PRIMER

Colorado's Health Care Safety Net

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In the post-Affordable Care Act (ACA) world, the health care system is doing business in a much different way. Patients, providers and insurers are adapting to the new rules and regulations.

The same is true for Colorado's health care safety net, the network of clinics and providers that care for the most vulnerable residents. The state's safety net is growing and changing. Some clinics are seeing more federal dollars to help them serve more patients. Others are changing their business models as more people become insured. Many are developing new approaches to improve access to high-quality care for patients with coverage as well as for the hundreds of thousands of Coloradans who remain uninsured.

The ACA-authorized Medicaid expansion has greatly impacted the safety net. Colorado opted to expand eligibility, which took effect in January. By April, more than one million Coloradans were covered by Medicaid. Some providers are now accepting public insurance for the first time, tapping a new source of revenue. But the safety net maintains a focus on serving those who need care regardless of whether they have insurance or are able to pay.

Ten Colorado community health centers — centerpieces of the safety net system — have received ACA New Access Point grants since 2011 for a total of 11 new locations. These grants support new, permanent, full-time sites that provide comprehensive primary care services, including dental and behavioral health care, to underserved and vulnerable populations. New sites must see patients within 120 days of receiving funding.

Community health centers across Colorado have been awarded ACA New Access Point grants totaling nearly $6 million:

- **2011:** Colorado Coalition for the Homeless (Denver) and Clinica Family Health Services (Westminster)
- **2012:** Sheridan Health Services (Denver); Northwest Colorado Visiting Nurse Association (Steamboat Springs); Metro Community Provider Network (Parker); Plains Medical Center (Kiowa); and Olathe Community Clinic (Olathe)

Axis Health System Brian Clark/CHI

- **2013:** Southwest Colorado Mental Health Center (now known as Axis Health System) (Durango); Colorado Coalition for the Homeless(Fort Lyons); Mountain Family Health Center (Edwards); and Peak Vista Community Health Centers (Colorado Springs)

Another New Access Point grant opportunity is currently open, so Colorado may receive more funding.

Health care reform on both the state and federal levels has inspired innovations in service delivery. For example, some community health centers have also received ACA grants for increased integration of primary and behavioral health care as well as Patient-Centered Medical Home (PCMH) certification.

To better understand the changes in Colorado's health care safety net, it is necessary to understand its structure. This primer explains the elements of the state's health care safety net, who uses its services, and how the system is funded.

What is the Safety Net?

Providers and clinics offering medical, dental and behavioral health care to low-income, uninsured and underinsured residents as well as people enrolled in publicly funded health insurance programs, regardless of their ability to pay. Some communities may have a number of providers, while others may have none.[1]

Safety Net Providers

- **Community health centers (CHCs),** also known as **Federally Qualified Health Centers (FQHCs)**: Primary care, including preventive physical, dental, behavioral and substance use disorder services, for low-income populations. Located in medically underserved areas and among medically underserved populations.
- **Community mental health centers:** Outpatient, emergency, day treatment and partial hospitalization mental health services for low-income residents of designated geographic service areas.
- **Community-based dental clinics:** Dental services for the low-income uninsured or those who, despite being enrolled in a public coverage program, can't find a dental provider to accept their insurance.
- **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.
- **Critical access hospitals:** Emergency care by rural hospitals with no more than 25 beds located 35 miles or more, or 15-plus miles of mountainous terrain, from another hospital.
- **Emergency departments of community and public hospitals:** Emergency medical care regardless of ability to pay or insurance status.[2] Many provide basic primary care for people without other health care options.
- **Local public health departments and public nursing services:** Limited primary care services, varying by community. May include health assessments and screenings for Medicaid children,[3] immunizations, family planning, oral health, cancer screenings and testing for sexually transmitted diseases and HIV.
- **Rural health clinics (RHCs):** Basic primary care services, differing by clinic. Located in non-urbanized 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 abuse treatment and violence prevention.

Who Uses the Safety Net?

Coloradans most likely to use the safety net are low-income, uninsured or underinsured, as well as those covered by public health insurance. The Colorado Health Institute (CHI) has defined medically vulnerable as having one or more of these characteristics:

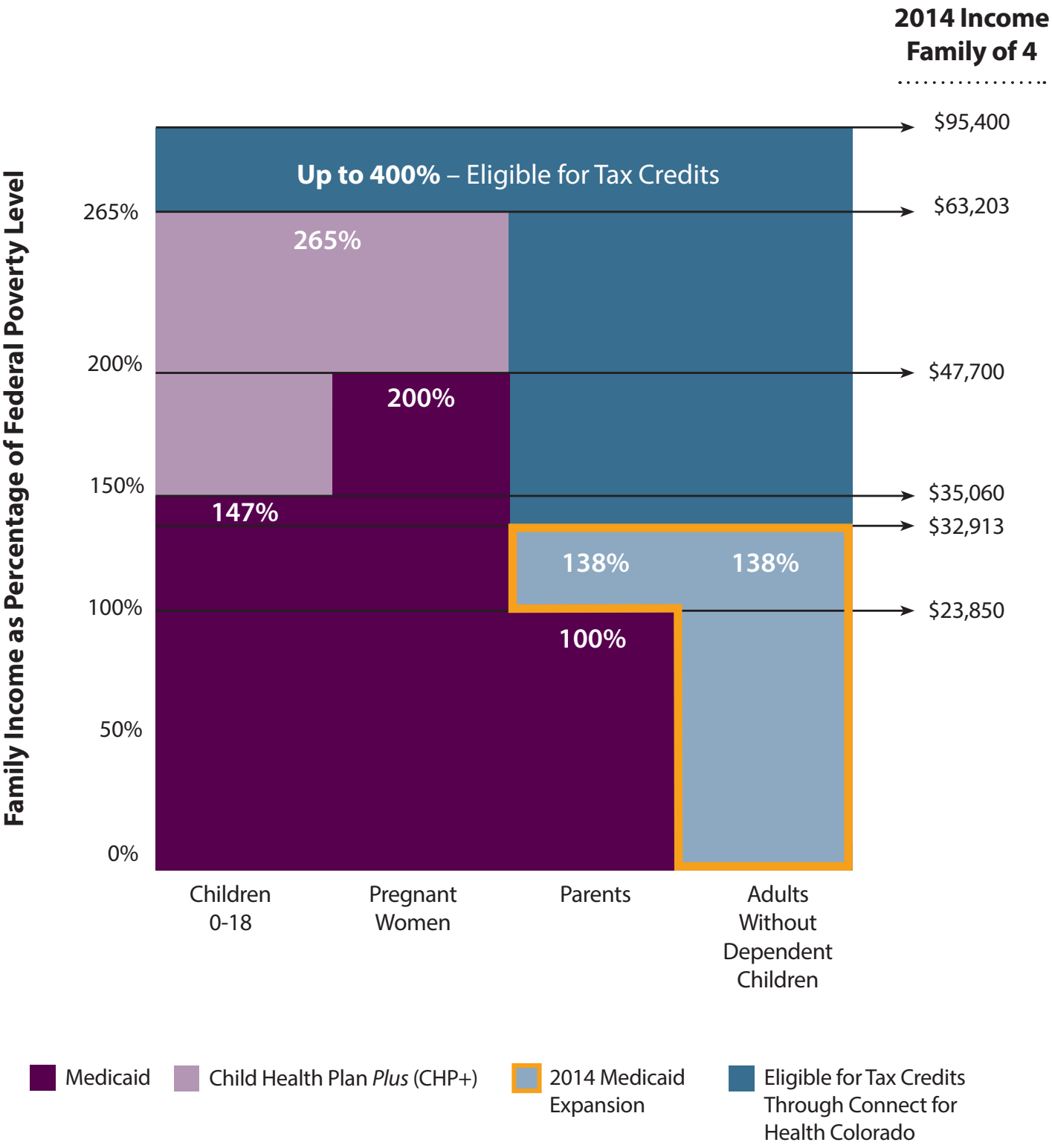
- Incomes below 300 percent of the federal poverty level (FPL) - $71,550 for a family of four in 2014;
- No insurance;
- Enrollment in a publicly financed health insurance program or high-deductible health plan;
- A geographically isolated location;
- No regular source of primary care.
- Cultural, language and other social barriers.

Medically Vulnerable Coloradans by Category[4]

3,114,000	Income <300% of FPL
741,000	No Insurance
859,000	Average Monthly Medicaid Enrollees
63,000	Average Monthly CHP+ Enrollees
718,000	Living in a Rural Area
305,000	Speak English Less Than "Very Well"

NOTE: Values are rounded. Individuals may be included in more than one category. Medicaid and CHP+ reflect average monthly enrollment for FY 2013-14.

Graph 1. Eligibility Levels for Medicaid, CHP+ and Tax Credits for Private Insurance, Colorado, 2014



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.

Uninsured Coloradans

Colorado's 741,000 uninsured residents are frequent users of the state's safety net. Here's a snapshot of uninsured Coloradans, according to the 2013 Colorado Health Access Survey (CHAS)[5]:

- **Age:** Approximately 86 percent are working-age adults between 19 and 64 and about 13 percent are children under 18. About 36 percent are young adults between 19 and 34, making this cohort the largest uninsured age group. The group between the ages of 35 and 54 was close behind at about 32 percent.
- **Income:** Nearly one of four Coloradans (22 percent) with family incomes below 100 percent of the FPL - $23,850 for a family of four in 2014 - were uninsured. By contrast, far fewer Coloradans with higher incomes were uninsured - about three percent with incomes above 400 percent of the FPL - $95,400 for a family of four in 2014.
- **Employer size:** About 34 percent of working-age Coloradans employed by firms with 10 or fewer employees were uninsured, compared with about 10 percent of employees in firms with more than 100 employees.
- **Race and ethnicity:** Hispanics are at the greatest risk for being uninsured. About one of four Hispanics (25 percent) is uninsured compared with eight percent of non-Hispanic blacks and 12 percent of non-Hispanic whites.

Northwest Colorado Visiting Nurse Association Brian Clark/CHI

Covered by Public Health Programs

Coloradans covered by public health insurance, who may have difficulty finding providers who will accept their coverage, are also likely safety net users. The public insurance programs are:

- **Medicaid:** A state/federal partnership that provides health care coverage to low-income Coloradans. Coverage includes certain preventive services, primary and acute care, and long-term care in a nursing home or in the community. Enrollees are eligible to receive behavioral and oral health services. Enrollees: Monthly average of nearly 859,000 in FY 2013-14.
- **Child Health Plan Plus (CHP+):** A state/federal partnership providing health care coverage to low-income children ages 0-18 with family incomes between 148 percent and 265 percent of the FPL and pregnant women with incomes between 200 percent and 265 percent of the FPL ($63,203 for a family of four in 2014). Coverage includes inpatient and outpatient hospital care, physician services, prescription drugs and a limited dental and mental health benefit for children only. CHP+ benefits are delivered primarily through managed health care organizations where enrollees can choose their primary care provider from a variety of providers, including community health clinics and private physicians. Enrollees: Monthly average of nearly 63,000 in FY 2013-14.
- **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. Covered services include but are not limited to emergency medical care, inpatient and outpatient care and prescription drugs. Beneficiaries: Around 208,000 Coloradans received services that were reimbursed by CICP in FY 2012-13.[6]

Where Does the Money Come From?

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.[7] In 2013, Colorado received nearly $83 million in these grant funds.[8]
- **Block grants:** Colorado passes some of its federal block grant funding, including the Maternal and Child Health Services Block Grant, Ryan White CARE Act[9] funds and the Preventive Health and Health Services block grant, to various safety net providers.
- **CHP+ funding:** Just over $195 million was spent for FY 2013-14 CHP+ medical, dental, and prenatal premiums. The state funds approximately one-third of the expenditures, while the federal government funds the remaining two-thirds.[10]
- **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. Additionally, Upper Payment Limit funds[11] are allocated to some hospitals that provide Medicaid inpatient services. The DSH payments, which totaled roughly $193 million for Colorado in FY 2012-13, partially compensated hospitals for care to CICP patients.[12]
- **Fees:** Most safety net providers employ a sliding-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:** Medicaid medical services premiums for providers amounted to more than $4.8 billion in FY 2013-14. The state general fund covered about 32 percent of appropriations, while federal funds comprised 55 percent.[13] In addition, behavioral health capitated payments were nearly $400 million.
- **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 2013-14, approximately one fifth ($28 million) of the Amendment 35 money went to clinics and hospitals offering health care services to the uninsured and medically indigent.[14]

Additional Resources

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

- **ClinicNET:** *http://www.ClinicNET.org*
- **Colorado Hospital Association:** *http://www.cha.com*
- **Colorado Behavioral Healthcare Council:** *http://cbhc.org/*
- **Colorado Coalition for the Medically Underserved:** *http://www.ccmu.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:** *http://1.usa.gov/rlT6Od*
  - **CHP+:** *http://1.usa.gov/pB4naW*
  - **CICP:** *http://1.usa.gov/opmrLq*
  - **Old Age Pension Program:** *http://1.usa.gov/mQKejN*
- **Colorado Department of Public Health and Environment:** *http://www.cdphe.state.co.us*

Endnotes

[1] Institute of Medicine. (2000). America's Health Care Safety Net: Intact but Endangered. Washington, DC: National Academies Press. p.10. Retrieved August 6, 2012 from http://iom.edu/~/media/Files/Report%20Files/2000/Americas-Health-Care-Safety-Net/Insurance%20Safety%20Net%202000%20%20report%20brief.pdf.

[2] As a condition of receiving Medicare funds, hospitals must provide a medical screening examination to all individuals who enter the emergency room seeking treatment as required by the Emergency Medical Treatment and Active Labor Act (EMTALA). If the hospital determines that the individual is suffering from an emergency medical condition, the hospital must provide treatment until the patient is stable or transfer the patient to another hospital.

[3] Screening and assessments are provided through the Early and Periodic Screening, Diagnosis and Treatment requirements outlined by federal Medicaid regulations.

[4] Sources: Income and uninsured data are based on 2013 Colorado Health Access Survey. Medicaid and CHP+ data come from FY 2012-13 average monthly caseload figures from the Colorado Department of Health Care Policy and Financing. Rural population is based on CHI's analysis of 2014 Colorado Demography Office population forecasts utilizing the Colorado Rural Health Center's urban and rural designations (retrieved July 30, 2014). Language proficiency estimates are based on data from the U.S. Census Bureau's 2012 ACS and includes the population age 5 years and older who report speaking English less than "very well".

[5] Colorado Health Access Survey. 2013. Denver, CO: The Colorado Trust. http://www.coloradohealthinstitute.org/key-issues/detail/health-coverage-and-the-uninsured/colorado-health-access-survey-1

[6] CICP FY 2012-13 Annual Report. Colorado Department of Health Care Policy and Financing. Retrieved July 30, 2014 from http://www.colorado.gov/cs/Satellite/HCPF/HCPF/1197969486316.

[7] Rural Assistance Center (August 3, 2011). "FQHC frequently asked questions." Retrieved August 6, 2012 from http://www.raconline.org/topics/clinics/fqhcfaq.php.

[8] Health Resources and Services Administration. 2013 Health Center Colorado Data. Retrieved August 11, 2014 from http://bphc.hrsa.gov/uds/datacenter.aspx?q=tall&year=2013&state=CO. Note: Total funding amount includes capital grants.

[9] These funds are targeted to people with HIV/AIDS.

[10] FY 2013-14 Appropriations Report, Colorado Joint Budget Committee. Retrieved July 31, 2014 from http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/FY13-14apprept.pdf

[11] Upper Payment Limit funds are generated when the state increases its Medicaid payments to the federally allowable maximum amount without an increase in General Fund appropriations.

[12] CICP FY 2012-13 Annual Report. Note: Includes hospital provider fee used to draw down DSH funding.

[13] FY 2013-14 Appropriations Report.

[14] FY 2013-14 Appropriations Report.

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