



# Food for Thought

Updates from the Safety Net Advisory Committee (SNAC)

## The Ripple Effect: How Health Insurance Changes Will Influence Access to Care

MAY 2013

Colorado leaders who work to improve access to health care – including representatives from patient advocacy organizations, safety net clinics, philanthropic groups and state government – participated in the SNAC Lab on May 23, 2013. This was the kick-off meeting for the SNAC Lab Access to Care track. The goal was to explore how changes in the health insurance market will affect access to care, with a particular focus on how the safety net is responding to these changes and the issue of churn.

This report has two sections: Background information provided by the Colorado Health Institute and a summary of the discussion during the learning lab.

### Primary Themes

- Many Coloradans are expected to gain health insurance in 2014, but that does not necessarily mean all of them will have access to care.
- Low-income people tend to switch between coverage and no coverage more than higher-income people. This switching, sometimes called “churn,” can make it difficult to get consistent care.
- Safety net clinics are reevaluating what types of payment they accept in light of new insurance options that will become available to many people they currently serve.

### Background: Colorado’s Changing Health Insurance Landscape

Three developments in the insurance market, all directly related to the Affordable Care Act (ACA), will impact many Coloradans who currently rely on the safety net for care:

1. Expansion of Colorado’s Medicaid program to people with incomes up to 138 percent of the federal poverty level (FPL);
2. Launch of Colorado’s health insurance marketplace, Connect for Health Colorado;
3. Establishment of the Colorado Health Insurance Cooperative, Colorado HealthOP, a member-directed nonprofit insurance company.

These changes – all scheduled to take effect on January 1, 2014 – present opportunities for Coloradans to gain health insurance. However, this will not necessarily mean that everyone with coverage will have access to health care.

For example, data from the 2011 Colorado Health Access Survey show that many Coloradans covered by Medicaid have trouble accessing care, even more so than people without insurance.



*The Colorado Health Institute and its Safety Net Advisory Committee (SNAC) are engaged in a series of information-sharing sessions called SNAC Labs. The goal is to identify the health care challenges facing vulnerable Coloradans, leverage the lessons learned on the front lines with policymakers, patient advocates, providers and philanthropic organizations, and explore innovative approaches and promising practices.*

### Barriers to Accessing Care, Colorado, 2011

**Unable to get an appointment**  
at the doctor's office or clinic  
as soon as you thought was needed

14.3%

Commercially  
Insured

24.6%

Medicaid

17.5%

Uninsured

Was told by a doctor's office  
or clinic that they **weren't**  
**accepting patients with your**  
**type of health insurance**

5.5%

Commercially  
Insured

23.3%

Medicaid

14.7%

Uninsured

Was told by a doctor's office  
or clinic that they **weren't**  
**accepting new patients**

6.0%

Commercially  
Insured

20.7%

Medicaid

13.7%

Uninsured

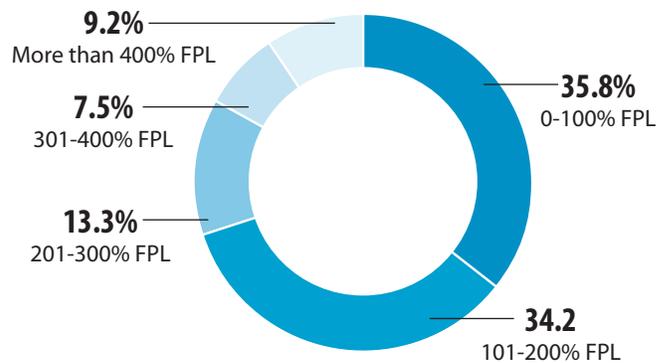
Source: 2011 Colorado Health Access Survey

### The Challenge of Churn

Insurance status is often linked to life events, such as changes in employment or income.

Almost everyone experiences a change in insurance status at some point, but lower-income people tend to be more vulnerable to churning. The 2011 Colorado Health Access Survey shows that nearly three-quarters (70 percent) of those who said they had health insurance but were also uninsured during the previous year reported incomes below 200 percent of the federal poverty level (FPL).

Individuals Reporting a Period Without Insurance Over 12 months, by Percentage of the Federal Poverty Level (FPL), Colorado 2011



### Switching Versus Churn

Definitions vary, but the Colorado Health Institute uses two different terms to describe people either changing, losing or gaining insurance coverage.

- **Churn:** Moving from insured to uninsured or vice versa.
- **Switching:** Moving from one kind of insurance to another kind, such as employer-sponsored insurance to Medicaid.

## State and County-Level Estimates of Coverage Gains - and Gaps - by 2016

Significantly fewer Coloradans are expected to be uninsured following implementation of the ACA and the expansion of Medicaid eligibility. The Colorado Health Institute estimates the number of uninsured Coloradans will drop to about 390,000 in 2016 from about 829,000 in 2011. Nearly 40 percent of the remaining uninsured in 2016 will be those without legal documentation, while the rest will be those who are not subject to the ACA, those

who choose to pay the penalty and the newly uninsured.

The Colorado Health Institute analysis also estimates the number of Coloradans under the age of 65 who will have: public insurance; employer-sponsored coverage; individual coverage (including enrollment through Connect for Health Colorado); and other coverage, such as TRICARE. The analysis also looks at the number of Coloradans who won't have insurance.

Statewide and county-level estimates are available at <http://bit.ly/1a9qAe0>.

## *The SNAC Lab Discussion*

The safety net will continue to play an important role in the provision of health care even as more Coloradans gain health insurance. However, that role may change.

The conversation included the following points:

### ***Health Insurance Options Offer Safety Nets New Funding Opportunities***

Safety net clinics are considering how increased coverage will affect their patients and how new insurance options could affect their sources of funding. For example, clinics may accept private or public insurance they have not accepted in the past in order to maintain relationships with their patients and ensure this newly covered population has access to care.

Some current funding sources – such as the Colorado Indigent Care Program (CICP) and the Primary Care Fund - are targeted toward uninsured and underinsured individuals, many of whom will become eligible for Medicaid or qualify for insurance subsidies through Connect for Health Colorado. The Colorado Department of Health Care Policy and Financing (HCPF) estimates that 70 percent of individuals currently eligible for CICP will move off the program into Medicaid. HCPF is in the process of engaging with stakeholders to discuss how to conserve allocated funding and examine alternative ways to offset CICP providers' uncompensated care cost, continue patients' access to care, and incentivize coverage for Colorado residents.

### ***The Role of Philanthropy and Charity Care May Change***

With more public dollars available to pay for health insurance, philanthropic organizations may direct resources toward public insurance enrollment efforts rather than funding health care services as extensively as they have in the past.

### ***Enrollment is a Challenge***

Eligibility does not ensure coverage. Many Coloradans are eligible for but not enrolled (EBNE) in public health insurance programs. In 2011, the most recent year for which data are available, nearly three-quarters (71 percent) of uninsured children in Colorado and 7 percent of uninsured adults were eligible but not enrolled. The Colorado Health Institute estimates that when Colorado expands Medicaid eligibility in 2014, nearly 40 percent of uninsured adults will be eligible. New strategies to reach

eligible Coloradans will be vital to the success of the state's Medicaid expansion and launch of the Connect for Health Colorado marketplace.

Connect for Health Colorado has awarded outreach and enrollment grants totaling \$17 million to 58 organizations. These groups will provide in-person support for individuals, families and small businesses shopping for health insurance through Connect for Health Colorado. Safety net providers will be key players in helping to enroll Coloradans because they already have strong relationships with people who will become newly eligible for coverage. So, it may be important to provide training to safety net staff about benefits and enrollment to help their patients navigate the insurance marketplace. Connect for Health Colorado has launched advertisements and education campaigns.

### ***Health Care Reform Has Not Addressed All Needs***

- **Children's dental coverage.** Colorado has opted not to require plans available through Connect for Health Colorado to include pediatric dental benefits. While dental benefits will be available, parents purchasing insurance through the marketplace won't have to purchase dental coverage for their children. Advocates are concerned that parents will decide not to purchase dental insurance for financial reasons, resulting in fewer children having access to dental care.
- **Undocumented population.** Residents without documentation of legal residency will not be eligible to buy insurance through Connect for Health Colorado. Caring for undocumented people will continue to be a large component of the safety net's work.

## *Conclusion*

New health insurance options are expected to result in more Coloradans having coverage. But questions remain about how they will access health care. Having a regular source of care is further complicated by churning between coverage and no coverage, or switching to different insurance. This is expected to be a particular challenge for low-income populations that have traditionally been served by the safety net. Colorado's medical safety net providers are evaluating how to adapt and continue to provide care to vulnerable populations in this new health insurance landscape.

## Reporting from the Field



**Dan Tuteur**  
Chief Strategy Officer, Colorado HealthOp

The Rocky Mountain Farmers Union Educational and Charitable Foundation formed Colorado's first statewide nonprofit health insurance cooperative – Colorado HealthOp – in March 2012. It was approved for federal funding within the Affordable Care Act four months later. Dan Tuteur, chief strategy officer of Colorado HealthOp, describes the nonprofit organization as a “different type of insurance company.” Colorado HealthOp is member-directed and rural-focused. “Rural is a

forethought, not an afterthought,” Tuteur said at the SNAC Lab. Once the insurance company goes live, its members will appoint a board of directors made up largely of Colorado HealthOp members.

Despite its rural focus, plans will be offered statewide. Colorado HealthOp is working to build its network across the state. The organization has a specific initiative of forging relationships and contracting with as many safety net providers as possible.

### Organizations Represented at the May 23 SNAC Lab

- Caring for Colorado Foundation
- ClinicNET
- Colorado Association of Local Public Health Officials
- Colorado Behavioral Healthcare Council
- Colorado Coalition for the Medically Underserved
- Colorado Community Health Network
- Colorado Consumer Health Initiative
- Colorado Covering Kids and Families
- Colorado Department of Health Care Policy and Financing
- Colorado Foundation for Medical Care
- Colorado HealthOp
- Colorado Hospital Association
- Colorado Joint Budget Committee
- Colorado Medical Society
- Colorado Regional Health Information Organization
- Colorado Rural Health Center
- Connect for Health Colorado
- Denver Health
- DoctorsCare
- Jefferson Center for Mental Health
- Kaiser Permanente Colorado
- Oral Health Colorado
- SET Family Medical Clinics
- The Colorado Trust

### What to Watch

Events Affecting Specialty Care and the ACC

#### October 1, 2013:

Enrollment for plans available through Connect for Health Colorado, Colorado's health insurance marketplace, is scheduled to begin.

#### January 1, 2014:

Insurance coverage purchased through Connect for Health Colorado goes into effect. The eligibility expansion for Medicaid to 138 percent FPL will go into effect as well.



Colorado Health Institute is a trusted source of independent and objective health information, data and analysis for the state's health care leaders. Colorado Health Institute is funded by the Caring for Colorado Foundation, Rose Community Foundation, The Colorado Trust and The Colorado Health Foundation.

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