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Justice and Economic Security for all Coloradans

Provider Cuts Unhealthy for Colorado's Economy

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Cutting provider rates means less access to medical care for vulnerable, lower-income Coloradans. It's a direct attack on those who rely on healthcare safety net services, at a time when people need those services the most.

Medicaid providers in Colorado are already reimbursed at a lower rate than providers in most other states, and many lose money or barely break even on Medicaid patients as it is.

While Colorado made improvements in recent years, we still have one of the nation's leanest Medicaid programs. Losing ground again now, during an economic downturn, means that growing numbers of low-income children, senior citizens, and adults with disabilities will have a harder time accessing care.

In addition, balancing the budget by cutting Medicaid makes no fiscal sense—a cut to Medicaid is twice as deep because Colorado also loses federal matching dollars. The provider rate cuts equal a total loss to the State of more than \$57 million, because we will lose more than \$29 million in federal matching funds.

At a time when unemployment is at a 22-year high, and the ranks of the uninsured keep growing, it's exactly the wrong time to be cutting safety net services.

Instead, the legislature should do the following:

- Use reserves and other stopgap measures right now to prevent further reductions in provider rates. Restoring these cuts fully, or even partially, will not only help increase access to healthcare for low-income Coloradans, but it will also prevent us from losing more federal matching dollars.
- The healthcare community and other advocates should strongly support Senator Shaffer's interim committee on revenue and work together toward a long-term, comprehensive fiscal solution.
- State leaders need to look beyond one-time fixes to feel the current needs, and make sure that Colorado's fiscal system is adequate, equitable, and sustainable over time.
- Yes, we need to do triage with our budget right now, but in the long run, we have to be concerned about the health of the budget and the fact that ultimately we're going to need serious surgery to make Colorado stronger in the future.

Put simply, these cuts aren't healthy for anybody.

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