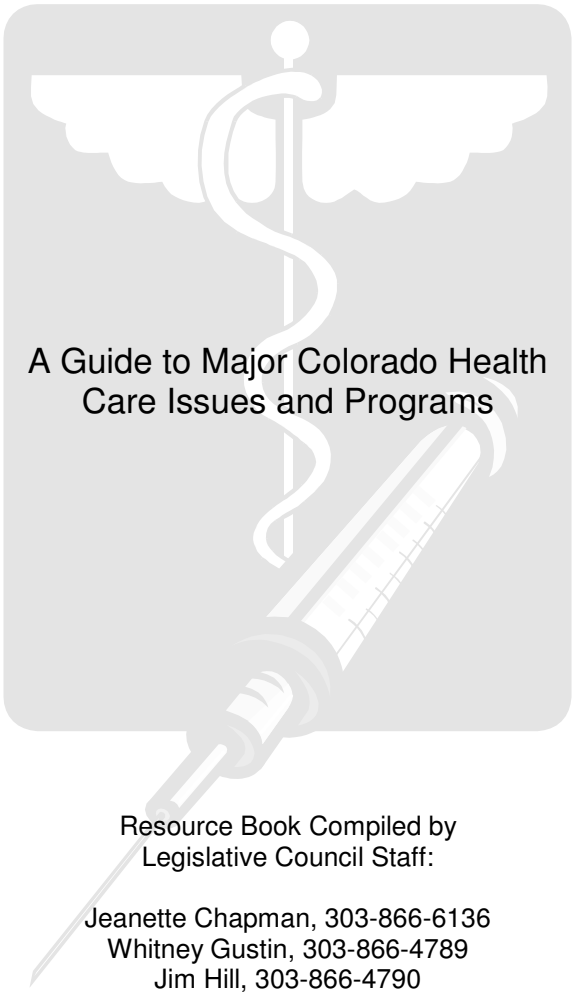
Health Care Resource Book 2002



A Guide to Major Colorado Health Care Issues and Programs

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INTRODUCTION

This resource book is intended to serve as a reference guide for information on the most common health care issues in Colorado. The guide is an ongoing project and is intended to provide updated information each year. The book covers major issues such as the cost of health insurance, long-term care, prescription drug costs, and the uninsured population. The book also reviews the health care programs of executive branch departments which are of legislative interest.

The format of the resource book has been established to make it easier for the reader to access issues and to review programs by population group. There are three sections that organize the information by issue, state department, and programs and services. In addition, the reader may find information based on a particular area of interest. An appendix has been included to assist in finding that information.

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MAJOR HEALTH CARE ISSUES

Health care services and the associated costs are of ongoing concern to Colorado citizens. Health insurance costs have continued to rise at double digit percentages. The number of elderly individuals has increased dramatically in the last ten years, increasing the demand for quality long-term care and affordable prescription drugs. A significant portion of the state's population does not have health insurance. In addition, rural areas are disproportionately faced with fewer options in health care providers as well as higher costs for the coverage rural residents do receive. Table I provides a breakdown of how health care costs are paid across the state. Private insurance and out of pocket payments account for nearly 60 percent of the spending for health care coverage.

Health Insurance

Costs for health insurance have continued to increase dramatically since 1998. In Colorado, the increase for small group health insurance premiums has been particularly pronounced. For example, in 2000, the average monthly premium with an HMO for a family of four in Denver increased by 14 percent from the previous year to $497. The premiums for preferred provider organizations (PPOs) and standard indemnity plans have likewise increased significantly by 20 percent and 19 percent, respectively. In addition, premium costs vary between rural and urban areas of the state. In Grand Junction, for example, HMO premiums were 15 percent higher than those in Denver; however, premium costs in Grand Junction for PPOs and indemnity plans were between five and nine percent less than those for Denver.

Six Colorado insurers account for half the market, and the three companies with the largest market share are health

maintenance organizations (Pacificare of Colorado, Kaiser Permanente Health Plan, and HMO Colorado). Although HMOs account for approximately three percent of health insurers in the state, with a total of 18 companies, those companies account for nearly 60 percent of the market share.

Colorado regulates group health insurance policies by requiring coverage for: pregnancy and childbirth, newborn children, child immunizations, therapies for congenital defects and birth abnormalities of children up to five years of age, low-dose mammography, hospice care, treatment for mental illness, alcoholism and diabetes, and prostate cancer screening. Colorado further regulates health maintenance organizations (HMOs) by requiring them to maintain a sufficient network of providers; a ban on gag clauses that restrict doctors' communication with an enrollee; direct access to OB/GYNs; standing referrals to specialists, requiring only a one-time referral for medically necessary treatment; emergency room access 24 hours a day, seven days a week; and an independent and external review of patient grievances. Colorado law does not cover self-insured plans.

Long-Term Care

Long-term care involves a wide variety of services for people with prolonged physical illness, disability, or cognitive disorder. Services are aimed at helping people with chronic conditions who are limited in their ability to function independently. As the country's population ages, the costs of these services are of increasing concern to patients and their families, as well as to the government. Long-term care continues to be one of the largest health care expenses in the country and in Colorado. Basic nursing home costs in Colorado typically range from $95 to $144 per day, with higher costs in the Denver metropolitan area. Personal care services at home cost between $13 and $16 per hour, with most older clients typically needing two or three hours of service, three or four days per week.

Medicare, the federal health insurance program for the elderly and disabled, covers only short-term nursing home stays, as well as hospitalization and physician services. Medicaid, the health program for the very poor, is the primary payer of publicly funded long-term care. For fiscal year 2001-02, approximately 41 percent of Colorado's entire Medicaid budget will go toward long-term health care costs. Nursing home utilization remained steady, but high demand for other long-term care services, such as home- and community-based services, has led to waiting lists and higher occupancy rates for alternative care.

Long-term care insurance is designed to pay the cost of medical and personal care for individuals. The policies provide a certain daily maximum for a specific time period. Consumers pay the balance. Colorado requires that long-term care insurers offer two packages: the Basic Nursing Home Long-Term Care Insurance and Standard Nursing Home/Home Care Long-Term Care Insurance. The Basic program provides catastrophic coverage while the Standard plan is more comprehensive. Although Colorado offers a tax incentive to purchase long-term care insurance, it is currently an underutilized coverage option.

Prescription Drugs

In 1998 and 1999, spending on prescription drugs increased over 18 percent per year, bringing national spending on prescription drugs to more than $94 billion. In 2000, the cost of prescribed medications was expected to jump another 11 percent. At the same time, the number of patients accessing prescription drugs continues to increase, as does the number of prescriptions used by each patient. The pricing of prescription drugs is itself a difficult issue. Different institutional customers receive different discounts. A recent study estimated that large HMOs buy drugs for 30 to 39 percent less than the retail price, approximately twice the discount most state Medicaid programs receive.

The elderly are the largest consumer group of prescription medications. While seniors make up just 13 percent of the state's population, they consume about 30 percent of prescribed medications. Rising drug prices therefore disproportionately impact the elderly. Although all individuals over 65 are covered by Medicare, enrollees have limited options with which to access drug coverage. Some have access to discounted prescription drugs through employer retiree health insurance; some purchase supplemental "Medigap" insurance; and some low-income seniors qualify for Medicaid. Drug companies also provide some free medications to lower-income consumers. However, approximately one-third of all Medicare recipients have no access to discounted prescription drugs.

Uninsured Population

The number of uninsured in Colorado has increased in the last decade from 517,000 in 1990 to 700,000 in 2000. While the number of uninsured continues to grow, however, the percentage of the state's population without insurance has remained relatively stable at around 15 percent.

Three quarters of uninsured Coloradans live in families with at least one full-time worker. The highest percentage of uninsured reside in Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache counties. Young adults between 18 and 24 years of age are least likely to have insurance. In contrast, the elderly, because of the availability of Medicare, are more likely to be insured than any other age group. Working adults between ages 18 and 64 make up a disproportionate share of the uninsured. While individuals in this age group make up approximately 65 percent of the state's population, they account for nearly 75 percent of the uninsured.

Uninsured status is correlated with poverty; those with the lowest incomes make up a disproportionate share of the uninsured. Although Coloradans with incomes below 200 percent of the federal poverty level make up approximately 30 percent of the population, these individuals account for nearly 60 percent of the uninsured.

Small Group Market and Rural Health Care

Colorado's small group market includes employers with 50 or fewer employees and business groups of one, which are usually self-employed individuals. State and federal laws require carriers in the small group market to offer all insurance products to groups of two to 50 employees, regardless of the health status of the group. Under state law, all carriers in the small group market are required to offer basic and standard health care plans.

In recent years, many carriers have elected to discontinue coverage to rural areas. There are approximately 33 small group carriers listed with the Division of Insurance and several of those offer plans only in metropolitan areas. Only four percent of carriers are traditional indemnity plans. Preferred provider plans and health maintenance organizations make up 37 percent and 59 percent of the small group market, respectively.

Rural areas typically face higher than average health care costs. There are several factors that influence the cost differential including a lower volume of customers which tends to yield higher than average costs per visit, a higher percentage of Medicaid and Medicare recipients that leads to cost shifting, and fewer providers which makes health plan contracting less appealing to providers. And, as there are generally fewer HMOs that serve rural areas, customers are disproportionately reliant on traditionally more expensive indemnity plans.

STATE
DEPARTMENT FUNCTIONS

The state departments that focus much of their work on health-related issues are Health Care Policy and Financing, Public Health and Environment, Human Services, and Regulatory Agencies. Each department administers several programs to address Coloradans' various health care needs. County departments of social services are the primary source for determining eligibility.

Department of Health Care Policy and Financing

The Department of Health Care Policy and Financing (HCPF) is the federally recognized single state agency for administering the Colorado Medicaid Program. The Department also develops and provides policy, program, and financial oversight for the Children's Basic Health Plan, the Colorado Indigent Care program, and several other statewide health programs. The entire budget of the Department of Health Care Policy and Financing is used for health-related programs. Approximately half of its funding comes from federal money and the remaining half from state funds.

Department of Health Care Policy and Financing
Fiscal Year 2001-02 Budget

Total Appropriation *(millions)*	**General Funds** *(millions)*	**Cash Funds** *(millions)*	**Cash Funds Exempt** *(millions)*	**Federal Funds** *(millions)*
$2,449	$1,093	$11	$139	$1,207
100%	45%	0%	6%	49%

Department of Public Health and Environment

The Department of Public Health and Environment (CDPHE) provides public health and environmental protection services.

Health program areas include disease control, local health services, inspection of hospitals and nursing homes, emergency medical services, and preventive medical services for children. County departments of health, nursing home facilities, and community health clinics provide these services. Approximately 65 percent of the Department's budget goes toward health-related programs. A majority of the budget is made up of federal funds.

Department of Public Health and Environment
Fiscal Year 2001-02 Budget

Total Appropriation *(millions)*	**General Fund** *(millions)*	**Cash Fund** *(millions)*	**Cash Funds Exempt** *(millions)*	**Federal Funds** *(millions)*
$263	$35	$24	$54	$150
100%	13%	9%	21%	57%

Department of Human Services

The Department of Human Services (DHS) provides health and non-health-related services through county departments of social services, state mental health institutes, youth corrections facilities, nursing homes, vocational rehabilitation offices, regional centers for persons with developmental disabilities, and numerous community-based public and private providers. Health-related services include those administered by the Alcohol and Drug Abuse Division, Developmental Disabled Services, Division of Aging and Adult Services, Mental Health Services, and the Old Age Pension Health and Medical Care Fund. Because some programs incorporate both health and non-health related aspects, it is difficult to specify exactly how much of the budget goes toward health-related services. A large portion of the budget is funded through cash funds exempt due to transfers of Medicaid dollars from the Department of Health Care Policy and Financing.

Department of Human Services
Fiscal Year 2001-02 Budget

Total Appropriation *(millions)*	General Funds *(millions)*	Cash Funds *(millions)*	Cash Funds Exempt *(millions)*	Federal Funds *(millions)*
$1,815	$519	$66	$730	$500
100%	29%	4%	40%	28%

Department of Regulatory Agencies

The Department of Regulatory Agencies (DORA) addresses the health care needs of the state through the Division of Insurance and the Division of Registrations. The Division of Insurance works to promote a competitive insurance marketplace, which allows for affordable insurance and adequate consumer choice. The Division regulates insurance companies, non-profit hospitals and health service corporations, health maintenance organizations, and workers' compensation self-insurance pools through financial examinations, inspections, and enforcement of regulations. The Division also acts as a consumer advocate, responding to and investigating complaints from consumers. The Division of Insurance is funded almost entirely through tax assessments on insurers and license fees paid by regulated entities.

Division of Insurance
Fiscal Year 2001-02 Budget

Total Appropriation	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
$7 million	$0	$6.8 million	$72,225	$192,215
100%	0%	96%	1%	3%

The Division of Registrations works to protect health care consumers through licensure of qualified medical practitioners, facilities, programs, and equipment. Its occupational boards and licensing programs have been created by the General Assembly to

ensure a minimum level of competency among licensees and to protect the public welfare. The Division conducts inspections, investigates complaints, and restricts or revokes licenses when standards of practice have not been met. The budget is primarily funded through fees paid for licensure or registration by those professions regulated by the Division.

Division of Registrations
Fiscal Year 2001-02 Budget

Total Appropriation *(millions)*	**General Fund** *(millions)*	**Cash Funds** *(millions)*	**Cash Funds Exempt** *(millions)*	**Federal Funds** *(millions)*
$13	$0	$11	$2	$0
100%	0%	83%	17%	0%

MAJOR HEALTH CARE PROGRAMS AND SERVICES

There are many state government programs in Colorado that provide health care assistance to the elderly. The programs that are most commonly discussed by the General Assembly are highlighted here. Colorado will spend approximately $343 million for these programs that are administered by the Department of Health Care Policy and Financing, the Department of Human Services, and the Department of Public Health and Environment. The remaining will come from federal funds.

Medicaid

Medicaid is the state and federal health care coverage program for poor individuals of all ages. Elderly individuals typically qualify for Medicaid by first qualifying for the Supplemental Security Income (SSI) or Old Age Pension. Qualifying for OAP is based on income and resources, while SSI requires a disability as well as income and resource limitations.

Budget: Colorado receives an approximately one-to-one federal to state dollar match for Medicaid.

Medicaid for the Elderly
Fiscal Year 2001-02 Budget

Total Appropriation *(millions)*	General Fund *(millions)*	Cash Funds *(millions)*	Cash Funds Exempt *(millions)*	Federal Funds *(millions)*
$642	$321	$0	$0	$321
100%	50%	0%	0%	50%

Number of enrollees: FY 01-02 is estimated at 49,603.

Cost per enrollee: FY 01-02 is estimated at $12,951.

Services: Clients may access services that include nursing

facilities, community long-term care, HMO physician care, home health, pharmaceuticals, Title XVIII Medicare coinsurance and deductibles, Program for All-Inclusive Care for the Elderly (PACE), inpatient and outpatient hospital, hospice care, as well as nursing care and durable medical equipment.

Eligibility: There are several categories of eligibility for Medicaid benefits. Individuals who qualify for the federal Supplemental Security Income program for people age 65 and older are also eligible for Medicaid. Individuals who are below the age of 65 and are disabled may also qualify for Medicaid.

Aging Services Programs

These programs of the Department of Human Services provide services for disabled or vulnerable adults who require some level of assistance to maintain their independence. The five major program areas include Adult Income and Medical Support, Adult Protection, Older Americans Act, Supportive Housing and Homeless Programs, and a computerized information and referral program.

Budget: The cash fund source comes from the Older Coloradans

Aging Services Programs
Fiscal Year 2001-02 Budget

Total Appropriation *(millions)*	General Fund *(millions)*	Cash Funds *(millions)*	Cash Funds Exempt *(millions)*	Federal Funds *(millions)*
$18	$2	$3	$3	$10
100%	11%	17%	17%	57%

Fund and the cash funds exempt dollars come from local sources. Federal funding is from the Older Americans Act.

Number of persons served: FY 01-02 is estimated at 64,114.

Cost per person served: FY 00-01 is estimated at $3,603.

Services: Services include cash grants to low-income elderly,

blind and disabled persons, employment programs, nutrition programs, transportation and information services, affordable housing programs, and ombudsman services.

Eligibility: Eligibility is determined on a program basis.

Old Age Pension Health and Medical Care Fund

This fund is for those low-income persons aged 60 and older receiving Old Age Pension payments who are not eligible for Medicaid.

Budget: Money for the Old Age Pension Fund and Health and Medical Care Fund is taken out of state revenue dollars before they reach the General Fund. The Health and Medical Care Fund is capped at $10 million.

Old Age Pension Health and Medical Care Fund
Fiscal Year 2001-02 Budget

Total Appropriation *(millions)*	General Fund *(millions)*	Cash Funds *(millions)*	Cash Funds Exempt *(millions)*	Federal Funds *(millions)*
$9.8	$0	$0	$9.8	$0
100%	0%	0%	100%	0%

Number of enrollees: FY 01-02 is estimated at 3,395.

Cost per enrollee: FY 01-02 is estimated at $2,902.

Services: Services available to this population are the same as Medicaid, except that recipients cannot access inpatient psychiatric care, nursing home care, or home and community-based services (i.e. alternatives to nursing home).

Eligibility: The income eligibility test for this program is constitutionally established and adjusted for cost of living. In 2001, the income amount was $582.

Health Facilities Division

The Health Facilities Division within the Department of Public Health and Environment establishes and enforces standards for the operation of health care facilities throughout the state, ensuring that elderly patients and residents receive quality care from health care facilities and programs.

Health Facilities Division
Fiscal Year 2001-02 Budget

Total Appropriation	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
$7.6 million	$231,000	$470,000	$4 million	$3 million
100%	3%	6%	48%	43%

Budget: Funding for the Division comes primarily from Medicaid moneys transferred from the Department of Health Care Policy and Financing (cash funds exempt) and Federal funds.

Number of persons served: The Division oversees 231 nursing homes with approximately 17,285 residents. Seven of these nursing facilities are private, the remaining 224 are eligible for state and federal funds and serve approximately 16,990 residents.

Cost per facility: FY 01-02 estimated cost per facility inspection is $33,976.

Services: Services include licensure of hospitals and other heath care facilities, HMOs, and personal care boarding homes; certification of nursing homes; and training for individuals to administer medications in residential care facilities and adult day care programs.

Eligibility: The Division primarily oversees facilities that accept Medicare and Medicaid enrollees.

WOMEN AND CHILDREN

There are five major programs that provide health care services to women and children. The Department of Health Care Policy and Financing and the Department of Public Health and Environment administer these programs. In Fiscal Year 2001-2002, the state of Colorado will spend approximately $207 million on the programs discussed here.

Medicaid

Low-income women and children may receive health care coverage through Medicaid by qualifying for Temporary Assistance to Needy Families (TANF), as the parent or caregiver of a newborn infant, or by qualifying for the former federal program Aid to Families with Dependent Children.

Medicaid for Women and Children
Fiscal Year 2001-02 Budget

Total Appropriation *(millions)*	General Fund *(millions)*	Cash Funds *(millions)*	Cash Funds Exempt *(millions)*	Federal Funds *(millions)*
$372,016,261	$186	$0	$0	$186
100%	50%	0%	0%	50%

Budget: Colorado receives an approximately one-to-one federal to state dollar match for Medicaid.

Number of enrollees: FY 01-02 is estimated at 183,723.

Cost per enrollee: FY 01-02 is estimated at $2,025.

Services: Enrollees are provided physician and clinic services, hospital care, prescriptions, home health care, and mental health services.

Eligibility: Individuals qualify for Medicaid through TANF or by meeting specific income requirements that vary based upon the age and health status of the applicant. Children may receive

additional coverage including early and periodic screening diagnosis and treatment, dental and vision services, and immunizations.

Children's Basic Health Plan

The Children's Basic Health Plan provides health insurance to uninsured children from families at or below 185% of the federal poverty level (see page ## for current federal poverty guidelines). Families pay an annual enrollment fee of $35 and make co-payments of $1 to $5 for most services.

Budget: Colorado receives a two-to-one federal to state dollar match. The cash funds exempt of the state's portion is an annual amount from the tobacco settlement, and the cash funds come from family enrollment fees.

Children's Basic Health Plan
Fiscal Year 2001-02 Budget

Total Appropriation	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
$47 million	$9 million	$250,000	$10 million	$28 million
100%	18%	5%	21%	60%

Number of enrollees: FY 01-02 is estimated at 40,688.

Cost per enrollee: FY 01-02 is estimated at $72.

Services: Services include insurance coverage for medical care including inpatient and outpatient hospital services, physician services, prescription drugs, and mental health services. Beginning in October 2001, a dental benefit was expected to be part of the medical care package available to children enrolled in the program. However, implementation of the dental benefit has been deferred.

Eligibility: Children under the age of 18 whose families are at or

below 185% of the federal poverty level and who are not eligible for the program.

Women, Infants, and Children (WIC)

The Special Supplemental Food Program for Women, Infants, and Children is a federal nutrition program for pregnant women and children up to age five. The goal of the program is to decrease the incidence of anemia, height/weight deviations, and low birth weight through maximizing nutrition services to high-risk populations. In Colorado, WIC is administered by the Department of Public Health and Environment.

Budget: The WIC program is fully funded by the U.S. Department of Agriculture. Funding is provided on month-to-month basis.

Women, Infants, and Children
Fiscal Year 2001-02 Budget

Total Appropriation *(millions)*	General Fund *(millions)*	Cash Funds *(millions)*	Cash Funds Exempt *(millions)*	Federal Funds *(millions)*
$53	$0	$0	$0	$53
100%	0%	0%	0%	100%

Number of enrollees: The Colorado WIC program currently serves a total of approximately 75,000 persons. Of those participants, approximately 19,000 are women, 20,000 are infants, and 35,500 are children between the ages of one and five.

Cost per enrollee: For FY 00-01, the average monthly food benefit to participants was $48.

Services: The program provides nutrition education, referrals, and nutritious food to supplement the regular diet of pregnant and breast-feeding women, infants, and children under the age of five. There are approximately 125 clinics throughout the state that provide WIC services.

Eligibility: Enrollees must have income under 185 percent of the

federal poverty level and qualify as "nutritionally at risk," which is determined by a county health department during a WIC visit.

Family Planning Program

The program provides family planning services to women and men through county health departments, county nursing services, and non-profit organizations. The program's services emphasize prevention through clinical exams and patient education.

Budget: The program is funded through state general fund dollars, local support, patient fees, and Title X, a federal grant that makes family planning services available to low-income individuals.

Family Planning Program
Fiscal Year 2001-02 Budget

Total Appropriation	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
$4 million	$1.7 million	$0	$88,000	$2.2 million
100%	44%	0%	2%	54%

Number of persons served: There are 65 sites throughout the state that provide services to over 55,000 women and men. Seventy-seven percent of patients served have incomes at or below 150 percent of poverty.

Cost per person served: The average cost for providing a year's worth of services is $181 per patient.

Services: Program services include gynecological and male exams, cervical, breast, and testicular cancer screening, contraceptive information and supplies, sexually transmitted disease testing and treatment, health education and counseling, and referrals. The program does not pay for abortion services.

Eligibility: Anyone is eligible to receive services. Patient fees are determined by the patient's income level.

There are several means by which the Colorado state

government provides assistance with mental health and substance abuse services. The majority of these programs are implemented through the Alcohol and Drug Abuse Division (ADAD) and Mental Health Services (MHS). Colorado will spend approximately $235 million in FY 2001-2002 to administer the programs highlighted here.

Community Mental Health Services

The Colorado Mental Health Services program, within the Department of Human Services, provides mental health treatment to the community for Medicaid eligible and non-Medicaid eligible patients. The program supports community-based mental health treatment by purchasing services from 17 community mental health centers, three specialty clinics, and seven Mental Health Assessment and Service Agencies (MHASAs). The Department of Health Care Policy and Financing contracts with Mental Health Services to provide mental health care to the Medicaid population by purchasing services from seven MHASAs. The MHASAs are responsible for implementing Medicaid mental health capitation and case management programs.

Medicaid Mental Health Services

Medicaid Mental Health Services
Fiscal Year 2001-02 Budget

Total Appropriation *(millions)*	General Fund *(millions)*	Cash Funds *(millions)*	Cash Funds Exempt *(millions)*	Federal Funds *(millions)*
$155	$78	$0	$0	$78
100%	50%	0%	0%	50%

Budget: Colorado receives approximately one dollar from the federal government for each dollar it spends on Medicaid.

Number of Persons Served: FY 01-02 is estimated at 36,787 children and adults.

Cost Per Person Served: FY 01-02 is estimated at $4,220 per person, including anti-psychotic pharmaceuticals.

Services: A wide range of services, including hospitalizations and pharmaceuticals, are provided by the MHASAs, which determine the appropriate level of service.

Eligibility: Eligibility is determined by Medicaid eligibility rules.

Non-Medicaid Mental Health Services

Budget: Community mental health agencies receive additional

Non-Medicaid Mental Health Services
Fiscal Year 2001-02 Budget

FY 01-02 Total *(millions)*	General Fund *(millions)*	Cash Funds *(millions)*	Cash Funds Exempt *(millions)*	Federal Funds *(millions)*
$45	$29	$0	$11	$5
100%	64%	0%	25%	11%

funds from many sources. Most of these funds are not reflected in the state budget because they are not state dollars. Of the General Fund dollars listed, $9.2 million is provided to the 1,600 members of the Goebel lawsuit settlement class.

Number of persons served: FY 01-02 is estimated at 38,629.

Cost per person served: FY 01-02 is estimated at $962.

Services: Services provided include a range of inpatient and outpatient mental health services. Inpatient services are provided through referrals to the state's two mental health institutes.

Pharmaceutical drugs are not covered.

Eligibility: Anyone may take advantage of services at a community mental health agency, however, to qualify for public assistance to help pay for those services, individuals' incomes are evaluated according to a sliding scale.

Alcohol and Drug Abuse Division

This Division, within the Department of Human Services, develops, supports, and advocates for comprehensive prevention, intervention, and treatment services to reduce alcohol, tobacco, and drug abuse. Treatment, prevention and detoxification services are provided primarily through six managed care organizations in different geographic areas of the state.

Budget: The majority of funds come from a federal Substance Abuse Block Grant and other federal grants.

Alcohol and Drug Abuse Division
Fiscal Year 2001-02 Budget

FY 01-02 Total	General Funds	Cash Funds	Cash Funds Exempt	Federal Funds
$33 million	$9 million	$2 million	760,000	$22 million
100%	27%	5%	2%	65%

Number of persons served: Twenty-seven thousand shelter/ detoxification admissions and 17,000 substance abuse treatment admissions are estimated for FY 01-02.

Cost per person served: Cost varies according to services provided, ranging from approximately $300 for detoxification to $3,000 for a residential treatment program.

Services: Prevention services include information dissemination, education, alternative activities, problem identification and referral. The division also approves, monitors, and investigates

treatment programs and sets standards for alcohol and drug abuse counselors.

Eligibility: Anyone needing the services of the Division is eligible to participate

There are two state programs that address the needs of the

DISABLED

physically and developmentally disabled population in Colorado. The Department of Health Care Policy and Financing and the Department of Human Services administer these programs. Colorado spends approximately $542 million on the programs described here.

Medicaid

Individuals who receive Medicaid disabled assistance have been deemed permanently and totally disabled by the Disability Determination Service and are eligible for federal Supplemental Social Security.

Budget: Colorado receives an approximately one-to-one federal

Medicaid for the Disabled
Fiscal Year 2001-02 Budget

Total Appropriation *(millions)*	General Fund *(millions)*	Cash Funds *(millions)*	Cash Funds Exempt *(millions)*	Federal Funds *(millions)*
$486	$243	$0	$0	$243
100%	50%	0%	0%	50%

to state dollar match for Medicaid.

Number of persons served: FY 01-02 is estimated at 49,797.

Cost per person served: FY 01-02 is estimated at $9,752.

Services: Services include managed health care through HMOs, inpatient hospital visits, pharmaceuticals, access to nursing

facilities, home- and community-based services for the elderly, blind, and disabled, home health care, and Medicare coinsurance and deductibles.

Eligibility: Those individuals who qualify for either Aid to the Needy Disabled, Supplemental Security Income or for Aid to the Blind will qualify for Medicaid Disabled benefits.

Developmental Disabled Services

Developmental Disabilities Services, administered by Department of Human Services, is responsible for managing the provision of state and Medicaid-funded services and supports for persons with developmental disabilities.

Budget: Approximately 90 percent of the total budget for Developmental Disabilities Services comes from transfers of

Developmentally Disabled Services
Fiscal Year 2001-02 Budget

FY 01-02 Total *(millions)*	General Fund *(millions)*	Cash Funds *(millions)*	Cash Funds Exempt *(millions)*	Federal Funds *(millions)*
$298	$26	$2	$271	$0
100%	8%	.01%	90%	0%

federal Medicaid funds from the Department of Health Care Policy and Financing to the Department of Human Services. Most of the remaining 10 percent of the total budget is from the General Fund.

Number of persons served: As of July 2001, there were approximately 12,019 individuals in community-based services and approximately 400 in institutional services.

Cost per person served: Cost varies among programs, spending up to $73,000 for comprehensive services down to $5,345 for family support services.

Services: Services include family and child support services, case management and ancillary services, day and residential services,

and supported living services.

Eligibility: Eligibility is determined by Medicaid eligibility rules and a diagnosis of developmental disability.

There are two state programs that provide medical care coverage for those who are unable to get private insurance and do

not qualify for Medicaid or another program. Colorado spends approximately $157 million for these programs that are administered by the Department of Health Care Policy and Financing and CoverColorado.

Colorado Indigent Care Program

The Colorado Indigent Care Program (CICP) provides a reimbursement to participating hospitals and clinics that serve uninsured or under-insured Coloradoans who are not eligible for Medicaid. Participating hospitals and clinics determine an individual's program eligibility and their co-payment on site. Providers are reimbursed approximately 30 cents on the dollar by CICP for part of the cost of the treatment.

Budget: Approximately half of the budget for CICP comes from federal funds and less than ten percent of spending comes from the General Fund.

Colorado Indigent Care Program
Fiscal Year 2001-02 Budget

Total Appropriation	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
$288 million	$26 million	$250,000	$127 million	$135 million
100%	9%	0%	44%	47%

Number of persons served: For FY 99-00, CICP estimated there were 156,000 individuals served, approximately 10,000 for inpatient care and 146,000 for outpatient care.

Cost per person served: Costs vary greatly according to services provided.

Services: CICP services are prioritized and delivered on site according to the following guidelines:

- At a minimum, providers must give emergency and urgent care to persons presenting themselves to a facility.
- Additional medical care may include prenatal care, lab, x-ray, on-site pharmacy, and transportation.
- Providers may give any other additional medical care to the extent of their resources.

Eligibility: Individuals must have income or assets equal to or less than 185% of the federal poverty level and must not qualify for Medicaid.

CoverColorado

CoverColorado (formerly Colorado Uninsurable Health Insurance Plan, or CUHIP) provides major medical health insurance to Colorado residents who have been denied access to health insurance because of pre-existing medical conditions.

Budget: CoverColorado is funded by interest earned from the Business Associations' Unclaimed Moneys Fund that includes

CoverColorado
Fiscal Year 2001-02 Budget

Total Budget *(millions)*	General Fund *(millions)*	Cash Funds *(millions)*	Cash Funds Exempt *(millions)*	Federal Funds *(millions)*
$4.4	$0	$0	$4.4	$0

money orders, paychecks, and life insurance policies that have

never been cashed. In addition, HB 01-1391 allows CoverColorado to meet any additional expenses by collecting the balance from insurance companies. Enrollee premiums also help to cover the program's costs.

Number of enrollees: There were 1,786 enrollees as of December 31, 2000.

Cost per enrollee: In 2000, the average annual medical expenses per enrollee were $4,210. The average premium paid by enrollees was $218 per month.

Services: Services include inpatient and outpatient hospital care, skilled nursing facilities, transplants, home health care, prescription drugs, preventive care, mental health and substance abuse treatment, and hospice care.

Eligibility: To participate in the CoverColorado program, an individual must have been a resident of Colorado for at least six months and meet one of these conditions:

- applied for health insurance, but the application has been rejected because of a medical condition, the premium was too high, or treatment of pre-existing health conditions has been excluded for more than six months under the application;

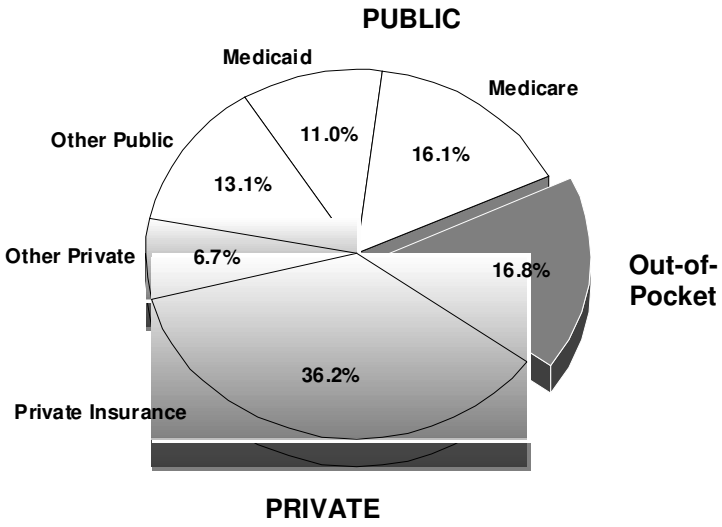
- had insurance coverage involuntarily terminated by an insurer for reasons other than nonpayment of premiums;

- have a pre-qualifying medical condition, such as AIDS or HIV, metastatic cancer, cystic fibrosis, etc.; or

- be eligible for the Health Insurance Portability and Accountability Act (HIPAA) of 1996.

APPENDIX

Sources of Payment for Personal Health Care, 1998



*source: 2001 Colorado Health Data Book

Annual Incomes and Percent of Poverty Level

Family Unit Size *(members)*	Income Level					
	39% of poverty level	73% of poverty level	100% of poverty level	133% of poverty level	185% of poverty level	220% of poverty level
1	$3,350	$6,271	$8,590	$11,425	$15,892	$18,898
2	$4,528	$8,475	$11,610	$15,441	$21,479	$25,542
3	$5,706	$10,680	$14,630	$19,458	$27,066	$32,186
4	$6,884	$12,885	$17,650	$23,475	$32,653	$38,830

Source: 2001 United State Department of Health and Human Services Poverty Guidelines

STATE DEPARTMENTS/ PROGRAMS

Department	Elderly	Children	Womens' Health	Mental Health	Disabled	Insured	Uninsured
Health Care Policy and Financing	• Medicaid	• Medicaid • Children's Basic Health Plan/ CHPP	• Medicaid	• Medicaid	• Medicaid		• Colorado Indigent Care Program
Human Services	• Aging and Adult Services • Old Age Pension and Medical Care Fund			• Alcohol and Drug Abuse Division • Mental Health Services	• Develop-mental Disabled Services		
Public Health and Environment	• Health Facilities Division	• EPSDT • WIC	• Family Planning Program • WIC		• Health Facilities Division		
Regulatory Agencies						• Division of Insurance	