

# Colorado's Health Care Safety Net

## A PRIMER

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### What Is the Safety Net?

The safety net is a term that describes the providers and clinics offering medical, dental, and mental health care to low-income, uninsured and/or underinsured residents as well as people enrolled in publicly funded health insurance programs, regardless of their ability to pay.

Some communities may have many safety net providers, while others may have only one or two.<sup>1</sup>

### Safety Net Providers: The Services They Provide

- **Community Health Centers (CHCs), also known as Federally Qualified Health Centers (FQHCs):** Primary care, including preventive physical, dental and behavioral health services. Located in medically underserved areas and among medically underserved populations.
- **Community Mental Health Centers:** Outpatient, emergency, day treatment, and partial hospitalization mental health and substance use disorder services for residents of designated geographic service areas with low incomes.
- **Community Safety Net Clinics (CSNCs):** Free, low-cost, or sliding-fee primary care services for low-income and uninsured families and individuals. Can include faith-based clinics, those staffed by volunteer clinicians, and family practice residency clinics.
- **Community-Based Dental Clinics:** Dental services for low-income uninsured Coloradans.
- **Critical Access Hospitals:** Rural hospitals with no more than 25 beds located 35 miles or more,

or 15 miles or more of mountainous terrain, from another hospital.

- **Emergency Departments of Community and Public Hospitals:** Emergency medical care regardless of ability to pay or insurance status.<sup>2</sup>
- **Local Public Health Departments and Public Nursing Services:** Limited primary care services, varying by community. May include health assessments and screenings for children covered by Medicaid,<sup>3</sup> immunizations, family planning, oral health, cancer screenings and testing for sexually transmitted infections and HIV.
- **Rural Health Clinics (RHCs):** Primary care services, differing by clinic. Located in non-urban areas with documented shortages of health care providers and/or medically underserved populations.
- **School-Based Health Centers (SBHCs):** Primary health care services in schools with many low-income children, including immunizations, well-child checks, sports physicals, chronic care management for conditions such as asthma and diabetes and acute medical care. May also include mental and dental care, substance use disorder services and violence prevention.

### Who Uses the Safety Net?

The Coloradans most likely to use the safety net are those who have low incomes, are covered by public health insurance, are underinsured, or lack health insurance altogether. They also may live in a geographically isolated location, have no regular source of primary care, or face cultural, language, or other social barriers to accessing care. Figure 1 displays estimates of how many Coloradans fall within these categories.

**Figure 1. Coloradans by Selected Economic, Insurance, or Demographic Category**

Category	Number
Income <300% of FPL (\$77,250 for a family of four in 2019)	2,406,000
No Insurance	350,000
Average Monthly Medicaid Enrollees	1,261,000
Average Monthly CHP+ Enrollees	82,000
Living in Rural Area <sup>4</sup>	713,000
Speak English Less Than “Very Well”	307,000

**NOTE:** Values are rounded. People may be included in more than one category. Sources: Income and uninsured data are based on the 2017 Colorado Health Access Survey. Medicaid and CHP+ data come from FY 2018-19 average monthly caseload figures from the Colorado Department of Health Care Policy and Financing. Language proficiency estimates are based on data from the U.S. Census Bureau’s 2017 ACS and includes the population age 5 years and older who report speaking English less than “very well.”

## Uninsured Coloradans

Colorado’s uninsured residents are frequent users of the state’s safety net. A 2015 CHI analysis, *Uneven Progress: Health Insurance by ZIP Code in Colorado*, found that six socioeconomic factors were the best predictors of whether a Coloradan will be uninsured:<sup>5</sup>

- **Poverty:** In 2017, approximately 8 percent of Coloradans with family incomes below the federal poverty line (FPL) — \$24,600 for a family of four in 2017 — were uninsured. Poverty is the most significant predictor of being uninsured in Colorado.
- **Spanish spoken at home:** In Colorado, about 600,000 residents (11.8 percent), most of whom are Hispanic, speak Spanish at home. Those who speak Spanish at home are disproportionately uninsured.<sup>6</sup> Language barriers, a history of legal limits on immigrants’ ability to access public health insurance programs, and the fact that Hispanic Coloradans are less likely to receive health insurance as a benefit from their employers all contribute to this disparity.
- **Renting:** Coloradans who rent their homes have a greater chance of being uninsured even after adjusting for age and income. This may reflect the fact that most of their income goes to paying for

housing and utilities, leaving them with less money to spend on health insurance.

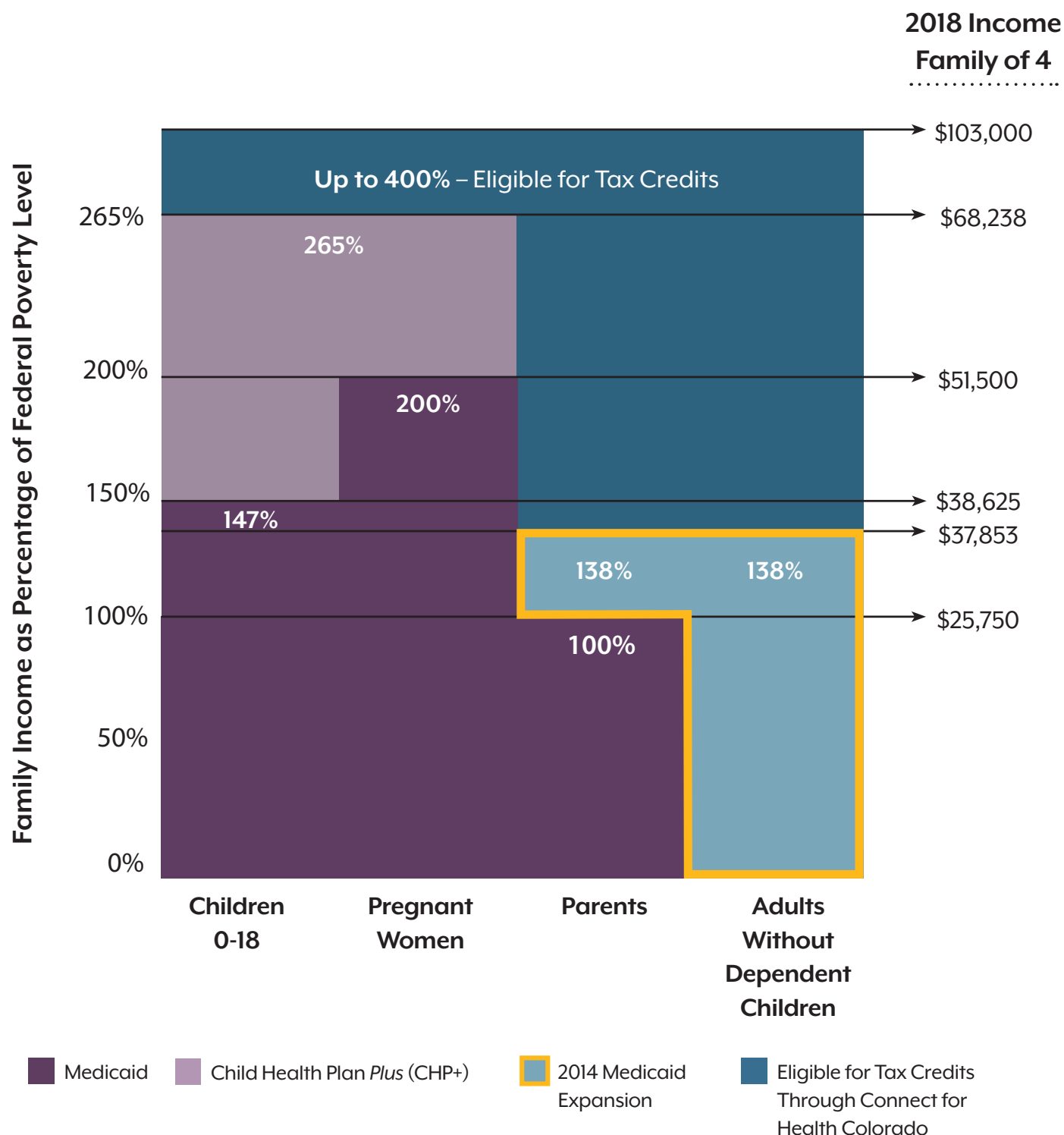
- **Unemployment:** Most Coloradans rely on their employer for health insurance. In 2017, approximately 15 percent of those who were unemployed and looking for work did not have health insurance.<sup>7</sup>
- **Age:** Communities comprised primarily of people with a median age between 46 and 58 and those comprised mainly of “young invincibles” between 20 and 37 have the highest uninsured rates. Young invincibles have historically had the highest uninsured rate.
- **Household size:** Individuals who live in the smallest households, those with one or two people, are more likely to be uninsured than individuals in larger households. Because Colorado has made great strides toward getting most children covered, members of larger households with children are less likely to be uninsured.

## Covered by Public Health Programs

Coloradans covered by public health insurance may have difficulty finding providers who will accept their coverage, so they often use the safety net. The public insurance programs are:

- **Medicaid:** A state/federal partnership that provides health care coverage to low-income Coloradans. Colorado expanded Medicaid eligibility in January 2014, leading to a 72 percent increase in enrollment from December 2013 to June 2016.<sup>8</sup> The expansion primarily affected low-income, working-age adults without dependent children. Coverage includes certain preventive services, primary and acute care, dental care, behavioral health care, and long-term care in a nursing home or in the community. **Enrollees:** Monthly average of about 1,200,000 in fiscal year (FY) 2018-19.<sup>9</sup>
- **Child Health Plan Plus (CHP+):** A state/federal partnership providing health care coverage to low-income children ages 0-18 with family incomes between 143 percent and 265 percent of the FPL and pregnant women with incomes under 265 percent of the FPL (\$63,180 for a family of four in 2019). Coverage includes inpatient and outpatient hospital care, primary care services, prescription drugs, immunizations, and a limited dental and

# Eligibility Levels for Medicaid, CHP+ and Tax Credits for Private Insurance, Colorado, 2019



Note: Medicaid and CHP+ eligibility levels reflect new methods of calculating income under the Affordable Care Act and Modified Adjusted Gross Income (MAGI). Does not include eligibility for Medicaid Long-Term Services and Supports.

mental health benefit for children only. In February 2018, CHP+ was renewed for an additional four years of federal funding.<sup>10</sup> **Enrollees:** Monthly average of about 54,000 in FY 2018-19.<sup>11</sup>

- **Colorado Indigent Care Program (CICP):** A state program that partially reimburses certain high-volume hospitals and clinics for uncompensated care provided to patients who are uninsured or underinsured, have limited assets and have incomes at or below 250 percent of the FPL. Fewer individuals qualify for CICP now that more are eligible for Medicaid. **Beneficiaries:** Around 49,000 unduplicated clients received services through CCIP in FY 2017-18.

## How is the Safety Net Funded?

Safety net providers rely on a variety of public and private funds and patient fees.

### Funding Sources

- **Grants from the federal Bureau of Primary Health Care:** The federal government provides grant funding to community health centers, migrant health centers, and the Health Care for the Homeless and Public Housing Primary Care Programs.<sup>12</sup> Colorado received about \$104 million in these grant funds in 2018.<sup>13</sup>
- **Block grants:** Colorado passes some of its federal block grant funding, including the Maternal and Child Health Services Block Grant, Ryan White CARE Act<sup>14</sup> funds and the Preventive Health and Health Services block grant, to various safety net providers.
- **CHP+ funding:** About \$195 million was spent for FY 2018-19 for CHP+ medical, dental, and prenatal premiums. This is a 4.3 percent increase from FY 2017-18. The state funds approximately one-third of the expenditures, while the federal government funds the remaining two-thirds.<sup>15</sup>
- **Disproportionate share hospital (DSH) payments:** These funds help states partially compensate hospitals providing a disproportionate share of medical care to uninsured indigent patients and Medicaid enrollees. The ACA decreased DSH payments due to the assumed increase in insurance coverage and therefore lower amount of uncompensated care. Decreased DSH payments could have consequences for hospitals that rely on the DSH revenue for covering the remaining uninsured or underinsured.
- **Fees:** Most safety net providers employ a sliding-scale fee schedule based on a patient's income, offsetting a portion of the costs.
- **Foundation funding:** Colorado's philanthropic community provides support to safety net providers through grants and contracts. Foundation funding is often directed at specific health care needs of a local community or special population group.
- **Hospital fees:** The Colorado Health Care Affordability Act (CHCAA), passed in 2009, assessed a fee on Colorado hospitals, leveraging federal dollars to increase hospital reimbursement rates of publicly funded programs and funding Medicaid and CHP+ expansions.
- **Local public funding:** This funding fills gaps in services. The duration, type and level of financial support vary by community.
- **Medicaid funding:** Since the passage of Colorado's Senate Bill (SB) 18-266, Controlling Medicaid Costs, Colorado Department of Health Care Policy and Financing's efforts have been focused to meet the bill's intent and affordability goals. The department's appropriations comprise one-third of the State's total operating budget; most of the appropriations are for operating the Medicaid program.<sup>16</sup>
- **Tobacco Excise Revenues:** Amendment 35, passed by voters in 2004, increased the excise tax on tobacco products, with some of those revenues earmarked for safety net providers. In FY 2015-16, approximately one third (\$29 million) of the Amendment 35 money went to clinics and hospitals offering health care services to the uninsured and medically indigent.<sup>17</sup>

## Additional Resources

For additional resources and more information regarding Colorado's safety net, see:

**Colorado Hospital Association:** <http://www.cha.com>

**Colorado Behavioral Healthcare Council:** <http://cbhc.org/>

**Colorado Consumer Health Initiative:** <http://www.cohealthinitiative.org/>

**Colorado Community Health Network:** <http://www.cchn.org>

**Colorado Association for School-based Health Care:** <http://www.casbhc.org>

**Colorado Rural Health Center:** <http://www.coruralhealth.org>

**Colorado Department of Health Care Policy and Financing**

- Medicaid: <https://www.colorado.gov/pacific/hcpf/colorado-medicaid>
- CHP+: <https://www.colorado.gov/pacific/hcpf/child-health-plan-plus>
- CICIP: <https://www.colorado.gov/pacific/hcpf/colorado-indigent-care-program>
- Old Age Pension Program: <http://bit.ly/2aGIFf8>

**Colorado Department of Public Health and Environment:** <http://www.cdphe.state.co.us>

## End Notes

<sup>1</sup> Institute of Medicine. (2000). *America's Health Care Safety Net: Intact but Endangered*. Washington, DC: National Academies Press. p.10. Retrieved August 2019. <http://iom.nationalacademies.org/Reports/2000/Americas-Health-Care-Safety-Net-Intact-but-Endangered.aspx>

<sup>2</sup> As a condition of receiving Medicare funds, hospitals must provide a medical screening examination to all individuals who enter the emergency room seeking treatment. If the hospital determines that the individual has an emergency medical condition, the hospital must provide treatment until the patient is stable or transfer the patient to another hospital. More information available at <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1305897/>

<sup>3</sup> Screening and assessments are provided through the Early and Periodic Screening, Diagnosis and Treatment requirements outlined by federal Medicaid regulations.

<sup>4</sup> U.S. Department of Agriculture. (2019) "State Fact Sheets: Colorado" Retrieved August 2019. <https://data.ers.usda.gov/reports.aspx?StateFIPS=08&StateName=Colorado&ID=17854>

<sup>5</sup> Colorado Health Institute. (2015). *Uneven Progress: 2015 Health Insurance by Zip Code in Colorado*, using the Colorado Health Access Survey. [http://www.coloradohealthinstitute.org/uploads/postfiles/CHAS/CHAS\\_Zip\\_Code\\_2015.pdf](http://www.coloradohealthinstitute.org/uploads/postfiles/CHAS/CHAS_Zip_Code_2015.pdf)

<sup>6</sup> United States Census Bureau/American FactFinder. "S1601: Language Spoken at Home" 2013-2017 American Community Survey. U.S. Census Bureau's American Community Survey Office. Retrieved August 2019. [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_17\\_5YR\\_S1601&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_5YR_S1601&prodType=table)

<sup>7</sup> This does not include the unemployed individuals who were not

in the labor force

<sup>8</sup> CHI analysis of 2015 CHAS. <http://www.coloradohealthinstitute.org/data-repository/detail/2015-chas-state-and-regional-workbook>

<sup>9</sup> FY 2018-19 Medical Premiums Expenditure and Caseload Report. Colorado Department of Health Care Policy and Financing. Reference from July 2019. Retrieved August 6, 2019 from <https://www.colorado.gov/hcpf/premiums-expenditures-and-caseload-reports>

<sup>10</sup> Colorado Department of Health Care Policy and Financing. "Child Health Plan Plus (CHP+)". Retrieved August 2019. <https://www.colorado.gov/pacific/hcpf/child-health-plan-plus>

<sup>11</sup> FY 2018-19 Medical Premiums Expenditure, July 2019.

<sup>12</sup> Rural Assistance Center (2018). "FQHC frequently asked questions." Retrieved August 2019. <https://www.raconline.org/topics/federally-qualified-health-centers>

<sup>13</sup> Health Resources and Services Administration. 2018 Health Center Colorado Data. Retrieved August 2019. <https://bphc.hrsa.gov/uds/datacenter.aspx?q=t9e&year=2018&state=CO>. Note: Total funding amount includes capital grants.

<sup>14</sup> These funds are targeted to people with HIV/AIDS.

<sup>15</sup> FY 2018-19 Appropriations Report, Colorado Joint Budget Committee, July 2018. Retrieved August 2019 [https://leg.colorado.gov/sites/default/files/fy18-19apprept\\_0.pdf](https://leg.colorado.gov/sites/default/files/fy18-19apprept_0.pdf)

<sup>16</sup> Colorado Legislative Staff. *Understanding the State Budget: The Big Picture*. Retrieved August 2019. [https://leg.colorado.gov/sites/default/files/images/understanding\\_the\\_state\\_budget\\_information\\_paper.pdf](https://leg.colorado.gov/sites/default/files/images/understanding_the_state_budget_information_paper.pdf)

<sup>17</sup> FY 2018-19 Appropriations Report, Colorado Joint Budget Committee, July 2018. Retrieved August 2019 [https://leg.colorado.gov/sites/default/files/fy18-19apprept\\_0.pdf](https://leg.colorado.gov/sites/default/files/fy18-19apprept_0.pdf)