The legislature would establish an enforcement mechanism for the mandate through amendments to the tax code.
- The legislature would encourage evidence-based medicine by authorizing creation of a "patient safety council" as a means of improving patient quality, minimizing medical care mistakes, and reducing litigation.
- The legislature would direct HCPF and the DOI certify those VBPs that met the legislative criteria established by the legislation.
- HCPF and the DOI then would establish regional "health marts" through which Coloradans qualifying for the state subsidy would be paired with a health plan that best meets their needs. Other residents of the state could purchase a VBP either through the regional health mart or in the commercial insurance market.
- The premiums for VBPs sold through the "health marts" could be equal to the premiums for the same products in the commercial insurance market.
- The General Assembly would determine if a dedicated source of revenue is necessary and, if so, prepare a question for the November General Election ballot asking for voter approval.

Why Colorado Needs This Proposal

1. It will provide affordable health plan choices for Colorado consumers
2. It will take advantage of private-sector flexibility to create actuarially sound health plans that will work in the marketplace.
3. It will lay out a thoughtful, well-planned approach that takes advantage of potential changes in federal law
4. It will bring necessary transparency to address the realities of the Colorado health care system
5. It will provide the necessary information for Coloradans to make individual health care choices

Timeline

- March, 2008 – Initial legislation to be introduced in the General Assembly
- May-October, 2008 – HCPF and DOI acquire actuarial projections, research potential cost savings, and prepare RFP
- January 2, 2009 – RFP issued with responses due by August 1, 2009.
- August-December, 2009 – Executive branch evaluates proposals and recommends implementing legislation for the 2010 legislative session
- January 2010 – Governor Ritter advocates for the recommendations during his State of the State address and submits them to the General Assembly for consideration.
- March 2010 – The General Assembly introduces legislation containing the recommendations
- November, 2010 – If necessary voters, are asked to decide on a proposed dedicated source of revenue to finance the plan

Rocky Mountain News Opinion

RADO'S FIRST NEWSPAPER • ESTABLISHED 1859 • ROCKYMOUNTAINNEWS.COM/OPINION John Temple *Editor, President & Publisher* Vincent Carroll *Editor of the Editorial*

Health-care reform for grown-ups

State Sen. Bob Hagedorn's approach to health-care reform is refreshing. The Aurora Democrat does not try to do too much.

After the futile efforts of the state's wildly ambitious Blue Ribbon Commission on Health Care Reform, the Aurora Democrat has swept into the debate like a sober clean-up crew, stubbornly refusing to push hyperexpensive reform in health-care delivery and instead focusing on patching the widest gaps in insurance coverage.

The Aurora Democrat has swept into the debate like a sober clean-up crew.

If his Senate Bill 217, the "Centennial Care Choices" plan, becomes law, it might well lead to durable reforms that bring more people under the insurance umbrella at an affordable cost.

SB 217 would not rely entirely on higher government subsidies to cover the uninsured, as proposals to establish a single-payer medical system, expand Medicaid eligibility or let adults qualify for the State Child Health Insurance Program would do.

Instead, the bill would instruct state health-care policy officials to solicit from the insurance industry "value benefit plans" — low-cost, stripped-down medical policies targeted at Coloradans who earn too much to receive Medicaid but don't buy insurance.

Insurers would have until Aug. 1, 2009, to submit plans for state review that are actuarially sound. The intent is to bring about something approaching universal coverage using private insurance, even if none of these value plans offers a full array of benefits.

The legislature would have to either approve or reject the plans. Lawmakers could not load them down with mandates for procedures or treatments that might make them economic losers for insurance companies.

Hagedorn believes that a robust variety of value plans could reduce by half the ranks of the uninsured. This could ease the cost-shifting that occurs when uninsured patients get treatment they cannot repay, forcing hospitals and doctors to write off the costs.

Such uncompensated care totals $600 million in Colorado, according to the blue ribbon commission. And people who don't have insurance are less likely to get routine treatment, which means they may wind up in emergency rooms for otherwise preventable conditions.

Along with the value benefit plans, the bill requires the governor to offer proposals to subsidize lower-income workers so that they can enroll in a plan or get insurance from their employers.

Two aspects of SB 217 give us pause. First, it includes an individual mandate, requiring every uninsured Coloradan who is not enrolled in a government program to purchase coverage. But we can live with this so long as value benefit plans are indeed viable and available at modest costs.

The second is the strong possibility that a tax increase will be needed — as early as 2010 — to subsidize coverage for low-income workers. Hagedorn believes that covering the uninsured will reduce cost-shifting and minimize the money that will be needed from state coffers. If voters reject any proposed tax increase, then the subsidies to fully fund SB 217 won't be available, limiting the legislation's ability to cover all Coloradans.

In any case, SB 217 would build on the strengths of the current health-care system, not wreck it. And if the value plans, the subsidies and the tax funding don't make sense to insurers, policy-makers or voters, they won't become law.

We'll never know if this innovative approach can work unless it's given a chance, and that's why we urge lawmakers to approve Hagedorn's idea.

Windows Live™

Print

Close window

SB 217 SUPPORT

From: **Action 22, Inc.** (cathy@action22.org)
Sent: Sat 4/05/08 10:03 PM
To:
Boyd, Betty (betty.boyd.senate@state.co.us); Cadman, Bill (bill.cadman.senate@state.co.us); Hagedorn, Bob (senbob@msn.com); Mitchell, Shawn (shawn.mitchell.senate@state.co.us); Sandoval, Paula (paula.sandoval.senate@state.co.us); Schultheis, Dave (dave.schultheis.senate@state.co.us); Tochtrop, Lois (lotochtrop@aol.com)
Attachments:

Security scan upon download

image001.gif (12.2 KB), image002.jpg (14.0 KB), Final Health Care Principles Oct 2005.doc (171.9 KB)

Action 22 inc.
Southern Colorado

TO: Members of the Senate Health and Human Services Committee

DATE: April 5, 2008

SUBJ: SB 217 Centennial Care Choices

Action 22 supports the Concept of SB 217 Centennial Care Choices as a means to begin the Health Care Reform in Colorado.

We encourage you to watch closely at the details and whether it may affect rural Colorado with unintended consequences.

We've attached the HEALTH CARE PRINCIPLES to utilize as guidelines when reviewing the details of the legislation and please know that if there is anything we can assist with, please let us know.

THE DURANGO HERALD
Since 1881

Health plans for all

Bill would bring insurance, mandates together

March 31, 2008

The struggle to extend health insurance to the nearly 800,000 Coloradans who lack it has plagued lawmakers sufficiently to make it a top priority for Gov. Bill Ritter and many legislators. After a lengthy and exhaustive study, Ritter took the findings of a commission formed to seek answers to the problem and laid out a "building block" approach to closing the state's health-care gap. Now, a group of lawmakers is upping the ante.

Sen. Bob Hagedorn, D-Aurora, along with Rep. Anne McGihon, D-Denver, are the primary backers of a measure that would ask insurance companies to develop a menu of low-cost benefit packages for all Coloradans, while at the same time requiring that all Coloradans have some sort of coverage. The scenario recognizes what may be a fundamental truth about the increasing number of uninsured Coloradans - and Americans: Without mandating coverage, enough people will opt out of purchasing insurance to grow the risk pool and keep costs high for everyone. But mandates are tricky business, and Hagedorn and his co-sponsors who include Rep. Ellen Roberts, R-Durango, recognize that they are most successful when private industry is involved in the equation.

Under the measure, the state would have until 2010 to work out details with insurance companies and decide whether to accept the packages, which would have to be available to any Coloradan who chose to purchase a plan. That is an important carrot to offer health- care consumers. The stick is just as vital: requiring all Coloradans to have some coverage. When young, healthy people who do not use many health-care resources are faced with the rising premiums for reduced services, it is not surprising that they would gamble on remaining healthy and save the money. That makes some sense from a personal financial standpoint, but it is not helpful to the statewide or nationwide health-care climate. By requiring all Coloradans to hold some form of health insurance, the overall cost can ostensibly diminish over time, as those same young healthy people are paying into a system that cares for the sick and elderly.

There are tough questions at just about every turn in the health-care conversation. How much care is enough for individuals who make lifestyle choices that exacerbate medical conditions? How are those without coverage or resources to pay for treatment handled by hospitals and doctors? When does treatment near the end of a patient's life become superfluous? These are all made more complicated when public funding is involved. As such, Hagedorn's measure can ultimately serve to alleviate some of the discomfort of some of those discussions. If all Coloradans have a health-care plan, then there will be few or no individuals facing the decision of whether to go to the emergency room for a visit they cannot afford or stay home and face an uncertain or dangerous outcome.

There are many questions, though, starting with what the measure would cost the state. Mandating coverage will require enforcement, and it remains to be articulated how that will occur. And the mechanism for negotiating affordable benefit packages with insurance companies will be helpful to see clarified. On its surface, however, the bill takes bold steps toward solving a growing problem. That is a good start.

Windows Live™

Print Close window

Setbacks on Health Care

From: **Western Progress** (Western_Progress@mail.vresp.com)
Sent: Fri 2/22/08 6:05 PM
To: senbob@msn.com

Western Progress News Brief **February 22, 2008**

Setbacks on Health Care

The first two months of 2008 have been discouraging for state efforts to provide affordable health care insurance. Unfortunately, it doesn't look like things will get much better anytime soon.

In late January, Massachusetts revealed that the cost of its health care insurance plan will increase by 85%, or $400 million in 2009. That huge increase raises serious questions about the long term sustainability of a plan that would expand coverage but , which fall short of providing universal coverage.

Next came California. The same week Massachusetts revealed its financial woes, Gov. Arnold Schwarzenegger's universal health care bill died in committee at the state legislature. The reason for its demise: a legislature unwilling to mandate participation and require employers who do not provide insurance to pay into a state health insurance fund.

This month, Colorado and New Mexico, two of the most progressive states in the Rocky Mountain region, also faced new challenges in their quest to bring affordable health care to all.

In Colorado, Gov. Bill Ritter, whose goal has been to provide at least basic coverage to everyone by 2010, cautioned that expanding coverage to 65,000 of the 180,000 currently uninsured children would cost $43 million, an amount the governor said could be very

difficult to raise. However, Gov. Ritter is pushing ahead with his efforts to improve health care with a $25 million plan to improve quality and expand the availability of care. Much of the focus would be on children's health and system-wide efficiencies.

However, this more modest proposal means not all Coloradans will have basic health care coverage by 2010. It also puts into question how many of the recommendations presented in January by Colorado's Blue Ribbon Commission for Health Care Reform will actually be implemented.

In New Mexico, Gov. Bill Richardson had asked the legislature to pass a bill providing health insurance to 400,000 New Mexicans by 2010. However, just like California, the legislature was unwilling to mandate universal participation. Nor was it willing to require payments into a health fund by businesses. Instead, the legislature passed a watered down bill establishing a commission to develop a plan for universal health care by 2009. Gov. Richardson wants to call a special session to address universal healthcare now instead of next year. But, even if a special session is called, there's little reason to believe the outcome will be different.

The recent experiences of Massachusetts, California, Colorado and New Mexico underscore the need for health care reform at the national level. The problem for states that want to provide universal health care on their own is two-fold: lack of resources and the difficulty in achieving a large enough risk pool to effectively manage costs. Both issues would be more efficiently and effectively resolved at a national level.

Arizona
345 E. Palm Lane, 2nd Floor
Phoenix, AZ 85004
602-254-2244

Colorado
1536 Wynkoop St.,
Suite 510
Denver, CO 80202
303-454-3368

Montana
526 E. Front St.
Missoula, MT 59802
406-829-6603

www.westernprogress.org

health08.org
Election news, analysis and events

Kaiser Daily Health Policy Report

Tuesday, January 15, 2008

Election 2008

Most U.S. Adults Support Health Insurance Mandate With Government Subsidies for Some, Survey Finds

About 68% of U.S. adults support a requirement that all residents obtain health insurance with government subsidies for those who cannot afford coverage, according to a survey released on Tuesday by the Commonwealth Fund, *Reuters* reports. The survey -- conducted by Princeton Survey Research Associates International between June 6, 2007, and Oct. 24, 2007 -- included responses from 3,501 adults in the continental U.S.

According to the survey, 80% of Democrats support a health insurance mandate, compared with 52% of Republicans and 68% of independents. Commonwealth Fund Vice President Sara Collins said, "It is a significant issue as the number of uninsured people climbs every year and more and more middle-class people are affected."

Among Democratic presidential candidates, health care proposals from Sen. Hillary Rodham Clinton (N.Y.) and former Sen. John Edwards (N.C.) would require all residents to obtain health insurance, and a proposal from Sen. Barack Obama (Ill.) would require coverage only for children. None of the health care proposals from Republican presidential candidates includes a health insurance mandate (*Reuters*, 1/15).

Broadcast Coverage
Summaries of recent broadcast coverage related to the 2008 presidential election appear below.

- Candidates and health coverage: NPR's "Morning Edition" on Monday examined health care proposals from presidential candidates and whether the candidates themselves have and offer to their campaign workers. Several of the candidates comment on their personal health care coverage, and Marilyn Moon, director of the health program at the American Institutes for Research, comments on candidates' plans (Rovner, "Morning Edition," NPR, 1/14). Audio and a partial transcript of the segment, as well as expanded NPR coverage, are available online.

- Health care proposals: NPR's "All Things Considered" on Monday examined the potential effects on the health system of proposals from Republican and Democratic candidates. In large part, Democratic candidates have focused on efforts to expand health insurance to more residents, and Republican candidates have focused on efforts to reduce health care costs, NPR reports. Drew Altman, president and CEO of the Kaiser Family Foundation, said Democrats are proposing to spend more money on their plans, "but it's actually the Republicans who are proposing the bigger transformation of the health insurance system and indeed the more radical change, and that's been completely lost and misunderstood." According to NPR, Democrats "want to build on the existing system, in which most people get their health insurance on the job," while Republicans "want to go in an entirely different direction -- using the tax system to encourage people to purchase their own individual coverage."

Joseph Antos, president of the American Enterprise Institute, said that proposals from Republican candidates in large part are designed to "level the playing field on taxes" and would have a limited effect on employer-sponsored health insurance (Rovner, "All Things Considered," NPR, 1/14). Audio and a partial transcript of the segment are available online.

Colorado
Legislative
Council
Staff

Room 029 State Capitol, Denver, CO 80203-1784
(303) 866-3521 FAX: 866-3855 TDD: 866-3472

CONFIDENTIAL

MEMORANDUM

A confidential memorandum is only given to the legislator requesting the research. Staff continue to regard the memorandum as confidential unless the legislator making the request indicates otherwise, although information in the memorandum may be provided in whole or in part to other legislators pursuant to their separate research requests. After receiving the memorandum, the legislator may release the document to interested parties.

January 28, 2008

TO: Senator Bob Hagedorn

FROM: Amy Larsen, Senior Fiscal Analyst, 303-866-3488

SUBJECT: Medicaid Questions

This memorandum responds to your questions concerning Medicaid. Specifically, you asked the following three questions:

1. **Can the state set Medicaid income eligibility at 100 percent of the federal poverty level (FPL) for all adults without a federal waiver?**

   According to the Department of Health Care Policy and Financing, the state would be able to increase Medicaid eligibility to 100 percent FPL for parents through a state plan amendment. However, expanding eligibility to childless adults requires a federal waiver.

2. **Should the Medicaid income eligibility level be set at 100 percent FPL, what would the estimated caseload and costs be?**

   Table 1 on the following page shows estimated caseloads and costs for increasing Medicaid eligibility to 100 percent FPL for all adults. Parents are estimated separately from childless adults because implementation for parents can begin as soon as July 1, 2008. Expanding eligibility to childless adults will take longer since this group requires a federal waiver. Enrollment of childless adults could begin as soon as July 1, 2009, if the waiver process goes smoothly.

Table 1. Increasing Medicaid Eligibility for Adults to 100% FPL Estimated Caseload and Costs (in Millions)								
	FY 2008-09 Caseload/Cost		FY 2009-10 Caseload/Cost		FY 2010-11 Caseload/Cost		FY 2011-12 Caseload/Cost	
Parents	14,000	$27.2	28,700	$58.1	36,400	$77.5	36,800	$82.6
Childless Adults			26,700	$103.6	54,500	$220.4	69,500	$292.8
Total	**14,000**	**$27.2**	**55,400**	**$161.7**	**90,900**	**$297.9**	**106,300**	**$375.4**
State Funds		13.6		80.9		149.0		187.7
Federal Funds		13.6		80.9		149.0		187.7

Caseload Estimates. Anticipated caseloads are based on The Lewin Group estimates of the uninsured compiled for the Blue Ribbon Commission on Health Care Reform adjusted for a shift from private health coverage to Medicaid, a maximum participation rate of 80 percent, and population growth. Enrollment is expected to phase in over a 3-year period with 40 percent in the first year, 80 percent in the second, and full enrollment in the third.

Cost Estimates. Cost estimates include medical services premiums, mental health costs, and program administration. Medical costs for parents are based on the current Medicaid population of parents up to 60 percent FPL. Costs for childless adults are based on the estimates for the benefit package outlined in the "Better Health Care for Colorado" proposal submitted to the commission plus mental health costs at the same level as current Medicaid low-income adults.

3. How much in General Fund was appropriated in the current fiscal year for the following items:

a.	**All of Medicaid**	**$ 995,225,468**
b.	**Medicaid for Children**	**$ 476,959,852**
c.	**Children's Basic Health Plan (CBHP)**	**No General Fund**
d.	**Developmentally Disabled Children and Adults**	**$ 162,421,234**
e.	**Dual Eligible Clients**	**Cannot be Determined**

It should be noted that Medicaid for Children includes Medical Service Premiums of $439,643,514 and Mental Health Capitation Payments of $37,316,338. Additionally, medical services costs for dual eligibles are "buried" in several line items within Medical Services Premiums and cannot be easily identified at this time. Although not requested, the state share for the Medicare Modernization Act of 2003 State Contribution Payment is $76,719,821. This is the state's payment for drugs for Medicare clients.