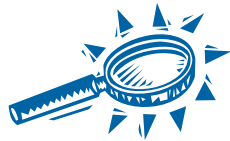




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Blueprint Brief



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Blueprint Brief No. 11

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Colorado Indigent Care Program helps more low-income adults get health care services

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More Coloradans are without insurance. People without health insurance are more likely to put off going to the doctor for minor illnesses, which can turn into major problems needing costly care in emergency rooms. If they do not have money to pay for medical expenses, uninsured individuals must rely on subsidized and charity care.

In Colorado, about 770,000 people, or 17 percent, are uninsured. Of these, 78 percent are working adults and 52 percent have very low incomes.

As more people lose insurance coverage, hospitals and clinics bear more of the costs for charity care. According to the Colorado Health & Hospital Association, uncompensated care costs grew 25 percent between 2001 and 2002. Between 1998 and 2002, charity care to the uninsured increased 93 percent and unpaid bills increased 98 percent.¹ In 2004, hospitals statewide saw uncompensated care hit a total of \$1.2 billion.²

As uncompensated care costs increase, hospitals and other providers pass costs on to private health care plans. A California study conducted in 2004 by Blue Shield estimated that 15 to 20 percent of health insurance premiums offset the cost of care for people without insurance.³

Colorado offers limited help for the uninsured through the Colorado Indigent Care Program (CICP), created in 1983.⁴ CICP is not health insurance for the uninsured, but a financing mechanism for the state to partially reimburse qualifying hospitals and clinics for providing care to low-income uninsured patients.⁵

In setting up the CICP, the legislature acknowledged that Colorado can't possibly pay for all the medical services for uninsured people. Therefore, the statute prioritizes available resources, with the most serious threats to health considered first.⁶

While CICP is only a partial solution to the problem of uninsured people, it does expand access to health care and helps offset uncompensated care costs.

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To qualify for the Colorado Indigent Care Program, patients must have combined income and savings at or below 250 percent of the federal poverty level and not be eligible for Medicaid. Most of those eligible for the CICIP are single adults making between \$3,829 and \$17,705 a year.⁷

According to the Department of Health Care and Policy Financing, more people are using CICIP every year. In FY 2004-05, the CICIP program served 179,129 people, a 2.3 percent increase over the 175,800 served in 2003-04.⁸

Under CICIP, patients pay a sliding fee based on income. In February 2006, the state increased co-payments and fees because providers were losing money treating CICIP patients.⁹ Without adequate state funding, patient co-payments will increase and some uninsured patients may not receive health care they need.

Expanding CICIP helps the uninsured and under-insured get health care. In 2006, the legislature created the Colorado Health Care Services Fund (SB06-044), allocating \$15 million per year for five years to fund CICIP primary care services to low-income and under-insured adults. The bill also expanded CICIP eligibility to 250 percent of the federal poverty level (\$45,000 per year for a family of four) from the earlier threshold of 200 percent.

The Colorado Health Care Services Fund is a step in the right direction. Still, CICIP is only a partial solution to Colorado's growing problem of uninsured and under-insured patients. It is not a substitute to statewide health care reform, which should expand and ensure affordable access to health care for every Colorado citizen.

✓ **Extend access to health care for more low-income, uninsured and under-insured people.**

We should continue to dedicate more resources to the Colorado Indigent Care Program to expand community-based health care. If the Colorado Health Care Services Fund proves effective, the legislature should increase funding to expand coverage to more Coloradans who need it.



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End Notes

¹ Colorado Health and Hospital Association, Reference Guide to Colorado Hospital Financial & Utilization Data 2001 & 2002, published February 2004.

² University of Colorado Hospital (2004). *Fact Sheet: University of Colorado Hospital's Care for the Uninsured*, <http://www.uch.edu/content/aboutus/content.asp?org=uch&index=News/Events&title=Uninsured%20Facts>

³ *What's Behind Spending in Health Care?* (2004) Centura Health, Englewood, Colo.

⁴ Reform Act for Provision of Care to the Medically Indigent, C.R.S. 26-15-101

⁵ National Health Law Program. State and Local Responsibility for Indigent Health Care (2004). C.R.S. 26-15-104.5.

⁶ C.R.S. 25-15-101.

<http://www.chcpf.state.co.us/HCPF/cicp/cicpleg.asp>

⁷ Colorado Department of Health Care and Policy Financing (2006). Colorado Medically Indigent and Colorado Indigent Care Program. Fiscal Year 2004-05 Annual Report.

<http://www.chcpf.state.co.us/HCPF/Pdf/Bin/Annual%20Report%202005.pdf>

⁸ Ibid.

⁹ "Colorado Raises Fees, Copayments for Low-Income Patients," Jan. 13, 2006. *Medical News Today*.

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