

Health Law and Policy Update: January 4, 2013

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This week's updates

- [Governor announces plans to expand Medicaid](#)
- [Colorado Medicaid - a decade of enhanced coverage](#)

What's New

Governor announces plans to expand Medicaid

Governor John Hickenlooper on Thursday announced [plans](#) for Colorado to expand its Medicaid program as part of the Patient Protection and Affordable Care Act (ACA). CCLP applauds the Governor on this historic announcement, which will result in approximately 160,000 low income Coloradans gaining access to much needed health care coverage. The ACA requires states to expand Medicaid eligibility to persons with incomes under 133 percent of the Federal Poverty Level (FPL). However, while the U.S. Supreme Court upheld the constitutionality of the ACA, it also said that states may not be penalized by the federal government for failing to follow the law's requirement to expand Medicaid eligibility. That decision left states, such as Colorado, to make the decision of whether or not to pursue expansion. Susan Birch, Executive Director of the Colorado Department of Health Care Policy and Financing, released a [statement](#) explaining the importance of expanding Medicaid in Colorado. "We know from our previous expansions that kids with coverage do better in school and that adults with coverage are more likely to receive preventive care," Birch stated. "Simply put, healthy people cost us a lot less money."

A majority of those that will gain access to coverage under the Medicaid expansion are working individuals and families that earned too much to qualify for Medicaid in the past but not enough to afford commercial health insurance. A Denver Business Journal [article](#) and a State of Colorado [fact sheet](#) both cite a [report](#) released recently by CCLP, *Expanding Medicaid makes Colorado's workforce and economy healthier*, which found that 122,000 working Coloradans would be among the group of people who would benefit from the ACA's expansion of Medicaid. Many of those working Coloradans who currently lack insurance work in restaurants, child care centers and ski resorts.

The State's cost projection [document](#) explains that the federal government will cover 100 percent of the cost for covering the newly eligible population through 2016 and taper down to 90 percent in

2020 and beyond. Once the federal funding rate begins to taper down in 2017, the state plans to fund the expansion primarily through cost containment initiatives and the Hospital Provider Fee structure. The Governor's [press release](#) projects \$280 million in Medicaid savings over ten years from cost containment and value improvement initiatives, such as the Accountable Care Collaborative and various improvements to health IT systems.

The Governor explained at the press conference that the Executive Branch will work closely with the General Assembly to ensure that the expansion is implemented in an open and transparent manner.

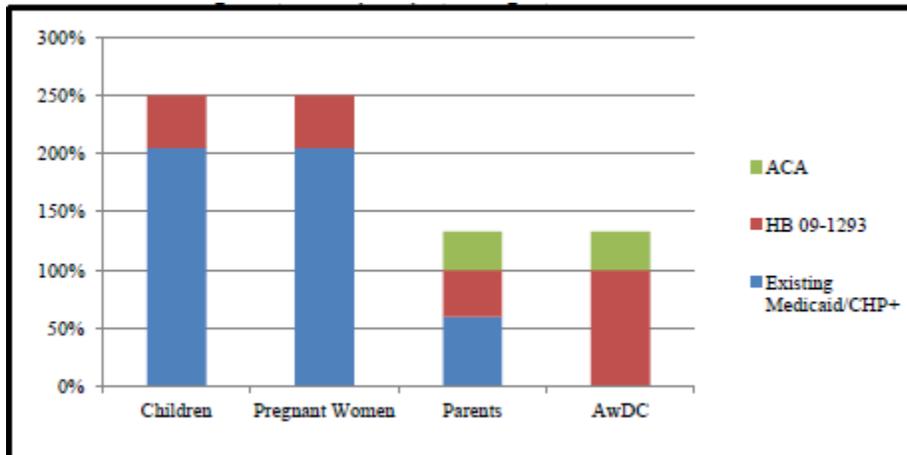
Colorado Medicaid - a decade of enhanced coverage

Governor Hickenlooper's [announcement](#) that Colorado will move to expand Medicaid under the provisions of the Affordable Care Act builds on a decade long history of bi-partisan efforts to expand access to health insurance coverage in Colorado.

In 2004, Colorado voters passed Amendment 35 (tobacco tax) which resulted in increased access to Medicaid and CHP+ for parents and children. In 2008, the Colorado Blue Ribbon Commission on Health Care Reform recommended that all legal residents under 205% of the Federal Poverty Level be made eligible for Medicaid and that sliding scale subsidies be offered to low income workers for the purchase of private health insurance. In 2009, the legislature adopted HB09-1293, establishing the Colorado Hospital Provider Fee, which built on Amendment 35 expansions to increase access to Medicaid and CHP+ for parents and children in Medicaid and CHP+.

These expansions have not only helped to protect people hard hit by the recent recession, but have brought people into coverage that had never before had access to health insurance including most recently, 10,000 Adults without Dependent Children who make less than \$90 a month. As noted in the documents supporting the Governor's statement yesterday, states that have expanded Medicaid have experienced reductions in mortality rates. Medicaid enrollees are more likely to receive preventive health care than people without insurance, and covering more Coloradans can have the effect of reducing the cost shifting to businesses and individuals that occurs when hospitals and other providers provide large amounts of uncompensated care.

Today, Colorado Medicaid eligibility for non disabled, non elderly children and adults:



- **Parents of medicaid eligible children** - up to 100% of the Federal Poverty Level
- **Adults without Dependent Children** - technically up to 100% FPL, but there are only slots for 10,000 people in the program.
- **Children** - up to 133% FPL (children between 133% FPL and 250% FPL are eligible for the Children's Basic Health Plan- CHP+)
- **Pregnant women** - up to 185% FPL

The expansion will extend eligibility for all adults up to 133% of the Federal Poverty Level. The Governor's Office estimates this will mean an additional 160,000 people will have access to insurance coverage through the Medicaid program.

For more about who is being covered, see CCLP [Issue Brief](#), *Expanding Medicaid makes Colorado's workforce and economy healthier*

Also see stories from individuals and families served by Medicaid and CHP+ on the Insuring our Future website. <http://www.insuringourfuture.org/>