

Health Law and Policy Update:

September 21, 2012

Our staff has been busy analyzing newly released data that provides insight into the lives of low-income Coloradans. As a result, below you will find our monthly *Recovery Watch* report as well as our weekly *Health Law and Policy Update*. Typically we release these reports separately, but given the timing of today's work, we chose to release both items together.

Recovery Watch

The Colorado unemployment rate moved from 8.3 percent in July to 8.2 percent in August while the national rate moved from 8.3 percent to 8.1 percent in the same time frame. The decrease in the Colorado unemployment rate was primarily due to a decrease in the labor force as more than 11,000 Coloradans gave up the search for work in the month of August. Adding to the disappointing news, employment levels remained largely unchanged throughout the state and enrollment in safety net programs such as Medicaid, CHP+ and SNAP increased from July levels.

[Read our full report here.](#)

Health Law and Policy Update

This week's updates

- [More Colorado children and young adults with health coverage](#)
- [Another reason to support new Medicaid eligibility provision](#)
- [Health care safety net serves crucial role in Colorado](#)
- [Colorado leads effort to select minimum coverage requirements under health reform](#)

More Colorado children and young adults with health coverage

More Coloradans, particularly young adults, had health coverage in 2011 than in 2009. The percentage of young adults in Colorado between the ages of 19 and 25 with health insurance increased 5.7 percent, one of the highest increases in the country, according to the Census Bureau's [American Community Survey](#) released this week.

The increase in young adult coverage is attributed to the Affordable Care Act (ACA) provision that allows young adults under age 26 to remain on their parents' health insurance plan. The number of uninsured children in Colorado decreased by about 8,400 children, despite child poverty remaining alarmingly high, once again demonstrating the critical role that programs like Medicaid and the Children's Health Insurance Program play in helping to provide health care to low-income Coloradans. Look for a deeper analysis of the latest census figures from the Colorado Center on Law and Policy's fiscal team next week.

See this week's coverage from the [Denver Post](#).

More reasons to support Medicaid expansion

Families need affordable health care options such as Medicaid so they can take charge of their health and the health of their children. Covering parents means their children are more likely to get enrolled and stay enrolled, according to the [Center for Children and Families](#). New [fact sheets](#) from the American Academy of Pediatrics discuss the important role that Medicaid plays in the health of low-income children and their parents.

Privately insured individuals could pay more for insurance premiums if states fail to adhere to the Medicaid expansion created in the Affordable Care Act (ACA), according to a new [report](#) from the American Academy of Actuaries. The report concludes that individual market premiums could increase at least 2 percent. For more information, see this recent [article](#) from the Washington Post.

The ACA makes individuals under age 65 with incomes less than about \$15,000 eligible for Medicaid. States are responsible for implementing the new eligibility provision, but the U.S. Supreme Court decision from last summer removed the enforcement provision. In the wake of the decision, some states have stated they will not move forward and many others are undecided.

Health care safety net serves crucial role in Colorado

With effects of the recent recession still looming, Colorado's health care safety net -- which provides health care services to low income uninsured or underinsured Coloradans -- continues to play a vital role in expanding access to and providing vital health care services to Colorado residents. However, safety net service providers vary from community to community, both by the number of providers and the types of services they provide (e.g., medical, dental or mental health services). With this variation in mind, the Colorado Health Institute recently released a [report](#) examining the health care safety net system in Colorado. The report begins by identifying what types of providers make up the safety net system, including rural health clinics, community health centers and community hospitals to name a few. Accompanying the report is a [map](#) of the various types of safety net clinics across Colorado. The report also profiles individuals that typically use the safety net and examines how safety net clinics are funded.

Colorado leads effort to select minimum coverage requirements under health reform

Colorado Public Radio, in conjunction with Kaiser Health News, [reported](#) this week that in contrast with most other states, Colorado is moving forward with broad consensus in developing its Essential Health Benefit (EHB) package. As we have covered in [previous updates](#), the EHB package will serve as the minimum required benefits that insurance companies must cover for all health plans beginning in 2014, both in and out of the insurance exchange. Federal guidelines require Colorado to select an existing insurance product to serve as the basis for the EHB package, making certain adjustments to meet

requirements under the Affordable Care Act (ACA).

Colorado selected the largest small group product in the state, which is the Kaiser Ded/CO HMO1200D plan, to serve as the benchmark EHB plan. According to the draft recommendation from the Colorado Division of Insurance, the governor's office and the Colorado Health Benefit Exchange (COHBE), this plan includes all state mandated benefits and, being the largest small group plan by enrollment, satisfies the federal requirement that the EHB package reflect the benefits in a "typical employer plan."

However, many more important decisions remain concerning the EHB package in Colorado. In a recent [report](#) from the Colorado Springs Business Journal, George Lyford, Health Care Attorney at CCLP, discussed that the plan selected by the state does not include premium or out-of-pocket cost-sharing information. These important topics will be the subject of future discussions. Lyford also discussed the overall importance of the EHB package, noting that it will provide a core set of minimum benefits so individuals know what they are getting when they purchase insurance.