



The Affordable Care Act enhances economic security and reduces poverty for low-income Coloradans

FACT SHEET

August 21, 2013

The Patient Protection and Affordable Care Act (ACA) reduces poverty and promotes economic security for thousands of Coloradans by providing better access to more affordable health care. While many of the provisions of the health care reform law have already had a significant impact on the lives of thousands of Coloradans, two of the most significant changes will occur in the coming months. The expansion of Medicaid and the creation of the new health insurance marketplace will provide greater economic security for hundreds of thousands of low- and middle-income Coloradans.

A summary of the highlights of the ACA include:

- **Medicaid Expansion.** By expanding Medicaid eligibility to individuals at or below 133 percent of the Federal Poverty Level (FPL) an additional 160,000 Coloradans will qualify for coverage through Medicaid.
- **Increased Access through Connect for Health Colorado (C4HCO).** Colorado's new state-run insurance exchange will allow consumers and small businesses to compare plans, ask questions, access information on eligibility for aid programs, and enroll in comprehensive health insurance.
- **Subsidies for low-income Coloradans through C4HCO.** Eligible Coloradans will receive premium assistance subsidies in the form of tax credits on a sliding scale through Connect for Health Colorado.
- **Small business tax credits through the C4HCO.** More than 100,000 businesses in Colorado with 25 or fewer employees may receive a tax credit of up to 50 percent of the employer's total contribution toward employee premiums.
- **Consumer protection and a Patient's Bill of Rights.** The ACA has significantly enhanced consumer protections including guaranteeing insurance plans provide minimum "essential health benefits," ensuring coverage is not denied because of preexisting conditions, removing annual and lifetime dollar limits, and offering preventative care at no cost.
- **Expanded primary care.** Since 2010, federal funding for Colorado's community health centers — serving 475,000 patients each year — has increased more than \$9.5 million annually.

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The following features of the ACA will have a direct positive impact on the lives of low and middle income Coloradans.

Medicaid Expansion.

An additional 160,000 low-income Coloradans will be eligible for Medicaid on January 1, 2014. Medicaid will now be available to all Coloradans with incomes at or below 133 percent¹ of the Federal Poverty Level, which equals \$31,332 for a family of four and \$15,282 for an individual. More than 122,000 of those gaining coverage are members of working families unable to secure health insurance, who work part or full-time in fields such as the restaurant and service industries, home health care, child care and construction.²

A study prepared for the Colorado Health Foundation by Charles Brown Consulting, Inc. further reveals long-term economic benefit to the state through Medicaid expansion. Highlights of the report include:

- The economy, as measured by state gross domestic product (GDP), will be 0.74 percent larger than if Colorado did not expand its Medicaid program. Expansion will result in just under \$4.4 billion in additional state economic activity.
- Annual average household earnings will be \$608 higher with Medicaid expansion compared to no expansion.
- Colorado will have more than 22,000 additional jobs due to Medicaid expansion. Of these jobs, more than 14,000 will be created in the first 18 months following expansion. Medicaid expansion could result in as much as a 20 percent increase over projected baseline employment growth in the eighteen months following Medicaid expansion.³

Options and Access: Connect for Health Colorado.

Connect for Health Colorado (C4HCO) is Colorado's new state-run health insurance exchange. Insurance coverage purchased through C4HCO will commence on January 1, 2014, though individuals will be able to start shopping, comparing, and choosing health plans to fit their individual needs starting October 1, 2013. C4HCO aims to increase access, affordability and choice for individuals and small businesses.

Over 800,000 people in Colorado do not have health insurance. Of those, more than 656,000 are eligible for coverage through C4HCO. While projections are approximate, C4HCO estimates 136,000 will enroll for coverage in the first year. The federal Department of Health and Human Services (HHS) reports 80 percent of the people who are uninsured have at least one full-time worker in the family, and 90 percent may qualify for Medicaid or tax credits through the exchange.⁴

C4HCO will advance the economic well-being of Coloradans by providing:

- Premium assistance subsidies on a sliding scale to eligible Coloradans. These subsidies reduce the amount eligible families must pay in health insurance by providing an advance premium tax credit. Credits are available to individuals who earn too much to qualify for Medicaid, but have incomes below 400 percent FPL.⁵
- Tax credits to small businesses. Beginning January 1, 2014, businesses with 50 or fewer employees may shop for health insurance through the exchange, and those with 25 or fewer employees may be eligible to receive a tax credit. Small businesses can receive up to 50 percent of the employer's total contribution toward employee premiums if insurance is purchased

through C4HCO and they meet certain requirements. Businesses with lower wage workers are more likely to qualify. According to a 2012 report from Families USA and Small Business Majority, more than 100,000 small businesses in Colorado are eligible for premium tax credits.⁶

Consumer Protection.

Beginning in 2014, the Patient's Bill of Rights and other protections under the ACA ensure that health insurance plans provide comprehensive coverage. This includes the requirement that new health insurance plans cover a set of "essential health benefits" ranging from prescription drug coverage to mental health care. Additional protections under the ACA include the following:

- Insurers can no longer deny coverage or charge more to people with pre-existing conditions. More than 1,300 Coloradans have already gained access to coverage through the Pre-Existing Condition Insurance Plan, and 2.3 million more Coloradans will no longer have to worry about refusal of coverage or exorbitant premiums after January 2014.
- Individuals enrolled in individual or job-related health insurance policies after March 23, 2010 must be offered preventive care at no cost. According to HHS, approximately 1.3 million Coloradans with private insurance gained access to preventive health care services and screenings free of cost-sharing and co-payment requirements in 2011 and 2012. Preventive service coverage has also been especially enhanced for woman and seniors. More than 868,000 Coloradan women have already benefited from additional preventative service coverage, and more than 296,000 seniors have taken advantage of Medicare's coverage of preventative services with no cost sharing.⁷
- Health insurance plans may not set lifetime or annual dollar limits on coverage. Approximately 1.9 million people in Colorado, including 696,000 women and 521,000 children, have already been alleviated of the burden of worrying about lifetime coverage limits.
- The Affordable Care Act also expands coverage for young adults, ensures the right to appeal health plan decisions, prevents policies from being unfairly canceled and ensures that 80 percent of premium dollars be spent on actual medical claims. Because of this rule, more than 150,000 Coloradans will benefit from almost \$11.5 million in refunds from insurance companies in 2013 alone.

Community health centers: These centers provide critical preventive and primary health care to all regardless of their ability to pay. Seventy-five percent of community health center patients in Colorado live at or below the federal poverty level. Since the ACA's passage in 2010, federal funding to Colorado's community health centers has increased by more than \$9.5 million annually. Each year, 17 different organizations serve nearly 475,000 patients at more than 160 community health center sites across Colorado.⁸

School-based centers: More than 90,000 children in Colorado are uninsured. The ACA allocated an additional \$200 million over four years to improve school-based health centers across the country. Colorado has more than 50 school-based health centers that provide children and their families with essential health care at their local schools. Eleven school districts, community health centers, and other health care providers across Colorado have received nearly \$4 million to enhance school-based health centers.

Coverage for seniors: According to HHS, Coloradans with Medicare have saved nearly \$74 million on prescription drugs because of the ACA. The ACA further works to extend coverage for both brand name and generic drugs for Coloradans suffering in the Medicare “donut hole.” Additionally, the ACA extends the life of the Medicare Trust Fund by ten years. This is particularly relevant given Colorado’s aging trends as described by the State Demography Office.

Training health care providers: As more individuals gain access to affordable, quality health insurance, Congress recognized a need to train additional doctors, nurses and other health care providers, especially in primary care. By the end of 2012, the ACA had invested over \$797 million in health care workforce and training programs, including \$9.3 million in Colorado. The ACA also reauthorized important programs that are designed to expand the nation’s supply of highly trained nurses. As of 2012, the ACA had provided over \$178 million for nursing workforce development including \$2.2 million in Colorado.

Focus on serving rural communities: Nationally, 68 percent of medically underserved communities are rural, oftentimes experiencing difficulty attracting medical professionals and services. The ACA provides increased payment to rural health care providers to encourage continued quality service to these communities.⁹

Support for young adults: Individuals under the age of 26 can now stay on their parents’ health insurance plans, which is extremely important for young adults as they look for employment or take jobs that do not offer health benefits. This need is particularly acute given the findings of CCLP’s *State of Working Colorado 2013*¹⁰ that workers between the ages of 16 and 24 have a 16.6 percent unemployment rate compared to adults ages 25 to 54, whose unemployment rate is 6.6 percent. HHS reports 50,000 young adults in Colorado who would otherwise be uninsured have maintained coverage.

Endnotes

¹ Note: while SB 13-200 actually sets Medicaid expansion at 133 percent of FPL, its new way of calculating income means that in reality the expansion would reach those with incomes at 138 percent of FPL.

² To view CCLP’s report on the effect of Medicaid expansion on Colorado’s workforce and economy, [click here](#) or go to http://www.cclponline.org/uploads/files/medicaid_expansion_edited.pdf.

³ To view report, [click here](#) or go to <http://www.coloradohealth.org/yellow.aspx?id=6230&terms=20130213+medicaid+expansion+report>.

⁴ U.S. Department of Health and Human Services. “How the Health Care Law is Making a Difference for the People of Colorado.” (July 29, 2013). To view full fact sheet, [click here](#) or go to <http://www.hhs.gov/healthcare/facts/bystate/co.html>.

⁵ Visit Connect for Health Colorado’s web portal at <http://www.connectforhealthco.com/>.

⁶ Families USA and Small Business Majority. “Good Business Sense: The Small Business Health Care Tax Credit in the Affordable Care Act.” (2012).

To view full report, visit http://www.smallbusinessmajority.org/small-business-research/downloads/050912_Small_Business_Healthcare_Tax_Credit.pdf.

⁷ U.S. Department of Health and Human Services. “How the Health Care Law is Making a Difference for the People of Colorado.” (July 29, 2013). To view full fact sheet, [click here](#) or go to <http://www.hhs.gov/healthcare/facts/bystate/co.html>.

⁸ Brown, K. “Affordable Care Act at 3: Federal investments in coverage, consumer protection and prevention.” Colorado Center on Law and Policy (May 22, 2013). To view- full issue brief, [click here](#) or visit http://www.cclponline.org/postfiles/ACA_anniversary_part_4_v2.pdf

⁹ Barker, Abigail R., Jessica K. Londeree, Timothy D. McBride, Leah M. Kemper, and Keith Mueller. “The Uninsured: An Analysis by Income and Geography.” Brief No. 2013-6. RUPRI Center for Rural Health Policy Analysis (June 2013). To view full report, visit <http://cph.uiowa.edu/rupri/publications/policybriefs/2013/Uninsured%20Analysis%202013.pdf>.

¹⁰ For full *State of Working Colorado Report 2013*, visit http://www.cclponline.org/postfiles/State_of_Working_Colorado_2013.pdf.