

**Health Care
Resource Book
2003**



**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 book is divided into three sections to make it easier for the reader to access information. The first section covers major issues such as the cost of health insurance, long-term care, prescription drug costs, and the uninsured population. The second section reviews the health care programs of executive branch departments that are of legislative interest. The final section provides detailed information about specific programs, their cost, and the services they provide by population group. An index has been included to assist in finding topic-specific information throughout the book. Departmental and program budget figures were drawn from the FY 02-03 annual appropriations bill (Long Bill). Please note that budget amounts have been rounded up.

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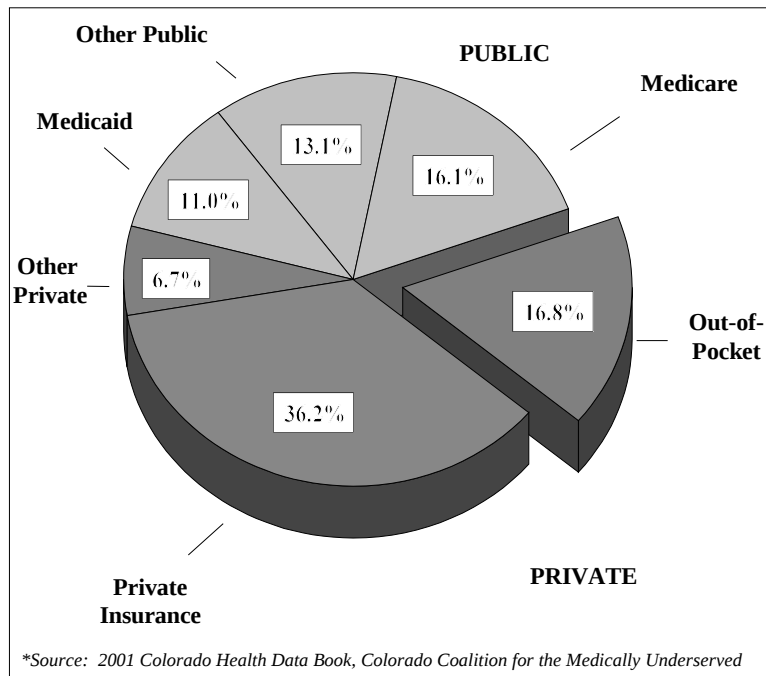
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MAJOR HEALTH CARE ISSUES

Health insurance costs are rising at double-digit percentages. Growth in Colorado's elderly population has exceeded the national average in the last ten years, increasing the demand for quality long-term care and affordable prescription drugs. Approximately 16 percent 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 payments account for nearly 60 percent of the spending for health care coverage.

Table I
Sources of Payment for Personal Health Care, 1998



Health Insurance

Costs for health insurance have increased dramatically since 1998. The increase for small group health insurance premiums in Colorado illustrates this trend. For example, in 2000, the average monthly small group insurance premium with a health maintenance organization (HMO) for a family of four in Denver increased by 14 percent from the previous year to \$497. Likewise, the premiums for preferred provider organizations (PPOs) and standard indemnity plans increased 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. While the Division of Insurance does not keep data on large group (those with 51 or more employees) insurance premiums, national data indicates that large group premiums reflect the increases of small group insurance premiums.

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 13 companies, they 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, treatment for mental illness, diabetes, prosthetic devices and prostate cancer screening. HMOs must permit emergency room access 24 hours a day, 7 days a week. Colorado further regulates all managed care organizations by requiring them to maintain a sufficient network of providers; allow direct access to OB/GYNs; provide standing referrals to specialists, requiring only a one-time referral for medically necessary treatment; and provide for an independent and external review of patient

grievances. In addition, Colorado requires hold harmless provisions and bans gag clauses that restrict doctors' communication with enrollees. Colorado law does not cover self-funded plans, but does regulate carriers offering excess loss coverage to employers.

Long-Term Care

Long-term care involves a wide variety of services for people with a 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 \$118 to \$140 per day, with higher costs in the Denver metropolitan area. Personal care services at home cost between \$12 and \$15 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 FY 2002-03, approximately 38 percent of Colorado's entire Medicaid budget will go toward long-term health care costs. Nursing home utilization remains 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 pay a certain daily maximum dollar amount for a specific time period. Consumers pay the balance. Colorado requires that long-term care insurers offer two packages: 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

Prescription drugs are widely considered to be the fastest growing component of health care costs. In recent years, annual increases in prescription drug spending have exceeded 10 percent. During 2000 alone, national spending jumped by over 17 percent. Whereas national health expenditures for prescription drugs totaled almost \$92 billion in 1998, spending is projected to reach approximately \$240 billion in 2008. In Colorado, the cost of retail prescriptions increased by 10.4 percent, and total retail sales increased by 16.3 percent between 2000 and 2001. On average, Coloradans now spend \$48 per prescription and use over eight prescriptions per year. The primary reasons cited for rising prescription spending are the expanding utilization of prescriptions; changes in the types of drugs being used; and increases in manufacturers' prices for existing drugs.

Senior citizens are especially hard hit by increases in prescription drug prices because they rely on prescriptions more than younger persons. For example, while people in their late twenties and thirties use an average of two prescriptions per year, people over 75 use 11 prescriptions per year. Prescriptions drugs have been shown to help people live longer, more productive lives, but many seniors lack coverage for them. Medicare does not pay for most outpatient drugs so seniors must seek supplemental coverage, pay out-of-pocket, or go without their prescriptions. Approximately 38 percent of persons over age 65 do not have any prescription drug coverage. In Colorado, those who do have coverage get it through Medicaid, employer-sponsored plans, enrollment with an HMO, or a Medigap policy. Although a number of states have established pharmacy programs to supplement these coverage options, Colorado has not.

Uninsured Population

Estimates of the number of uninsured in Colorado vary between 500,000 and 700,000 individuals. While the number of uninsured does seem to be increasing, the percentage of the state's population without insurance has remained around 16 percent.

Nearly 85 percent of uninsured adults in Colorado have a permanent job. The highest rates of uninsured are in Archuleta, Dolores, Hinsdale, La Plata, Montezuma, Ouray, San Miguel 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.

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 law requires carriers in the small group market to offer insurance products to groups of one to 50 employees, regardless of the health status of the group. Because the small group market provides guaranteed coverage regardless of the health status of the group, such coverage is typically more expensive than coverage outside of the small group market. Under state law, all carriers in the small group market are required to offer basic and standard health care plans. Only three percent of all small group enrollment is in traditional indemnity plans. Preferred provider plans and health maintenance organizations make up 37 percent and 60 percent of the small group market, respectively. There are approximately 25 small group carriers listed with the Division of Insurance and several of those are HMOs that offer plans only in metropolitan areas.

Rural areas typically face higher health care costs. There are several factors that influence the cost differential including a lower volume of customers which tends to yield higher 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. 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. Eligibility for programs often depends largely on an individual's income level. Table II on page 12 shows the income eligibility requirements for the main state medical coverage programs. All of these programs are administered by the Department of Health Care Policy and Financing. Table III on page 15 shows the different programs described in this book and the departments that administer them.

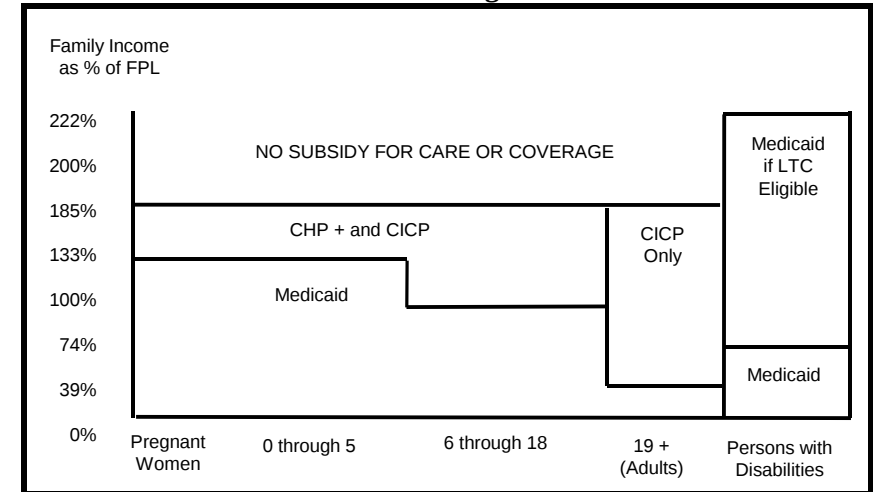
Department of Health Care Policy and Financing

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 2002-03 Budget

Total Appropriation (millions)	General Funds (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds (millions)
\$2,714	\$1,180	\$1	\$187	\$1,346
100%	43%	0%	7%	50%

Table II
State-Subsidized Insurance Coverage and Health Care Services



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, preventive medical services for children, and suicide prevention. County departments of health, nursing home facilities, and community health clinics typically provide these services directly to patients. Approximately 73 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 2002-03 Budget

Total Appropriation (millions)	General Funds (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds (millions)
\$284.7	\$21.6	\$25.9	\$82.4	\$154.7
100%	8%	9%	29%	54%

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 2002-03 Budget

Total Appropriation (millions)	General Funds (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds (millions)
\$1,902	\$598	\$85	\$786	\$483
100%	29%	5%	41%	25%

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. About 29 percent of the Department's \$74.6 million budget is allocated to these two divisions. 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 various fees paid by regulated entities.

**Division of Insurance
Fiscal Year 2002-03 Budget**

Total Appropriation (millions)	General Funds (millions)	Cash Funds (millions)	Cash Funds Exempt (thousands)	Federal Funds (thousands)
\$7.4	\$0	\$7.2	\$80	\$199.6
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 2002-03 Budget**

Total Appropriation (millions)	General Funds	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds
\$13.9	\$0	\$11.8	\$2.1	\$0
100%	0%	85%	15%	0%

TABLE III

SEE FOLLOWING PAGE

Table III
State Departments and Programs

Department	Elderly	Children	Women	Mentally Ill and Substance Abusers	Disabled	Insured	Uninsured
Health Care Policy and Financing	• Medicaid	• Medicaid • Children's Basic Health Plan/CHP+	• 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	• Developmental Disabled Services		
Public Health and Environment	• Health Facilities Division	• EPSDT • WIC	• Family Planning Program • WIC		• Health Facilities Division		
Regulatory Agencies						• Division of Insurance	

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MAJOR HEALTH CARE PROGRAMS AND SERVICES

Colorado provides health care-related programs and services for low-income citizens of all ages with various care needs. These programs serve the elderly, women, children, the mentally ill, substance abusers, the disabled, and the uninsured. This section is organized by these population groups and provides the costs and eligibility requirements for each program as well as the services provided.

Elderly

Many state government programs in Colorado 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 \$678 million on programs for the elderly 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. Approximately \$325 million of the total appropriation comes from the General Fund.

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 (OAP) programs. Qualifying for OAP is based on income and resources, while SSI requires a disability diagnosis and contains income and resource limitations.

Medicaid for the Elderly Fiscal Year 2002-03 Budget

Total Appropriation (millions)	General Funds (millions)	Cash Funds	Cash Funds Exempt	Federal Funds (millions)
\$648	\$324	\$0	\$0	\$324
100%	50%	0%	0%	50%

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

dollar match for Medicaid.

Number of enrollees: FY 02-03 is estimated at 51,631.

Cost per enrollee: FY 02-03 is estimated at \$12,568.

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 care, 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. Disabled individuals who are below the age of 65 may also qualify for Medicaid.

Older Americans Act Programs

The Aging Services programs of the Department of Human Services provide health- and non-health-related services for disabled or vulnerable adults who require some level of assistance to maintain their independence. The Older Americans Act programs are available to individuals who are aged 60 or older and have difficulty with some aspects of daily living.

Older Americans Act Programs Fiscal Year 2002-03 Budget

Total Appropriation (millions)	General Funds (thousands)	Cash Funds	Cash Funds Exempt (millions)	Federal Funds (millions)
\$11.8	\$489.7	\$0	\$3	\$8.3
100%	4%	0%	26%	70%

Budget: The cash funds exempt comes from state sales and use taxes transferred to the Older Coloradans Fund. Federal funding is from the Older Americans Act.

Total service expenditures: FY 01-02 was \$2,725,274.

Number of persons served: FY 01-02 was 15,624.

Services: Services include employment programs, nutrition programs, transportation and information services, and ombudsman services.

Eligibility: Anyone over age 60 is eligible for services. There is no means test.

Old Age Pension Health and Medical Care

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

Old Age Pension Health and Medical Care Fund Fiscal Year 2002-03 Budget

Total Appropriation (millions)	General Fund	Cash Funds	Cash Funds Exempt (millions)	Federal Funds
\$9.9	\$0	\$0	\$9.9	\$0
100%	0%	0%	100%	0%

Budget: Money for the Old Age Pension Health and Medical Care Fund is taken out of sales, liquor and estate tax revenue before they reach the General Fund. The Health and Medical Care Fund is capped at \$10 million.

Number of enrollees: FY 01-02 is estimated at 3,744.

Cost per enrollee: FY 01-02 is estimated at \$2,619.

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). Beneficiaries of Old Age Pension may also be eligible for burial and home care allowance.

Eligibility: The income eligibility test for this program is constitutionally established and adjusted for cost of living. In 2002, the income amount was \$582 per month.

Monitoring of Health Facilities

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

Health Facilities Division Fiscal Year 2002-03 Budget

Total Appropriation (millions)	General Fund (thousands)	Cash Funds (thousands)	Cash Funds Exempt (millions)	Federal Funds (millions)
\$7.9	\$379.5	\$479.5	\$4	\$3
100%	4.8%	6.1%	51%	39%

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 02-03 estimated cost per nursing home facility inspection is \$12,222.

Services: Services include licensure of hospitals and other health 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.

Women and Children

Four major programs 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 FY 2002-03, the state of Colorado is expected to spend over \$267 million on the programs discussed here. Combined federal and state spending is expected to reach approximately \$609 million.

Medicaid

Medicaid offers comprehensive health care coverage for very low-income women and children. They typically qualify for the program through enrollment in Temporary Assistance for Needy Families (TANF, the cash assistance welfare program) or by meeting specific income and resource criteria. Although women and children account for the majority of Medicaid enrollees, the cost to provide services to them is significantly lower than the costs associated with serving the elderly and disabled Medicaid populations.

Medicaid for Women and Children Fiscal Year 2002-03 Budget

Total Appropriation (millions)	General Fund (millions)	Cash Funds	Cash Funds Exempt	Federal Funds (millions)
\$476.1	\$238.1	\$0	\$0	\$238.1
100%	50%	0%	0%	50%

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

Number of enrollees: FY 02-03 is estimated at 216,697.

Cost per enrollee: Because the cost per enrollee varies significantly between the different women and children groups, each FY 02-03 estimate is listed separately below. Categorically eligible children and adults meet statewide AFDC (Aid to Families with Dependent Children) needs standards and, therefore, generally have lower incomes than Baby Care/Kids Care children and adults. There is a significant cost difference

**Children's Basic Health Plan
Fiscal Year 2002-03 Budget**

Total Appropriation (millions)	General Fund	Cash Funds	Cash Funds Exempt (millions)	Federal Funds (millions)
\$76	\$0	\$0	\$27.3	\$48.7
100%	0%	0%	36%	64%

between the two adult categories because Baby Care/Kids Care adults must be pregnant to qualify for the program. Enrollment criteria for categorically eligible adults does not include pregnancy. Categorically eligible enrollees are, therefore, less likely to incur the costs associated with pregnancy and delivery.

Categorically eligible and Baby Care/Kids Care children: \$1,750

Foster children: \$2,652

Categorically eligible adults: \$3,273

Baby Care/Kids Care adults: \$5,564

Services: Enrollee benefits include physician and clinic services, hospital care, prescriptions, home health care, and mental health services. Children may receive additional coverage through the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program. These services include dental care, vision and hearing screening, and immunizations.

Eligibility: Women and children are categorically eligible for Medicaid by qualifying for TANF. They may also be Medicaid eligible if they meet specific income requirements that vary by age and pregnancy status. In Colorado, the eligibility threshold for pregnant women and children through age five is 133 percent of the federal poverty level. Foster care children also qualify for Medicaid.

Children's Basic Health Plan

The Children's Basic Health Plan (marketed as the Child Health Plan Plus or CHP+) provides health insurance to low-income children. In 2002, legislation was enacted making low-income pregnant and post-partum women eligible for the health plan. Families with incomes between 150 percent of the federal poverty level pay an annual enrollment fee of \$25 to \$35 and make co-payments of \$1 to \$5 for most services. Enrollment fees are not charged to pregnant women.

Budget: Colorado receives a two-to-one federal-to-state dollar match. The cash funds exempt represent transfers from the Children's Basic Health Plan Trust. The trust currently receives the majority of its funding from Tobacco Settlement dollars. General Fund dollars and patient premiums also contribute to the trust's balance.

Number of enrollees: FY 02-03 average monthly caseload is estimated at 54,108 children and 2,928 women. The number of women may be re-estimated downward because enrollment for them was delayed until late September. There were 187 women enrolled in the program as of December 31, 2003. An additional 232 women were receiving services under presumptive eligibility. Approximately 150 of these women are expected to be determined eligible to continue services.

Cost per enrollee: Annual medical and dental costs for children in FY 02-03 are estimated at \$1,090. Medical costs for women in FY 02-03 are estimated at \$5,564.

Services: Services include insurance coverage for medical care such as inpatient and outpatient hospital services, physician services, prescription drugs, prenatal care, labor and delivery, and mental health services. Coverage for dental care is available to enrollees who are under age 19.

Eligibility: Eligible women and children must have family incomes that do not exceed 185 percent of the federal poverty level. Eligible children must be under age 19. Women must be pregnant or less than 60 days post-partum. Persons who qualify for Medicaid or have private insurance are not eligible for the health plan. See Table II on page 12 for an illustration of program income eligibility guidelines.

Women, Infants, and Children

The Special Supplemental Food Program for Women, Infants, and Children (WIC) is a federal nutrition program for women and children. 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.

Women, Infants, and Children Fiscal Year 2002-03 Budget

Total Appropriation (millions)	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds (millions)
\$52.6	\$0	\$0	\$0	\$52.6
100%	0%	0%	0%	100%

Budget: The WIC program is fully funded by the U.S. Department of Agriculture.

Number of enrollees: The Colorado WIC program serves approximately 79,500 persons. Of those participants, approximately 21,000 are women, 22,000 are infants, and 36,500 are children between the ages of one and five.

Cost per enrollee: For FY 02-03, the average monthly food benefit for participants is \$49.

Services: The program provides nutrition education, referrals to other community resources, and nutritious food to supplement enrollees' regular diet. There are approximately 125 clinics throughout the state that provide WIC services.

Eligibility: Enrollees are pregnant and post-partum women and children up to age five whose family income does not exceed 185 percent of the federal poverty level. Eligible persons must also be "nutritionally at risk," which is determined during a visit to a county health department, nursing service, or community health center.

Family Planning Program

The program provides free and low-cost family planning services to women and men through county health departments, county nursing services, hospitals, and non-profit organizations. Its purpose is to improve the perinatal and sexual health status of all Coloradans through clinical exams and patient education.

Family Planning Program Fiscal Year 2002-03 Budget

Total Appropriation (millions)	General Fund (millions)	Cash Funds	Cash Funds Exempt (thousands)	Federal Funds (millions)
\$4.1	\$1.8	\$0	\$133	\$2.2
100%	44%	0%	3%	53%

Budget: The program receives funding through state General Fund dollars and Title X, the federal family planning grant. Providers receive approximately \$5.5 million in additional funding from local sources, donations, and patient fees.

Number of persons served: There are 60 sites throughout the state that provide services to approximately 52,000 women and 1,500 men.

Cost per person served: The average annual cost of serving a patient in FY 02-03 is \$188. The majority of this cost is paid by local sources, patient fees, and donations and, therefore, are not reflected in the table above.

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. Patients with incomes at or below 100 percent of the federal poverty level are not charged for services.

Mentally Ill and Substance Abusers

There are several means by which 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 \$260 million in FY 2002-03 to administer the programs highlighted here; approximately \$132 million of that total comes from the General Fund.

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, several specialty clinics, and eight Mental Health Assessment and Service Agencies (MHASAs). The Department of Health Care Policy and Financing contracts with Mental Health Services to provide care to the Medicaid population by purchasing services from the 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 2002-03 Budget

Total Appropriation (millions)	General Fund (millions)	Cash Funds	Cash Funds Exempt	Federal Funds (millions)
\$182	\$91	\$0	\$0	\$91
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 02-03 is estimated at 43,389 children and adults.

Cost Per Person Served: FY 02-03 is estimated at \$4,294 per person, including anti-psychotic pharmaceuticals.

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

Eligibility: Eligibility is determined by Medicaid eligibility rules.

Non-Medicaid Mental Health Services

Non-Medicaid Mental Health Services Fiscal Year 2002-03 Budget

Total Appropriation (millions)	General Fund (millions)	Cash Funds	Cash Funds Exempt (millions)	Federal Funds (millions)
\$39	\$31	\$0	\$3	\$5
100%	79%	0%	8%	13%

Budget: In addition to General Fund dollars, community mental health agencies receive federal and local government funds.

Number of persons served: FY 02-03 is estimated at 37,486.

Cost per person served: FY 02-03 is estimated at \$1,043, based on state budget funding.

Services: Individuals may receive a range of outpatient, case management, residential, and acute stabilization services.

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.

Substance Abuse

This Alcohol and Drug Abuse Division (ADAD), 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 four managed care organizations in six different geographic areas of the state.

Alcohol and Drug Abuse Division Fiscal Year 2002-03 Budget

Total Appropriation (millions)	General Fund (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds (millions)
\$39	\$10	\$1.5	\$1.4	\$26
100%	26%	4%	4%	66%

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

Number of persons served: FY 02-03 is estimated at 27,000 shelter/detoxification admissions and 18,000 substance abuse treatment admissions.

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.

Disabled

There are two state programs that address the needs of the physically and developmentally disabled populations in Colorado. The Departments of Health Care Policy and Financing and the Department of Human Services administer these programs. Colorado spends approximately \$840 million on the programs described here, of which \$287 million is from the General Fund.

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 Security Insurance (SSI).

Medicaid for the Disabled Fiscal Year 2002-03 Budget

Total Appropriation (millions)	General Fund (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds (millions)
\$519	\$259.5	\$0	\$0	\$259.5
100%	50%	0%	0%	50%

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

Number of persons served: FY 02-03 is estimated at 49,669.

Cost per person served: FY 02-03 is estimated at \$10,450.

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 Aid to the Blind qualify for Medicaid disabled benefits.

Uninsured

Developmental Disabilities Services

The Office of Rehabilitation and Disabilities Service is within the Department of Human Services and is responsible for managing the provision of state and Medicaid-funded services and supports for adults with developmental disabilities. Services to children with developmental disabilities are managed by Children's Health and Rehabilitation Services, also within the Department of Human Services.

Developmental Disabilities Services Fiscal Year 2002-03 Budget

Total Appropriation (millions)	General Fund (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds
\$321	\$26	\$2	\$292	\$0
100%	8%	1%	91%	0%

Budget: Approximately 91 percent of the total budget for Developmental Disabilities Services comes from transfers of state and federal Medicaid funds from the Department of Health Care Policy and Financing to the Department of Human Services. Most of the remaining 9 percent of the total budget is from the General Fund.

Number of persons served: There are approximately 10,000 adults and children in community-based and institutional services.

Cost per person served: Cost varies among programs, with an average for adult services of \$42,000 and an average of \$5,000 for children's services.

Services: Services include case management and ancillary services, day and residential services, and supported living services. Services to children include family support and early childhood and extensive home support services, as well as case management.

Eligibility: Eligibility is determined by Medicaid 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 \$242.4 million for these programs that are administered by the Department of Health Care Policy and Financing and CoverColorado. Approximately \$15.6 million of the total appropriation comes from General Fund.

Colorado Indigent Care Program

The Colorado Indigent Care Program (CICP) reimburses participating hospitals and clinics that serve uninsured or under-insured Coloradans who are not eligible for Medicaid or the Children's Basic Health Plan, or do not have access to adequate health insurance. Participating hospitals and clinics determine an individual's eligibility and co-payment on site. Clients can have other insurance, such as Medicare and any other private health insurance, but these policies must be exhausted before CICP can reimburse providers. The provider network consists of 50 hospitals, 17 clinics, and 77 satellite facilities. The Colorado Indigent Care Program shares funding with the Disproportionate Share Hospital (DSH) payment program. DSH payments provide funds for hospitals that serve a high amount of Medicaid and low-income individuals relative to other hospitals.

On average, CICP providers in FY 01-02 were reimbursed about 47 cents on the dollar for the actual costs of treatment. Participating out-state providers, which are providers that are generally outside the metro Denver area and serve a lower volume of low-income clients, are typically reimbursed approximately 30 cents on the dollar for the costs of treatment. Other participating providers, who serve a significantly higher volume of low-income clients, receive increased amounts of DSH and CICP money and have a higher reimbursement rate.

**Colorado Indigent Care Program
Disproportionate Share Hospital Payment Program
Fiscal Year 2002-03 Budget**

Total Appropriation (millions)	General Fund (millions)	Cash Funds	Cash Funds Exempt (millions)	Federal Funds (millions)
\$229.7	\$15.6	\$0	\$99.2	\$114.8
100%	7%	0%	43%	50%

Budget: For FY 02-03, CICIP and DSH appropriations were appropriated \$229.7 million. Approximately half of this money comes from federal funds and about 43 percent is comprised of cash fund exempt money which represent expenditures by public hospitals which are used to leverage federal matching funds for the program.

Number of persons served: For FY 01-02, CICIP served 155,928 clients, a 2.6 percent decrease from the prior year. Children age 18 and younger represented 10.5 percent of the clients served.

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

Services: All medically necessary services can be covered. The Colorado Indigent Care Program does not reimburse providers for outpatient mental health services, but covers limited inpatient mental health services for a period of 30 days. CICIP services are prioritized and delivered on site according to the following guidelines.

- At a minimum, providers must give emergency and urgent care for an entire year to persons presenting themselves to a facility.
- Additional medical care for conditions which most seriously threaten the health of an indigent person 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 equal to or less than 185 percent of the federal poverty level and must not qualify for Medicaid or the Children's Basic Health Plan. Individuals must also be either a Colorado resident and U.S. citizen, or a migrant farm worker and a U.S. citizen or legal immigrant.

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.

**CoverColorado
Fiscal Year 2002-03 Budget**

Total Appropriation (millions)	General Fund	Cash Funds	Cash Funds Exempt (millions)	Federal Funds
\$12.7	\$0	\$0	\$12.7	\$0
100%	0%	0%	100%	0%

Budget: CoverColorado is funded by three sources. First, CoverColorado's enrollees pay premiums to fund some of the program's costs. The program is also funded by interest earned from the state's Unclaimed Property Trust Fund which includes money orders, paychecks, and life insurance policies that have never been cashed. Last, health care insurance companies pay to offset losses due to the costs of medical and pharmaceutical claims, effective June 2003. CoverColorado is requesting to be paid \$9.8 million by insurance companies for FY 03-04. CoverColorado is required to maintain a funding level in reserve sufficient to cover 10 percent of its expected claims.

Number of enrollees: There were approximately 4,800 enrollees as of November 1, 2002.

Cost per enrollee: In 2001, the average annual medical expenses per enrollee were \$5,500. The average premium paid by enrollees was \$268 per month, but older enrollees can pay significantly more than the average.

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 was rejected because of a medical condition, the premium was higher than the premium under CoverColorado, 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.

Table IV**SEE FOLLOWING PAGE**

Table IV
Annual Incomes and Percent of Poverty Level
2002

Family Unit Size	Income Level					
	39% of poverty level	74% of poverty level	100% of poverty level	133% of poverty level	185% of poverty level	222% of poverty level
1	\$3,455	\$6,556	\$8,860	\$11,784	\$16,391	\$19,669
2	\$4,657	\$8,836	\$11,940	\$15,880	\$22,089	\$26,507
3	\$5,858	\$11,115	\$15,020	\$19,977	\$27,787	\$33,344
4	\$7,059	\$13,394	\$18,100	\$24,073	\$33,485	\$40,182

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