

Health Care Resource Book 2006



A Guide to Major Colorado Health Care Issues and Programs

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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 the uninsured, health insurance, and prescription drugs. 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 2005-06 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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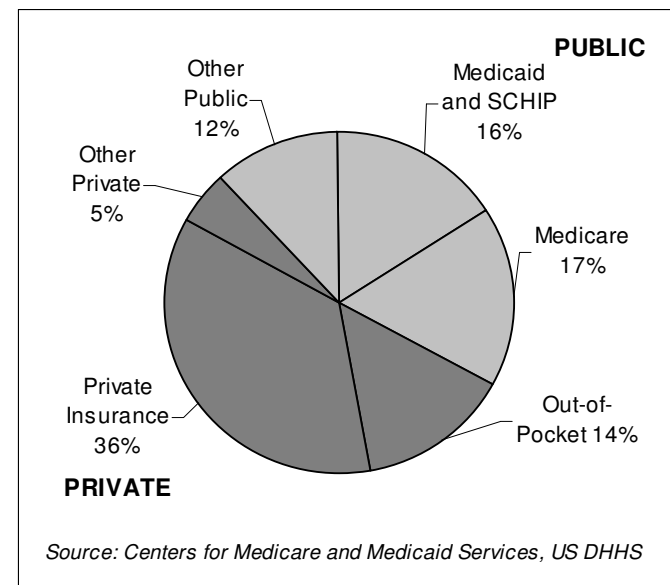
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SECTION I MAJOR HEALTH CARE ISSUES

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, and the uninsured. Overarching all of these issues is the high cost of health care. Nationally, health expenditures grew to 15.3 percent of the Gross Domestic Product, and state and local government spending reached \$224 billion in 2003. In Colorado, the General Fund appropriation for the Department of Health Care Policy and Financing alone is almost \$1.4 billion or over 22 percent of the state General Fund budget in FY 2005-06. Chart I illustrates the sources of payment for the country's health care costs.

Chart I
Sources of Payment for Health Care in the U.S., 2003



The Uninsured

The Census Bureau estimates that over 760,000 individuals, or 17 percent of Colorado's population, were uninsured in Colorado in 2004.¹ The significant number of uninsured persons is thought to increase the cost of health care in the state, both for public and private health care payers. The state covers a portion of the costs of providing health care to uninsured persons, but not the entire burden. As a result, private payers may have the costs of treating the uninsured passed on to them. 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.

In Colorado, there are several consistent characteristics of the uninsured population. The vast majority of adults who are uninsured are employed.² However, many of these individuals do not earn high enough incomes to afford their portion of health insurance premiums or they work in jobs that do not provide health insurance. In Colorado, as is true nationwide, uninsured status is correlated with poverty; those with the lowest incomes make up a disproportionate share of the uninsured. Seventy percent of uninsured Coloradans have incomes below 200 percent of the Federal Poverty Level (FPL).³ In recent years, the highest rates of the uninsured in Colorado have been in rural counties such as: Bent, Crowley, Conejos, Costilla, Rio Grande, Saguache, and San Juan counties.⁴ In these counties, between 24 and 29 percent of residents were uninsured in 2000.⁵ Throughout Colorado, young adults between 18 and 34 years of age are the most likely to be uninsured.⁶ In contrast, the elderly, because of the availability of Medicare, are less likely to be uninsured than any other age group.⁷

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 six 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 2005, the cost had increased to \$1,155 per month.⁸

As costs have risen, an increasing number of small employers have discontinued health care coverage for their employees. In 2004, the number of small employer groups covered by health insurance was 3.6 percent less than the number covered in 2003.⁹ In addition, an increasing number of employees working in small firms are opting to decline their employer's health insurance coverage. Between 1996 and 2002, the number of employees that chose to enroll in their small employer's health insurance plan dropped from 67 to 59 percent.¹⁰ It is unclear how many of these individuals switched to other insurance plans and how many became uninsured.

Nationwide, as well as in Colorado, the majority of individuals access health insurance through their employer.¹¹ 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-third of all insured persons in Colorado have fully-insured plans that are regulated by state law.¹² 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 1 to 50 employees. 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.

Prescription Drugs

Prescription drugs are identified as one component of growing health care costs. In Colorado, the cost of retail prescriptions increased by 5.9 percent, and total sales of retail prescriptions filled increased by 3.5 percent between 2002 and 2003.¹³ In recent years, prescription drug spending in Colorado totaled \$1.98 billion.¹⁴ On average, Coloradans spend \$52 per prescription and use eight prescriptions per year.¹⁵ 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.¹⁶

Senior citizens are especially hard hit by increases in prescription drug prices because they rely on prescriptions more than younger persons. For example, nationally, people age 64 and

younger fill a new prescription or renew an existing prescription an average of 10 times per year, while people over 65 fill or renew an average of 26 prescriptions per year.¹⁷ 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 January 1, 2006, all Medicare participants became eligible for varying levels of prescription drug cost-sharing, depending upon the participant's annual drug costs. In order to take advantage of the new Medicare drug benefit, seniors must enroll in a prescription drug plan by May 15, 2006, or they will face an enrollment penalty. The penalty will not apply to participants who currently have equivalent drug coverage through a retirement or union plan.

Tobacco Tax Funding for Health Care

In November of 2004, Colorado voters adopted Amendment 35 which increased taxes on cigarettes and other tobacco products and targeted the new revenue to fund health care. As a result of the passage of Amendment 35, state health care programs such as Medicaid and the Child Health Plan Plus (CHP+) expanded, and new programs were created. 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 families.

In the spring of 2005, the state used Amendment 35 moneys to increase the income eligibility level for the CHP+ from 185 percent to 200 percent of the FPL. The state also removed the requirement that persons have limited assets in order to qualify for Medicaid, which will make some children who were previously eligible for CHP+ eligible for Medicaid. These eligibility changes are expected to increase enrollment in Medicaid by over 19,000

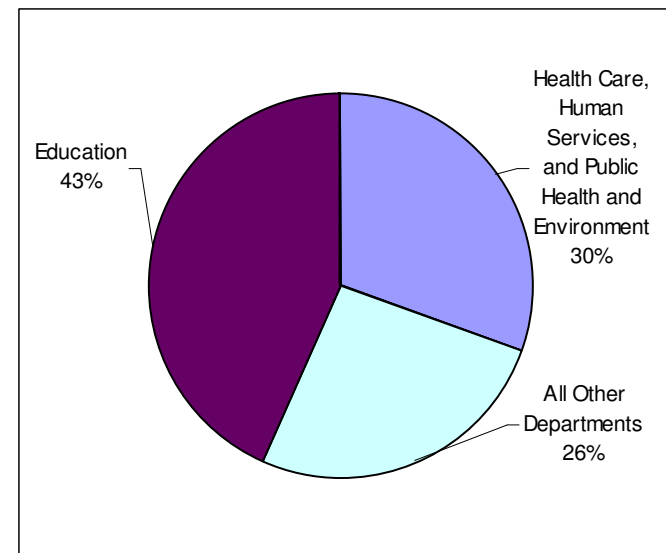
individuals in FY 2005-06. Beginning July 1, 2006, adults with incomes up to 60 percent of the FPL who have a child enrolled in either Medicaid or the CHP+ will be eligible for Medicaid.

In addition to expanding existing health care programs, much of the Amendment 35 money was designated to create new health care programs in Colorado. Among the new programs funded by the increased tobacco taxes are a grant program designed to reduce racial and ethnic health disparities; a program that provides increased funding to health care providers who treat a high number of uninsured patients; and a competitive grant program that provides funding for programs that promote the prevention, early detection, and treatment of cancer and cardiovascular and pulmonary diseases.

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 39 shows the programs described in this book and the departments responsible for their administration. In FY 2005-06, General Fund appropriations for the three primary health and human services departments totaled \$1.9 billion, or 30 percent of the state General Fund budget. Chart II illustrates the size of the General Fund appropriations for all state departments.

Chart II
General Fund Appropriations, FY 2005-06



Department of Health Care Policy and Financing

The Department of Health Care Policy and Financing (DHCPF) 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 two-fifths of its funding comes from the state's General Fund. These General Fund dollars are used to match and access federal moneys to fund health programs such as Medicaid. Federal funds comprise almost half of the department's budget.

The entire DHCPF 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; (2) money from the additional tax on tobacco products as a result of Amendment 35; and (3) 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 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds (millions)
\$3,377	\$1,382.0	\$11.5	\$361.5	\$1,621.6
100%	41%	<1%	11%	48%

Department of Public Health and Environment

The Department of Public Health and Environment (DPHE) administers public health and environmental protection services. Health program areas include tobacco education and cessation, disease control, local health services, inspection of hospitals and nursing homes, emergency medical services, preventative medical services for children, and suicide prevention. Approximately 77 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 funding from the Tobacco Litigation Settlement Cash Fund, money from the additional tax on tobacco products as a result of Amendment 35, 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 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds (millions)
\$383.0	\$15.3	\$31.4	\$135.5	\$200.9
100%	4%	8%	35%	52%

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 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds (millions)
\$1,785.9	\$500.2	\$87.9	\$665.3	\$532.6
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 35 percent of the Department's \$63 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 2005-06 Budget

Total Appropriation (millions)	Cash Funds (millions)	Federal Funds (millions)
\$7.1	\$6.7	\$0.5
100%	94%	6%

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 primarily funded through fees paid for licensure or registration by those professions regulated by the division.

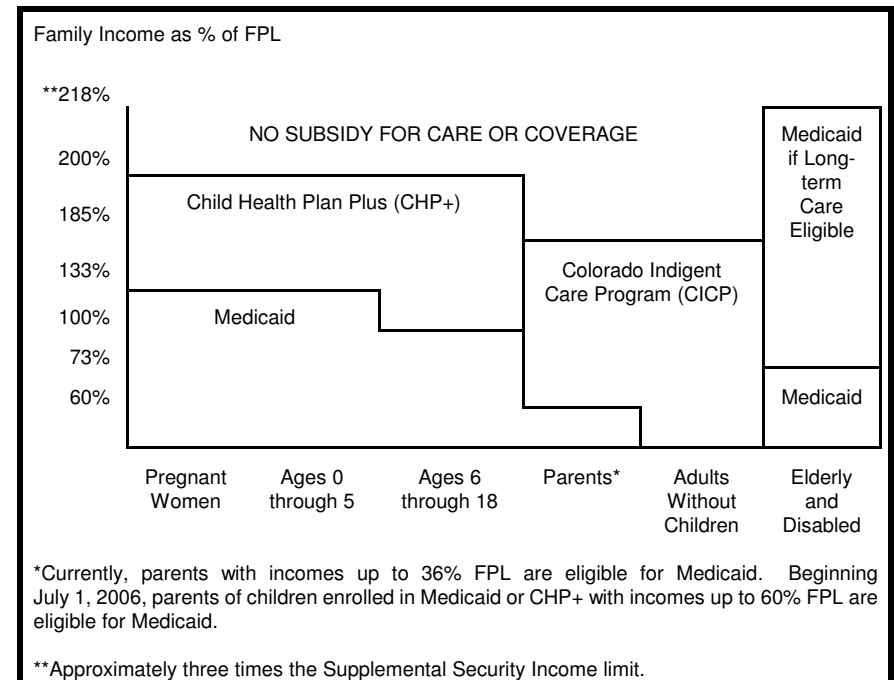
Division of Registrations Fiscal Year 2005-06 Budget

Total Appropriation (millions)	Cash Funds (millions)	Cash Funds Exempt (millions)	Federal Funds (millions)
\$15.1	\$12.5	\$2.2	\$0.4
100%	83%	14%	3%

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 on page 38 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 2005-06, approximately \$819 million was appropriated for the programs highlighted here. Approximately \$393 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 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Federal Funds (millions)
\$783.3	\$391.6	\$391.6
100%	50%	50%

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

Number of enrollees: FY 2005-06 is estimated at 52,606.

Cost per enrollee: FY 2005-06 ranges from \$19,554 for individuals with full benefits to \$1,079 for individuals with partial benefits.

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 \$579 per month or up to \$1,737 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 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Local Funding & Cash Funds (millions)	Federal Funds (millions)
\$16.4	\$1.5	\$5.1	\$9.8
100%	9%	31%	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 2005-06 is estimated at 308,246.

Cost per person: FY 2005-06 is estimated at \$50 to \$100 per consumer.

Services: Services include home health aid; skilled nursing; health screening; dental care; assistance for eyeglasses, dentures, and 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.

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 2005-06 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 2005-06 is estimated at 4,829.

Cost per enrollee: FY 2005-06 is estimated at \$2,226.

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 2005, the maximum allowable income was \$604 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 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Fees & Transfers (millions)	Federal Funds (millions)
\$8.6	\$0.1	\$5.0	\$3.5
100%	1%	58%	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 oversaw approximately 220 nursing homes with 20,186 beds and approximately 499 assisted living residences with 14,091 beds in FY 2004-05. This is the most recently available data on the number of persons served.

Cost per facility: FY 2004-05 estimated cost per nursing home was \$21,189. The estimated cost per assisted living residence inspection was \$2,539. This is the most recently available data on the cost per facility. 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 2005-06, over \$816 million was appropriated for the programs discussed here. Approximately \$336 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 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Federal Funds (millions)
\$671.9	\$336.0	\$336.0
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 - 253,144 Total		
Categorically Eligible and Baby Care/Kids Care	236,841	\$1,351
Foster Care	16,303	\$3,163
Adults - 67,103 Total		
Categorically Eligible	58,784	\$3,941
Baby Care/Kids Care	8,100	\$7,871
Breast and Cervical Cancer Treatment	219	\$22,342

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 38 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 2005-06 Budget

Total Appropriation (millions)	Transfers from Funds and Trusts (millions)	Federal Funds (millions)
\$78.2	\$27.8	\$50.4
100%	36%	64%

Budget: For every dollar Colorado spends on CHP+, the federal government contributes two dollars. The transfers are monies received from two sources: the Children's Basic Health Plan Trust, which is primarily funded with Tobacco Settlement dollars, and the Health Care Expansion Fund, which is funded with Amendment 35 revenue.

Number of enrollees: FY 2005-06 estimated average monthly enrollment is 43,094 children and 1,905 women. A total of 2,570 births are expected throughout the year.

Cost per enrollee: FY 2005-06 estimated medical and dental costs per child are \$113 per month. The monthly estimated prenatal costs are \$317 per woman, and the cost per delivery is \$4,475.

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 200 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 38 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 2005-06 Budget

Total Appropriation (millions)	Federal Funds (millions)
\$65.9	\$65.9
100%	100%

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

Number of enrollees: WIC will serve a total of 140,195 persons in FY 2005-06. The average monthly caseload for the program is approximately 85,000 individuals.

Cost per enrollee: For FY 2005-06, the estimated average monthly food benefit is \$50.

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 38 lists annual incomes associated with specific federal poverty levels.

Mentally Ill and Substance Abusers

Colorado has five major resources for mental health and substance abuse treatment. Approximately \$314 million was appropriated in FY 2005-06 to administer the programs highlighted here. Approximately \$175 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 five Behavioral Health Organizations (BHOs). The BHOs are responsible for implementing Medicaid mental health managed care.

Medicaid Mental Health Services Fiscal Year 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Federal Funds (millions)
\$168.9	\$84.5	\$84.5
100%	50%	50%

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

Number of persons served: In FY 2005-06, an estimated 429,364 persons are eligible for Medicaid mental health services. Of this number, approximately 10 to 12 percent will seek services.

Cost per person served: Each BHO is paid a rate to serve persons in its service area who are eligible for Medicaid mental health services. In FY 2005-06, statewide average rates paid to the BHOs range from approximately \$105 to \$3,771 per person annually.

Services: A wide range of services is provided by the BHOs, 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 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Federal Funds (millions)
\$21.1	\$15.4	\$5.7
100%	73%	27%

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

Number of persons served: FY 2005-06 is estimated at 6,981 persons served through state and federal funding.

Cost per person served: FY 2005-06 is estimated at \$3,018, 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 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Patient Fees & Payments from School Districts (millions)	Payments and Transfers from State and Federal Agencies (millions)
\$84.3	\$63.6	\$1.9	\$18.8
100%	75%	2%	22%

Budget: The transfers from other state departments are primarily Medicaid payments for qualifying patients and payments from the Department of Corrections for medical services provided to inmates at Pueblo.

Number of persons served: FY 2005-06 is estimated at an average daily enrollment of 378 persons at Pueblo and 151 persons at Fort Logan. The institutes will serve approximately 9,000 patients throughout the course of the year.

Cost per person served: The actual average cost per bed was \$157,419 in FY 2003-04. This is the most recently available data on the cost per person served.

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

Medicaid Substance Abuse Services

Outpatient substance abuse treatment under the state Medicaid program is expected to become available July 1, 2006. The benefits are administered by the Department of Health Care Policy and Financing through providers licensed with the Department of Human Services.

Medicaid Substance Abuse Treatment Fiscal Year 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Federal Funds (millions)
\$3.3	\$1.6	\$1.6
100%	50%	50%

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

Number of persons served: FY 2005-06 is estimated at 4,479.

Cost per person served: FY 2005-06 is estimated at \$1,430.

Services: The substance abuse treatment program is still being developed. Currently, Colorado's Medicaid program provides assessment, case management, and individual and group therapy services to pregnant clients in need of substance abuse treatment. It

is likely that similar services will be provided to all Medicaid clients under the new program.

Eligibility: Persons enrolled in Medicaid are eligible to receive coverage for drug and alcohol treatment, if needed.

Alcohol and Drug Abuse Division

The Alcohol and Drug Abuse Division (ADAD), within the Department of Human Services, develops and oversees comprehensive prevention, intervention, and treatment services for residents of the state. Alcohol and drug abuse services administered by ADAD 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 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Fines for Substance Abuse Convictions (millions)	Transfers From Other State Departments (millions)	Federal Funds (millions)
\$36.6	\$9.7	\$1.9	\$2.0	\$22.9
100%	27%	5%	6%	63%

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, federal and state substance abuse treatment funds transferred by the Department of Public Safety, and Medicaid dollars transferred by the Department of Health Care Policy and Financing.

Number of persons served: FY 2005-06 is estimated at 27,208 shelter/detoxification admissions and 17,382 substance abuse treatment admissions.

Cost per person served: Cost varies according to services provided, ranging from approximately \$400 for detoxification to \$4,040 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 2005-06, \$930 million was appropriated for the programs described here. Approximately \$314 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 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Federal Funds (millions)
\$578.9	\$289.4	\$289.4
100%	50%	50%

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

Number of persons served: FY 2005-06 is estimated at 48,673.

Cost per person served: FY 2005-06 is estimated at \$11,893.

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 \$579 per month or approximately 73 percent of the federal poverty level in FY 2005-06.

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 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Patient Fees (millions)	Transferred Medicaid Dollars & Local Funds (millions)
\$351.0	\$24.2	\$3.0	\$323.8
100%	7%	1%	92%

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 2005-06 is estimated at 10,561 adults and children.

Cost per person served: Costs vary from an average annual cost of \$141,810 for adults served in regional centers to \$5,665 for family support resources for children.

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

Eligibility: Adults must have a developmental delay that manifested before the age of 22 in order to qualify for services. Children must either have a developmental delay or be at risk for factors that contribute to a developmental disability to be eligible for services.

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 2005-06 about \$315 million was

budgeted for the programs described here. Over \$18 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.

Indigent Care Program Fiscal Year 2005-06 Budget

Total Appropriation (millions)	General Fund (millions)	Public Hospital Expenditures (millions)	Federal Funds (millions)
\$273.1	\$18.4	\$118.2	\$136.6
100%	7%	43%	50%

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

Number of persons served: For FY 2005-06, CICP will cover approximately 160,000 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 38 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 2005-06 Budget

Total Budget (millions)	Transfers (millions)	Premiums & Interest (millions)
\$42.2	\$21.5	\$20.7
100%	51%	49%

Budget: The transfers are distributions and interest from the Unclaimed Property Fund in the Office of the State Treasurer and premium tax credits that are directed to CoverColorado.

Number of enrollees: Average enrollment in FY 2005-06 is expected to be 5,040 persons.

Cost per enrollee: FY 2005-06 estimated average annual medical expenses paid by CoverColorado is \$7,981 per enrollee. The average premium paid by enrollees is \$403 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 I
Annual Incomes and Percent of Federal Poverty Level, 2006

Family Unit Size	Income Level							
	33% of poverty level	60% of poverty level	73% of poverty level	100% of poverty level	133% of poverty level	185% of poverty level	200% of poverty level	218% of poverty level
1	\$3,234	\$5,880	\$7,154	\$9,800	\$13,034	\$18,130	\$19,600	\$21,364
2	\$4,356	\$7,920	\$9,636	\$13,200	\$17,556	\$24,420	\$26,400	\$28,776
3	\$5,478	\$9,960	\$12,118	\$16,600	\$22,078	\$30,710	\$33,200	\$36,188
4	\$6,600	\$12,000	\$14,600	\$20,000	\$26,600	\$37,000	\$40,000	\$43,600
5*	\$7,722	\$14,040	\$17,082	\$23,400	\$31,122	\$43,290	\$46,800	\$51,012

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

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 • Mental Health Institutes	• Developmental Disability Services		
Public Health and Environment	• Health Facilities Division	• EPSDT** • WIC***	• WIC				
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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