

Health Care Resource Book 2005



A Guide to Major Colorado Health Care Issues and Programs

Resource Book Compiled by
Legislative Council Staff:

Elizabeth Burger, 303-866-6272
Jeanette Chapman, 303-866-6136
Whitney Gustin, 303-866-4789

INTRODUCTION

The Resource Book is intended to serve as a reference guide for information on some of Colorado's major health care issues and programs. The book is divided into three sections to make it easier for the reader to access information. The first section covers issues such as health insurance, prescription drugs, and medical malpractice. The second section reviews the budgets and health care responsibilities of relevant executive branch departments. The final section provides more detailed program information and is organized by population group. Program summaries include information on eligibility, costs, and services. An index appears in the back of the book to assist in finding specific topics. Departmental and program budget figures were drawn primarily from the FY 2004-05 appropriations bill (Long Bill) and the Joint Budget Committee staff's Appropriations Report. Please note that budget figures have been rounded.

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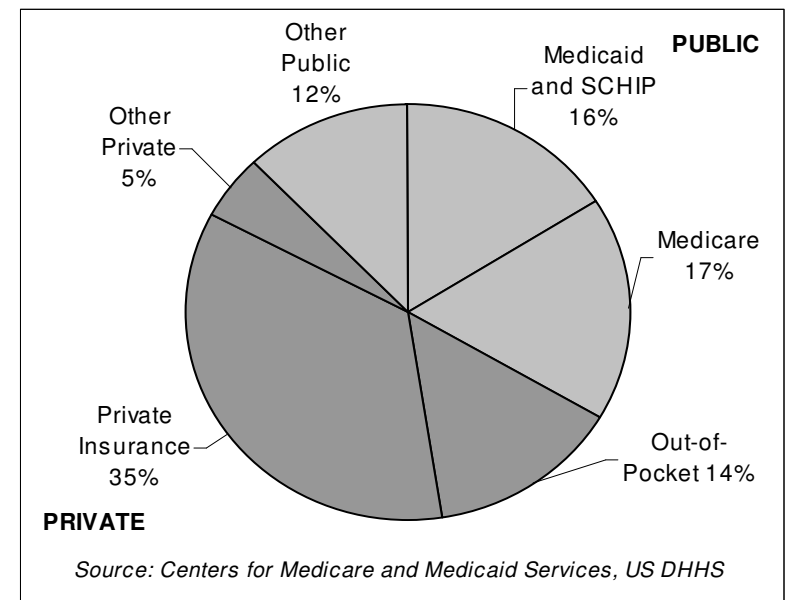
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SECTION I MAJOR HEALTH CARE ISSUES

Health care is one the most difficult issues lawmakers face. The decisions they make affect people's lives in many ways. Some of the biggest health care policy issues are summarized here. They include health insurance, prescription drugs, obesity, and medical malpractice. Overarching all of these issues is the high cost of health care. Nationally, health expenditures grew to 15 percent of the Gross Domestic Product, and state and local government spending reached \$209 billion in 2002. In Colorado, the General Fund appropriation for the Department of Health Care Policy and Financing alone is almost \$1.3 billion or close to 22 percent of the state budget this year. Chart I illustrates the sources of payment for the country's health care costs.

Chart I
Sources of Payment for Health Care, 2002



Health Insurance

The rising cost of health insurance continues to be an issue in Colorado. The increase in health insurance costs is especially evident in Colorado's small group market (employers with 50 or fewer employees and business groups of one) where a review of insurance premiums illustrates dramatic increases over the past five years. For example in 1999, the average HMO premium for a 34-year-old employee with a family of four in Denver was \$436 per month. By 2004, the cost had more than doubled to \$960 per month. As costs have risen, an increasing number of small employers have discontinued health care coverage for their employees. In 2003, the number of small employer groups covered by health insurance was 8.6 percent less than the number covered in 2002.

Nationwide, as well as in Colorado, the majority of individuals access health insurance through their employer. Larger employers often self-fund their health insurance plans. These self-funded plans are subject to federal laws and regulations but are not regulated by Colorado law. Approximately one-quarter to one-third of all insured persons in Colorado have fully-insured plans that are regulated by state law. These plans cover individuals in Colorado's small group market, persons who seek individual coverage outside of their employer, and large groups that do not self-fund their health insurance plans.

Colorado's laws and regulations vary based upon the type of plan (e.g., HMO, group, individual), but include requirements to cover certain benefits, cover emergency care, and offer internal and external grievance processes. For example, there are mandates to cover pregnancy and childbirth, newborn children, childhood immunizations, low-dose mammography, mental illness, diabetes, and prostate cancer screening. Other mandates include requirements for carriers to file proposed premium changes with

the Division of Insurance to ensure that they are not excessive, inadequate, or unfairly discriminatory.

A number of state laws apply specifically to the small group market. Perhaps most significantly, small group carriers are required to offer insurance products to groups of one to 50 employees, regardless of the health status of the group. Coverage in the small group market is typically more expensive than coverage outside of the small group market. In recent years, Colorado has relaxed restrictions on insurers who sell to the small group market, allowing insurers to offer plans that do not cover mandated benefits such as mammograms and prostate cancer screening, and to adjust premiums based upon claims experience, health status, and tobacco use. These changes are intended to lower the costs of the most basic plan available to small groups.

The Uninsured

Coloradans without health insurance are vulnerable to increased health problems and economic loss. In some cases, the cost of care for the uninsured is passed on to the state or to those with insurance. For example, health care providers indicate that uninsured patients are increasingly avoiding medical care until their conditions are severe, requiring visits to the emergency room and extensive treatment. This practice in turn impacts the cost of care for insured patients whose premiums and hospital charges frequently reflect the high cost of treating those extremely ill patients without insurance.

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 continued to be 15 to 16 percent. The profile of the uninsured in the state remains similar from year to year. Three quarters of uninsured Coloradans live in families

with at least one full-time worker. In recent years, the highest rates of uninsured have been in rural counties such as: Alamosa, Archuleta, Conejos, Costilla, Dolores, Hinsdale, La Plata, Montezuma, Ouray, Rio Grande, Saguache, and San Miguel counties.

Nationwide, there are consistent predictors of uninsured status. Generally, young adults between 18 and 24 years of age are the most likely to be uninsured. In contrast, the elderly, because of the availability of Medicare, are less likely to be uninsured than any other age group. Uninsured status is also correlated with poverty; those with the lowest incomes make up a disproportionate share of the uninsured. Thirty-eight percent of low-income Coloradans are uninsured whereas just ten percent of Coloradans with higher incomes are without coverage.

Prescription Drugs

Prescription drugs are widely considered to be the fastest growing component of health care costs. In Colorado, the cost of retail prescriptions increased by 5.9 percent, and total retail sales increased by 3.5 percent between 2002 and 2003. In 2003, prescription drug spending in Colorado totaled over \$2 billion. On average, Coloradans now spend \$56 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 age 64 and younger fill or renew an average of nine prescriptions per year, people over 65 fill or renew an average of 21 prescriptions per year. Prescription drugs have been shown to help people live

longer, more productive lives, but costs of the drugs can prove unmanageable for some.

In 2003, Congress created a new Medicare outpatient prescription drug benefit to assist seniors with prescription drug costs. Beginning in May 2004, seniors started enrolling in a discount card program that benefits primarily low-income persons. When the full-scale prescription drug benefit begins in 2006, all Medicare participants will be eligible for varying levels of prescription drug cost-sharing, depending upon the participant's annual drug costs. Under the new benefit, seniors will pay the full costs of their drugs until a deductible of \$250 is met. Medicare will then pay 75 percent of prescription drug costs totaling between \$250 and \$2,250. After costs total more than \$2,250, no Medicare payment is available until the total costs reach \$5,100. Once this level is reached, the participant will pay either a flat dollar co-pay or five percent of the prescription cost, whichever is greater. Low-income individuals will receive additional assistance to cover drug costs.

Recent Programmatic and Funding Changes

As a result of the economic downturn, state health programs experienced significant changes in funding in recent years. Reduced appropriations and changes to state law affected the eligibility of persons for programs and reduced services. Medicaid and the Child Health Plan Plus (CHP+) experienced some of the most significant changes during the economic downturn. Medicaid is the health care coverage program for very poor individuals of all ages. The Child Health Plan Plus offers coverage to children and pregnant and post-partum women who are primarily from working poor families.

A number of budget reductions and changes to state law limited the availability of transportation, medical equipment, and

specialized services for some Medicaid recipients. In addition, a bill enacted during the 2003 legislative session eliminated the eligibility of certain legal immigrants for Medicaid. As a result, an estimated 3,512 persons are scheduled to lose their Medicaid benefits. Court challenges delayed the implementation of the law; however, the bill is expected to take effect in January of 2005.

The Child Health Plan Plus also experienced significant funding changes during the economic downturn. Coverage for pregnant and postpartum women was added to the program in 2002, but enrollment for these individuals was suspended in FY 2003-04. Additionally, enrollment in the program for children was suspended in November of 2003, and the number of children eligible to be served through the program was capped at a monthly caseload of 52,695. Funding was sufficient to resume enrollment in the program for both women and children beginning July 1, 2004.

Medical Malpractice

The country is experiencing its third serious medical malpractice problem in as many decades. Malpractice insurance premiums have increased so dramatically in some states that physicians are considering leaving or have left their practices. One recent study found that survey respondents' premium increases averaged over 50 percent between 2002 and 2003 and one quarter of the practices indicated their physicians would retire, relocate, or restrict their services over the next three years. These restrictions compound health care access problems associated with an aging population and an already limited health care workforce. Little consensus exists, however, regarding the causes of such sharp increases. Contributing factors may include increased litigation, higher damage awards, cyclical insurance premiums, and poor returns on insurance company investments.

Despite the widespread nature of the medical malpractice problem, Colorado has avoided the large premium increases experienced in other states. Tort reform passed by the General Assembly since the 1980s is largely credited for the state's relatively stable premiums. The law includes a statute of limitations of two to three years and restrictions on damage awards. Awards for total damages against a hospital or physician are capped at \$1 million. Within this aggregate cap, non-economic damages can reach a maximum of \$300,000. In the past 15 years, the average annual change in medical malpractice premiums charged by the state's largest insurer has fluctuated between a six percent decrease and a 14 percent increase. The total premium increase over that 15-year period was 70 percent.

The Obese and Overweight

The Centers for Disease Control and Prevention (CDC) predict that, if current trends continue, obesity will overtake smoking as the leading cause of preventable death in the United States. Obesity is defined as having a body mass index (a calculation of weight in relation to height) of 30 or higher. Persons who are overweight have a body mass index of 25 to 29.9. Sixty-four percent of American adults are overweight or obese, and the rate of overweight children and adolescents has nearly tripled in the last 20 years. Approximately 15 percent of adolescents nationwide are now overweight.

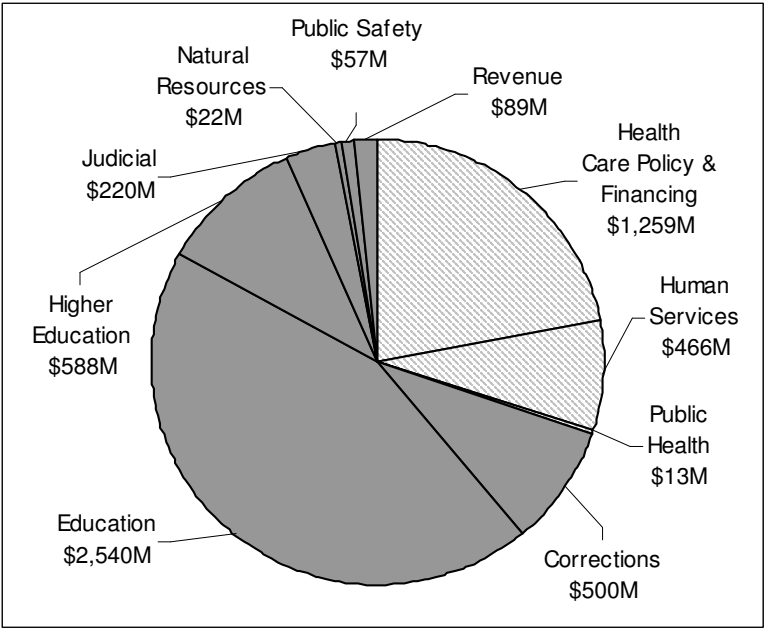
According to the CDC, the prevalence of obesity in Colorado is the lowest in the nation. The obesity rate for adults in the state, however, has reflected the national trend, increasing from 11 percent in 1993 to 16 percent in 2003. The rate of overweight has increased more gradually, from 32 percent in 1993 to 35 percent in 2003. The CDC estimates that 22 percent of low-income children in Colorado between 2 and 5 years of age are overweight or at risk for becoming overweight.

Obesity and overweight are associated with a number of serious medical conditions and increased health care costs. Obesity and overweight increase the risk of developing a number of health conditions, including diabetes, high blood pressure, heart disease, stroke, colon cancer, high cholesterol, asthma, and arthritis. Almost half of breast cancer cases are diagnosed among women who are obese. In 2000, the costs attributable to obesity were \$117 billion, approximately 9 percent of the nation's total health care costs. Increasing rates of obesity and overweight have been attributed to physical inactivity and unhealthy eating.

SECTION II
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. Table II on page 40 shows the programs described in this book and the departments responsible for their administration. In FY 04-05, General Fund appropriations for the three primary health and human services departments totaled \$1.7 billion. Chart II illustrates the size of the General Fund appropriations for the top ten executive departments.

Chart II
Ten Largest General Fund Appropriations, FY 04-05



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 Child Health Plan Plus (CHP+), the Colorado Indigent Care Program (CICP), and several other statewide health programs. Approximately half of its funding comes from federal money and the remaining half from the state's General Fund.

The entire HCPF budget is used for health related programs. The budget's cash funds are primarily from the Old Age Pension Health and Medical Care Fund. Cash funds exempt are mostly 1) costs incurred by public hospitals and nursing homes that are used to increase the state's federal funding and 2) money transferred from the Tobacco Litigation Settlement Cash Fund and the Children's Basic Health Plan Trust. The trust receives the majority of its funding from the Tobacco Settlement.

Department of Health Care Policy and Financing Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds (millions)
\$3,014.4	\$1,258.6	\$11.4	\$265.3	\$1,479.1
100%	42%	<1%	9%	49%

Department of Public Health and Environment

The Department of Public Health and Environment (CDPHE) administers public health and environmental protection services. Health program areas include disease control, local health services, inspection of hospitals and nursing homes, emergency

medical services, preventative medical services for children, and suicide prevention. Nursing home facilities, community health clinics, rural county health departments, and county nursing services typically provide services directly to patients. Approximately 69 percent of the department's budget goes toward health related programs. A majority of the budget is made up of federal funds. Cash funds exempt used for health related programs are primarily from the Tobacco Litigation Settlement Cash Fund and Medicaid transfers from the Department of Health Care Policy and Financing. Appropriations of cash funds are for non-health related programs.

Department of Public Health and Environment Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds (millions)
\$279.9	\$13.0	\$31.8	\$64.9	\$170.1
100%	5%	11%	23%	61%

Department of Human Services

The Department of Human Services (DHS) administers health and non-health services provided by 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 Disability Services, the Division of Aging and Adult Services, and Mental Health Services.

Because some DHS programs incorporate both health and non-health aspects, it is difficult to specify exactly how much of the department's budget goes toward health related services. A large portion of the budget is funded through cash funds exempt due to transfers of various Medicaid dollars from the Department of Health Care Policy and Financing. Cash funds are primarily from the Old Age Pension Fund for non-health related cash assistance.

Department of Human Services Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds (millions)
\$1,665.7	\$465.5	\$88.1	\$611.9	\$500.1
100%	28%	5%	37%	30%

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 31 percent of the Department's \$65 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 (e.g., licensing fees for insurers).

Division of Insurance Fiscal Year 2004-05 Budget

Total Appropriation (millions)	Cash Funds (millions)	Federal Funds (millions)
\$7.0	\$6.6	\$0.4
100%	95%	5%

The Division of Registrations works to protect health care consumers through licensure of qualified medical practitioners, facilities, and programs. 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 entirely funded through fees paid for licensure or registration by those professions regulated by the division.

Division of Registrations Fiscal Year 2004-05 Budget

Total Appropriation (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)
\$14.0	\$12.1	\$2.0
100%	86%	14%

Table I
Annual Incomes and Percent of Federal Poverty Level, 2004

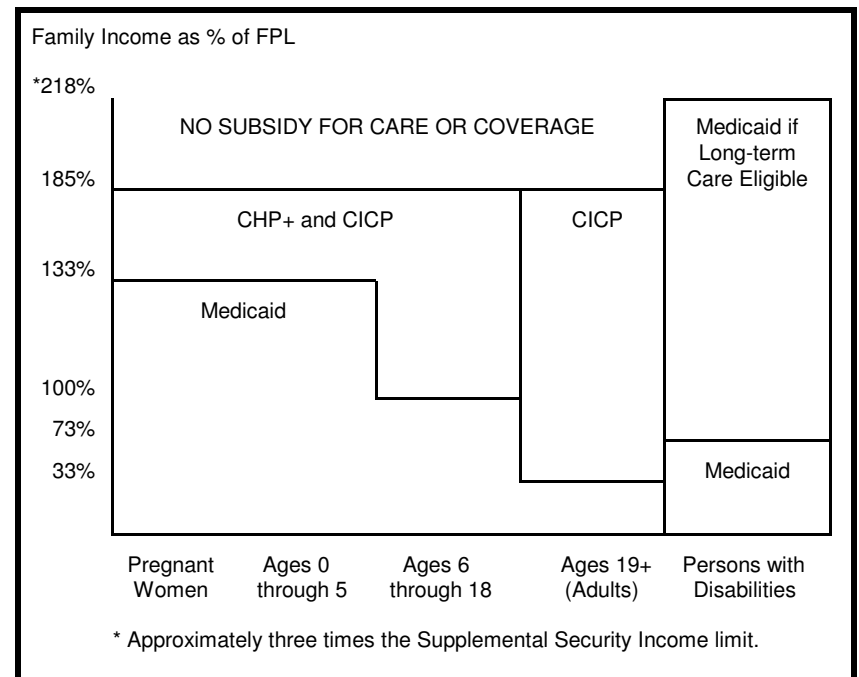
Family Unit Size	Income Level					
	33 % of poverty level	73 % of poverty level	100 % of poverty level	133 % of poverty level	185 % of poverty level	218 % of poverty level
1	\$3,072	\$6,796	\$9,310	\$12,382	\$17,224	\$20,296
2	\$4,122	\$9,118	\$12,490	\$16,612	\$23,107	\$27,228
3	\$5,171	\$11,439	\$15,670	\$20,841	\$28,990	\$34,161
4	\$6,221	\$13,761	\$18,850	\$25,071	\$34,873	\$41,093
5*	\$7,270	\$16,082	\$22,030	\$29,300	\$40,756	\$48,025

* Family sizes of one to five are shown for illustrative purposes. Allowable incomes continue to increase as family size increases.

SECTION III MAJOR HEALTH CARE PROGRAMS AND SERVICES

Colorado provides health care programs and services for low-income citizens of all ages with various needs. Clients include the elderly, women, children, the mentally ill, substance abusers, the disabled, and the uninsured. This section provides program-specific information and is organized by recipient group. Eligibility for services is determined primarily by county departments of social services and depends largely upon family income. Table I lists annual incomes associated with different federal poverty levels (FPL). Chart III illustrates income eligibility requirements for the state's primary medical coverage programs.

Chart III
Income Eligibility for State Health Programs



Elderly

Colorado has four major programs to provide health care assistance to the elderly. In FY 04-05, approximately \$686 million was appropriated for the programs highlighted here. Approximately \$327 million of the total appropriation comes from the state's General Fund.

Medicaid

Elderly persons 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 includes income and resource limitations. Medicaid is administered by the Department of Health Care Policy and Financing.

Medicaid for the Elderly Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Federal Funds (millions)
\$650.7	\$325.4	\$325.4
100%	50%	50%

Budget: For every dollar Colorado spends on Medicaid, the federal government contributes a dollar.

Number of enrollees: FY 04-05 is estimated at 34,048.

Cost per enrollee: FY 04-05 is estimated at \$19,112.

Services: Benefits vary based upon the category of eligibility, but most elderly clients receive full Medicaid benefits. Benefits

include nursing facility services, community long-term care, physician care, home health care, pharmaceuticals, Medicare coinsurance and deductibles, the Program for All-Inclusive Care for the Elderly (PACE), inpatient and outpatient hospital care, hospice care, nursing care, and durable medical equipment.

Eligibility: There are a number of categories of eligibility for Medicaid that vary based upon such things as level of disability. Depending upon a client's category, maximum allowable income for elderly persons may be as low as \$589 per month or up to \$1,656 per month.

Older Americans/Coloradans Act Programs

The Aging and Adult Services programs of the Department of Human Services provide health and non-health services for disabled or vulnerable adults who require some level of assistance to maintain their independence. The Older Americans Act and Older Coloradans Act programs are administered by 16 Area Agencies on Aging throughout the state.

Older Americans/Coloradans Act Programs Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Local Funding & Cash Funds (millions)	Federal Funds (millions)
\$16.1	\$1.9	\$4.6	\$9.5
100%	11%	29%	60%

Budget: Local funds come from a variety of sources depending upon the locality. Cash funds are sales and use tax revenue that is statutorily diverted to the Older Coloradans Cash Fund.

Number of persons served: FY 04-05 is estimated at 127,500.

Cost per person: FY 04-05 is estimated at \$126.

Services: Services include home health aid, skilled nursing, health screening, dental care, assistance for eyeglasses, dentures, hearing aids, employment programs, nutrition programs, transportation, and information.

Eligibility: The programs are available to individuals who are aged 60 or older and have difficulty with some aspects of daily living. There is no means test.

Old Age Pension Health and Medical Care Program

This program assists those low-income persons aged 60 and older receiving Old Age Pension payments who are not otherwise eligible for Medicaid. The Old Age Pension program is a state-funded program that provides monthly cash assistance to elderly persons. It is administered by the Department of Health Care Policy and Financing.

Old Age Pension Health and Medical Care Fund Fiscal Year 2004-05 Budget

Total Appropriation (millions)	Fees and Taxes (millions)
\$10.7	\$10.7
100%	100%

Budget: Eighty-five percent of all sales and use tax revenue is diverted to the Old Age Pension Fund before being allocated to other program funds and the General Fund. Up to \$10 million of the fund's money may be transferred to the Health and Medical Care Fund. The General Assembly may also appropriate additional funding for medical services through a supplemental fund.

Number of enrollees: FY 04-05 is estimated at 3,979.

Cost per enrollee: FY 04-05 is estimated at \$2,700.

Services: Services available to this population are the same as Medicaid, except that recipients do not have coverage for inpatient psychiatric care, nursing home care, or home- and community-based services.

Eligibility: The income eligibility test for this program is constitutionally established and adjusted for cost of living. In 2004, the maximum allowable income is \$589 per month.

Health Facilities Division

The Health Facilities Division within the Department of Public Health and Environment establishes and enforces standards for the operation of a variety of health care facilities throughout the state, ensuring that elderly patients and residents receive quality care. Nursing homes and assisted living residences are the particular facilities highlighted in the narrative below.

Health Facilities Division Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Fees & Transfers (millions)	Federal Funds (millions)
\$8.6	\$0.1	\$5.1	\$3.4
100%	1%	59%	40%

Budget: Funding for the division comes primarily from Medicaid moneys transferred from the Department of Health Care Policy and Financing and from federal funds. The fees are assisted living residence licensing fees.

Number of persons served: The division oversees approximately 222 nursing homes with 20,596 beds and approximately 527 assisted living residences with 12,596 beds.

Cost per facility: FY 03-04 estimated cost per nursing home is \$20,477. The estimated cost per assisted living residence inspection is \$2,237. Costs include inspections, technical assistance, training of nursing facility personnel, monitoring, and complaint investigation.

Services: Services include licensure of nursing homes, hospitals, and assisted living residences and training for individuals to administer medications in residential care facilities and adult day care programs.

Women and Children

Three major programs provide health care services to women and children. In FY 04-05, over \$680 million was appropriated for the programs discussed here. Approximately \$282 million of the total comes from the state's General Fund.

Medicaid

Women and children typically qualify for Medicaid through enrollment in Temporary Assistance for Needy Families (TANF), the cash assistance welfare program, or by meeting specific income and resource criteria. Medicaid is administered by the Department of Health Care Policy and Financing.

Medicaid for Women and Children Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Federal Funds (millions)
\$563.6	\$281.8	\$281.8
100%	50%	50%

Budget: For every dollar Colorado spends on Medicaid, the federal government contributes a dollar.

Number of enrollees and cost per enrollee: Because the number of women and children and cost per enrollee differs significantly among the different enrollment categories, each category is listed separately below.

Category	Enrollees	Cost per Enrollee
Children - 217,131 Total		
Categorically Eligible and Baby Care/Kids Care	202,001	\$1,416
Foster Care	15,130	\$2,927
Adults - 57,221 Total		
Categorically Eligible	49,019	\$3,640
Baby Care/Kids Care	8,026	\$6,112
Breast and Cervical Cancer Treatment	176	\$32,956

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: The Medicaid eligibility threshold for pregnant women and children through age five is 133 percent of the federal poverty level. Children ages six through 18 must have family incomes less than 100 percent of the federal poverty level. Table I on page 18 lists annual incomes associated with specific federal poverty levels.

Child Health Plan Plus (CHP+)

The Child Health Plan Plus (administratively known as the Children's Basic Health Plan) provides health insurance to low-income children and pregnant and post-partum women who are not eligible for Medicaid. The Department of Health Care Policy and Financing administers the plan. Depending upon income and type of care received, families may pay an annual enrollment fee up to \$35 and office visit co-payments up to \$15.

Children's Basic Health Plan Fiscal Year 2004-05 Budget

Total Appropriation (millions)	Transfer from the Children's Basic Health Plan Trust (millions)	Federal Funds (millions)
\$64.3	\$22.5	\$41.8
100%	35%	65%

Budget: For every dollar Colorado spends on CHP+, the federal government contributes two dollars. Colorado receives a two-to-one federal-to-state dollar match. The Children's Basic Health Plan 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 04-05 estimated average monthly caseload is 48,168 children and 9,565 women. A total of 874 deliveries are expected during the year.

Cost per enrollee: FY 04-05 estimated medical and dental costs per child are \$102 per month. The monthly estimated prenatal costs are \$345 per woman, and the cost per delivery is \$3,965.

Services: Services include 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 children.

Eligibility: Eligible women and children must have family incomes that do not exceed 185 percent of the federal poverty level. Children can be as old as 18. Women must be pregnant or less than 60 days post-partum. Table I on page 18 lists annual incomes associated with specific federal poverty levels.

Women, Infants, and Children

The Special Supplemental Food Program for Women, Infants, and Children (WIC) is a federal nutrition program. Its goal is to decrease the incidence of anemia, height/weight deviations, and low birth weight by 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 2004-05 Budget

Total Appropriation (millions)	Federal Funds (millions)
\$52.7	\$52.7
100%	100%

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

Number of enrollees: WIC will serve approximately 83,000 in FY 04-05. About 21,000 will be women, 23,000 will be infants, and 39,000 will be children ages one to five years old.

Cost per enrollee: For FY 04-05, the estimated average monthly food benefit is \$53.

Services: The program provides nutrition education, referrals to other community resources, and nutritious food to supplement enrollees' regular diet.

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 community health center, nursing service, or county health department. Table I on page 18 lists annual incomes associated with specific federal poverty levels.

Mentally Ill and Substance Abusers

Colorado has four major resources for mental health and substance abuse treatment. Approximately \$285 million was appropriated in FY 04-05 to administer the programs highlighted here. Approximately \$158 million of that total comes from the state's General Fund.

Mental Health Services

Medicaid Mental Health Services

The Department of Health Care Policy and Financing administers mental health services for Medicaid enrollees. These services are primarily delivered through contracts with eight Mental Health Assessment and Service Agencies (MHASAs). The MHASAs are responsible for implementing Medicaid mental health managed care.

Medicaid Mental Health Services Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Federal Funds (millions)
\$145.7	\$72.9	\$72.9
100%	50%	50%

Budget: For every dollar Colorado spends on Medicaid, the federal government contributes a dollar.

Number of Persons Served: In FY 04-05, an estimated 376,174 persons are eligible for Medicaid mental health services. Of this number, approximately 10 to 12 percent will seek services.

Cost per person served: Each MHASA is paid a rate to serve persons in its service area who are eligible for Medicaid mental health services. In FY 04-05, statewide average rates paid to the MHASAs range from approximately \$140 to \$3,460 per person annually.

Services: A wide range of services is provided by the MHASAs, which determine the appropriate level of service. Services include assessment, a treatment plan, case management, and inpatient and outpatient care.

Eligibility: Persons enrolled in Medicaid are eligible to receive coverage for mental health services, if needed.

Non-Medicaid Mental Health Services

The Division of Mental Health Services in the Department of Human Services administers services for persons who are not eligible for Medicaid, and do not have mental health insurance coverage. These non-Medicaid, community-based mental health treatment services are provided by 17 community mental health centers and six specialty clinics.

Non-Medicaid Mental Health Services Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Local Matching Funds (millions)	Federal Funds (millions)
\$24.0	\$17.8	\$0.7	\$5.4
100%	74%	3%	23%

Budget: Federal funds are primarily from the Mental Health Services Block Grant.

Number of persons served: FY 04-05 is estimated at 8,911 persons served through state and federal funding.

Cost per person served: FY 04-05 is estimated at \$2,300, based on state and federal 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. To qualify for financial assistance, individuals' incomes are evaluated according to a sliding scale.

Mental Health Institutes

The Office of Behavioral Health and Housing in the Department of Human Services oversees the two state inpatient mental health institutes for seriously mentally ill persons: the Colorado Mental Health Institute at Fort Logan and the Colorado Mental Health Institute at Pueblo.

Mental Health Institutes Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Patient Fees & Payments from School Districts (millions)	Transfers From Other State Departments (millions)
\$80.7	\$60.0	\$2.1	\$18.7
100%	74%	3%	23%

Budget: The transfers from other state departments are primarily Medicaid dollars transferred by the Department of Health Care Policy and Financing and payments from the Department of Corrections for medical services provided to inmates at Pueblo.

Number of persons served: FY 04-05 is estimated at an average daily enrollment of 395 persons at Pueblo and 143 persons at Fort Logan.

Cost per person served: The actual average cost per bed was \$147,120 in FY 02-03.

Services: The mental health institutes provide long- and short-term inpatient hospital care for seriously mentally ill citizens of Colorado.

Eligibility: Patients are referred to the institutes by their mental health care provider for inpatient hospitalization if their illness is too severe to be treated in a community setting. Persons are also sentenced to the institutes through involvement with the criminal justice system.

Substance Abuse Services

The Alcohol and Drug Abuse Division (ADAD), within the Department of Human Services, develops and oversees comprehensive prevention, intervention, and treatment services to reduce alcohol and drug abuse. Services are provided primarily through six managed service organizations, each of which administers treatment for residents of a specified geographic area of the state.

Alcohol and Drug Abuse Division Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Fines for Substance Abuse Convictions (millions)	Transfers From Other State Departments (millions)	Federal Funds (millions)
\$34.4	\$7.9	\$1.8	\$2.1	\$22.6
100%	23%	5%	6%	66%

Budget: The majority of funds come from a federal Substance Abuse Prevention and Treatment Block Grant and other federal grants. Transfers from other state departments include funds from the Judicial Department's Alcohol and Drug Driving Safety Program, the Department of Revenue's Persistent Drunk Driver Cash Fund, and federal and state substance abuse treatment funds transferred by the Department of Public Safety.

Number of persons served: FY 04-05 is estimated at 26,650 shelter/detoxification admissions and 17,369 substance abuse treatment admissions.

Cost per person served: Cost varies according to services provided, ranging from approximately \$660 for detoxification to \$3,400 for a residential treatment program.

Services: Prevention services include information dissemination, education, problem identification, and referral. Treatment services include inpatient and outpatient care. The division also approves, monitors, and investigates treatment programs and sets standards for alcohol and drug abuse counselors.

Eligibility: Anyone needing the services of ADAD is eligible to participate.

Disabled

Colorado has two major resources to address the needs of the physically and developmentally disabled populations. In FY 04-05, \$917 million was appropriated for the programs described here. Approximately \$312 million is from the state's General Fund.

Medicaid

Individuals who receive Medicaid disabled assistance have been deemed permanently and totally disabled by the federal Disability Determination Service and are eligible for federal Supplemental Security Income (SSI) benefits. Eligible persons must have limited income and financial resources. Medicaid is administered by the Department of Health Care Policy and Financing.

Medicaid for the Disabled Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Federal Funds (millions)
\$582.8	\$291.4	\$291.4
100%	50%	50%

Budget: For every dollar Colorado spends on Medicaid, the federal government contributes a dollar.

Number of persons served: FY 04-05 is estimated at 46,226.

Cost per person served: FY 04-05 is estimated at \$12,607.

Services: Persons who qualify for Medicaid through an SSI

disability determination receive full Medicaid benefits except for nursing facility care and home- and community-based services. Enrollees who need those benefits must meet specific eligibility and level-of-care criteria.

Eligibility: The income limit for enrollees is \$564 per month or approximately 73 percent of the federal poverty level in FY 04-05.

Developmental Disability Services

The Division for Developmental Disabilities within the Department of Human Services administers residential and family support services for persons with developmental disabilities. Most state-funded services for children and adults with developmental disabilities are provided by 20 local non-profit agencies known as Community Centered Boards. The division also operates three regional centers that provide institutional programs for persons with developmental disabilities.

Developmental Disability Services Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Patient Fees (millions)	Transferred Medicaid Dollars & Local Funds (millions)
\$333.8	\$21.0	\$3.2	\$309.6
100%	6%	1%	93%

Budget: The great majority of the total budget for Developmental Disability Services is funded by transfers of Medicaid dollars from the Department of Health Care Policy and Financing.

Number of persons served: FY 04-05 is estimated at 10,324 adults and children.

Cost per person served: Costs vary from an average annual cost of \$137,381 for adults served in regional centers to \$3,220 for family support resources for children.

Services: Services include case management, residential, and supported living services.

Eligibility: Persons must meet SSI disability criteria, have a monthly income less than \$1,692 (approximately 218 percent of the Federal Poverty Level), and either be institutionalized or at risk of being placed in a nursing home or hospital.

Uninsured

Colorado has two major programs that offer coverage to persons who are unable to get private insurance and do not qualify for other programs. In FY 04-05 about \$282 million was budgeted for the programs described here. Over \$9 million of the total appropriation comes from the state's General Fund.

Colorado Indigent Care Program

The Colorado Indigent Care Program (CICP) provides partial reimbursement to participating hospitals and clinics for the costs of serving uninsured and under-insured Coloradans. It is administered by the Department of Health Care Policy and Financing. Unlike other state programs such as Medicaid and CHP+, CICP does not offer enrollment with a defined list of benefits. Instead, it is a safety net program for persons who are not eligible for other programs but do not have the means to pay for care.

Safety Net Provider Payments Fiscal Year 2004-05 Budget

Total Appropriation (millions)	General Fund (millions)	Public Hospital Expenditures (millions)	Federal Funds (millions)
\$249.7	\$9.4	\$115.4	\$124.9
100%	4%	46%	50%

Budget: The public hospital expenditures are used to increase the level of federal funding for the program.

Number of persons served: For FY 04-05, CICP will cover approximately 161,000 clients.

Cost per person served: Costs vary greatly according to services provided. For example, a client may only need a prescription or he or she may need emergency trauma care.

Services: All medically necessary care is eligible for reimbursement with the exception of nursing facility care, outpatient mental health services, and non-emergency dental care. CICP-covered services vary by provider because services are limited by the provider's physical, financial, and staff resources. Given such limitations, patient care must be prioritized based upon the following guidelines:

- at a minimum, emergency care;
- care for conditions which most seriously threaten the health of an indigent person; and
- any other medical care, dependent on the provider's resources.

Eligibility: Maximum eligible income is 185 percent of the federal poverty level. Clients cannot be eligible for Medicaid or CHP+.

Table I on page 18 lists annual incomes associated with specific federal poverty levels.

CoverColorado

CoverColorado (formerly the Colorado Uninsurable Health Insurance Plan, or CUHIP) is a non-profit organization that 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 2004-05 Budget

Total Budget (millions)	Transfers (millions)	Premiums & Interest (millions)	Assessments (millions)	Federal Funds (millions)
\$32.2	\$7.6	\$22.5	\$1.1	\$0.9
100%	24%	70%	4%	3%

Budget: The transfers are distributions and interest from the Unclaimed Property Fund in the Office of the State Treasurer. Close to \$22 million of the premiums and interest column is premiums paid by enrollees. Assessments are charged to private insurance companies when determined necessary to support the program.

Number of enrollees: Average enrollment in FY 04-05 is expected to be 4,812 persons.

Cost per enrollee: FY 04-05 estimated average annual medical expenses paid by CoverColorado is \$7,625 per enrollee. The average premium paid by enrollees is \$379 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 meet a number of criteria. They include:

- being a legal resident of Colorado for at least six months prior to application;
- having an application for insurance coverage denied because of previous medical conditions;
- having an application for a new policy accepted, but the premium rate is higher than CoverColorado's most similar plan;
- involuntary termination of prior coverage for reasons other than non-payment of premiums; and
- diagnosis with a condition such as HIV/AIDS, metastatic cancer, and cystic fibrosis.

Table II
State Departments and Programs

Department	Elderly	Children	Women	Mentally Ill and Substance Abusers	Disabled	Insured	Uninsured
Health Care Policy and Financing	- Medicaid - Old Age Pension Health & Medical Care Fund	- Medicaid - CHP+	Medicaid	Medicaid	Medicaid		Colorado Indigent Care Program
Human Services	Older Americans/Coloradans Act Programs			- ADAD* - Mental Health Services - Behavioral Health and Housing	Developmental Disabled Services		
Public Health and Environment	Health Facilities Division	- EPSDT** - WIC***	WIC		Health Facilities Division		
Regulatory Agencies						Division of Insurance	
Non-profit Agency							Cover-Colorado

*Alcohol and Drug Abuse Division

**Early Periodic Screening, Diagnosis, and Treatment

***Women, Infants and Children

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