

SB06-44 Analysis

For the Health District of Northern Larimer County Board of Directors

March 28, 2006

Bill Title: Concerning the Provision of Health Care Services to Specified Low-Income Adults

Summary: Appropriates \$15 million through the Colorado Indigent Care Program to community health clinics to provide primary care to low-income uninsured adults who do not qualify for Medicaid or CHP

Sponsors: Senate- Hagedorn and Shaffer/ House – Boyd and Green

Committees: Senate Health and Human Services

History: 01/11/2006 Introduced In Senate - Assigned to Health and Human Services + Appropriations
02/01/2006 Senate Committee on Health and Human Services Refer Amended to Appropriations
02/24/2006 Senate Committee on Appropriations Lay Over Unamended

Date of Analysis: March 20, 2006

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Background

SB 44 was one of the bills reported out by the Interim Committee on Health Insurance. As originally drafted, the bill directed \$15 million to community health centers for the purpose of providing primary care to low-income adults. At the suggestion of health care advocacy groups, the bill was amended to appropriate the money to the Colorado Indigent Care Program (CICP) in order to receive federal matching funds

Provisions of the bill

- Changes the income eligibility for CICP to 250% of the federal poverty level from 200% of the federal poverty level.
- Creates a Colorado Health Care Services Fund and credits \$15 million per year for five years from the General Fund Exempt Account.
- Stipulates that the money from the Colorado Health Care Services Fund shall be appropriated to provide primary care services to low-income adults by community health clinics.
- 18% of the money appropriated shall go to Denver Health and Hospitals.
- The bill allows community health clinics to utilize money provided by the fund and gifts, grants and donations to establish demonstration programs that could include coordination of care and disease management.

Why is this issue important?

Lack of access to health care for people who are low-income but ineligible for state or federal insurance programs is a problem. There are approximately 5-6,000 uninsured individuals in the Health District who do not qualify for existing services for the medically indigent because their annual income is above 185% of the federal poverty level. According to the 2004 Community Health Survey, 12% of the respondents had no health insurance at all. More than 27% of those who reported being uninsured did not have a regular place for care and more than half had skipped a medication or treatment due to cost. Lack of access to health insurance was ranked 6th among the risk factors contributing health burden to the community. If all residents (both adults and children) had health care coverage and access, the community could potentially gain an estimated 372 years of healthy life annually.

Reasons to support bill

- Including state money and matching federal funds, the bill will provide an additional \$30 million to community health clinics and Denver Health with the goal of increasing access to care for low-income adults. The new revenue provided by the bill could allow community health centers to increase capacity by hiring additional providers and/or increasing hours, thereby increasing access to primary care.
- Community health centers may already be seeing this group of newly eligible patients (people between 200-250% of FPL) when they are sick. Expanding the eligibility for CICP gives community health centers a way to receive reimbursement for care they are already providing.
- The bill's intent is to reduce use of hospital emergency departments by increasing access to primary care through community health clinics. If community health clinics increase their capacity, it may accomplish these goals. If

more people are able to access services through community health clinics, they may choose to obtain care there rather than going to hospital emergency departments.

- Unlike an expansion to an entitlement program like Medicaid, this bill provides the state greater budgetary flexibility.
- Supporters of the bill argue that it may encourage more community health centers to participate in CICP.
- The draw-down of the federal match is an important component of the bill. The state must only appropriate \$15 million to receive an equal match from the federal government. Allocating the \$15 million through the CICP program is an efficient way to reach more federal money.

Groups that support the bill:

Colorado Community Health Network
Colorado Consumer Health Initiative
Denver Health
Colorado Health and Hospital Association
American Association of Retired Persons (AARP)

Reasons to oppose bill

- It is not clear that the bill will achieve its stated goal of reducing reliance on hospital emergency departments and increasing access to community health clinics. There is no requirement that clinics expand capacity.
- The bill doesn't address the comprehensive problem of people who are uninsured, it merely provides more money for select care of people who are uninsured.
- The bill does not contain an evaluation piece or reporting requirement to demonstrate that it is actually achieving the goal of increasing access and reducing emergency department utilization for primary care.

Groups that oppose bill:

There was no testimony in opposition

Outstanding Issues and Concerns

It is difficult to determine exactly what the impact of the bill will be on access to health care. Beginning in February 2006, the eligibility for CICP increased from 185% of the federal poverty level to 200% of the federal poverty level. It would be helpful to know if this increase in eligibility translated into an increase in new individuals accessing services through community health centers. Unfortunately, it is too early for that data to be available. That data may be available next year in the CICP annual report available through the Department of Health Care Policy and Finance. However, the HCPF report can only provide the number of new individuals accessing CICP. It cannot tell us if these people were already accessing care through community health centers and are now receiving CICP. In other words, this data would still not answer the question of whether or not the bill was achieving its stated goal of moving patients from emergency departments to community health centers.

We do not know how this bill will encourage new patients to go to community health clinics for primary care. If clinics are already treating this new group of eligibles (those between 200-250% of the federal poverty level) and not being reimbursed, the bill will provide reimbursement but may not boost the number of new patients. If clinics use the new revenue to hire additional doctors and expand hours, they can increase capacity and possibly draw new patients. These new patients might have been accessing care through the emergency department because they were not able to be seen at a community health clinic. It is difficult to locate data that could tell us the number and characteristics of people who are accessing care through the emergency department who could be diverted to community health clinics.

About this Analysis

This analysis was prepared by Health District of Northern Larimer County staff to assist the Health District Board of Directors in determining whether to take an official stand on various health-related issues. Analyses are based on bills or issues at the time of their consideration by the Board and are accurate to the best of staff knowledge. It is suggested that people check to see that a bill has not changed during the course of a legislative session by visiting the Colorado General Assembly web page at www.state.co.us/gov_dir/stateleg.html. To see whether the Health District Board of Directors took a position on this or other policy issues, please visit www.healthdistrict.org/policy.

About the Health District

The Health District is a special district of the northern two-thirds of Larimer County, Colorado, supported by local property tax dollars and governed by a publicly elected five-member board. The Health District provides medical, mental health, dental, preventive and health planning services to the communities it serves. For more information about this analysis or the Health District, please contact Carrie Cortiglio, Policy Coordinator, at (970) 224-5209, or e-mail at ccortiglio@healthdistrict.org