

# Putting Families First: Protect Health Care

## Federal Fiscal Relief to States

In May 2003, US Congress voted to provide fiscal relief to states through the **Federal Jobs and Growth Tax Relief Reconciliation Act of 2003**. These funds are intended to deal with the escalating budget crises that states across the country are facing and the strain the downturn in the economy is putting on state Medicaid programs.

Colorado's share of this money was provided to Colorado in two separate categories totaling \$238 million dollars:

**One time funds: \$146 million in general fiscal relief and may be utilized to fund essential government services.**

**Increase in Federal Medical Assistance Percentage (FMAP): \$92 million in fiscal relief. Legislature has authority over general fund savings.**

The federal tax relief bill temporarily changed Colorado's Federal Medical Assistance Percentage (FMAP) rate so that for the next 15 months, for every 47 cents Colorado spends in Medicaid will generate 53 cents from the federal government. Colorado's same Medicaid spending will generate an additional \$92 million in federal dollars to the state.

The funding was intended as a bridge to get through tough fiscal times without cutting programs to families that most need the services. Budget and program decisions that are made should be based on criteria that take into account the long-term implications for the health and well being of all of Colorado's citizens.

### FEDERAL RELIEF DOLLARS SHOULD BE USED TO RESTORE THE FOLLOWING CUTS IN SERVICES:

Cuts in Services	Cost	Impact
<u>Non emergency Medicaid transportation</u>	\$3.8 million state funds (\$7.6 M total)	Effective July 1, 2003, Medicaid recipients who are able to take a non-specialized form of transportation (bus, car, cab, etc.) are now required to do so without assistance from the state regardless of any diagnosis related or financial consideration.  Senior citizens and those living in rural areas have been hardest hit by this rule.
CHP+ enrollment cap	\$5.6 million state funds (\$13 M total)	The Child Health Plan provides health insurance to low-income, uninsured children in working families.  Historically, children who lose access to public health insurance due to enrollment caps most frequently become uninsured entirely. There are currently 30,000 children in Colorado who are eligible for CHP+ but not enrolled; all of these children are affected.
CHP+ Prenatal program	\$5.9 M	The Child Health Plan Prenatal Program provides health insurance for low-income, uninsured women during a pregnancy.  Investing in this program assures Colorado children are born with fewer health problems -- research has consistently shown that for every \$1 spent on prenatal care, \$3 is saved from fewer birth complications and healthier babies.
Aid to the Needy and disabled & Medically correctable fund	\$9.3 M  \$228,000	Provides basic financial assistance to low-income persons aged 18 to 60 who have a disability that is expected to last six months or longer, and that precludes them from engaging in gainful employment.  This program serves as a safety net for 5,775 Coloradans who have neither assets nor income.
Copays on services (DME and hospitalization)	\$822,400	Copay for labs and x-rays is \$1; Copay for prescription drugs is up by 25 cents.

Home care allowance cap/ frozen	\$315,000	This program provides personal care and supportive services to persons residing in their own homes.
Mental health services	\$9.965 M	These programs covered Un- and underinsured adults and children who receive care at community mental health.  This resulted in over 3,400 people losing their care just this year.
Older Coloradoan fund	\$500,000	The Fund targets those in greatest need, including the frail, low income, minority elders and care giving families. Services include home-delivered meals and meals at dining centers; transportation; in- home services and ombudsman services for nursing home residences.  If this is cut, it will lead to higher cost care by moving elders into nursing homes before they can receive help at home.
Old Age Pension Supplemental Medical Fund	\$250,000	Primarily, for those ages 60-65, basic healthcare for those on old age pension who do not qualify for Medicaid.
Community health center Medicaid reimbursement	\$2.8 M	Community Health Centers provide high quality, comprehensive primary health care for low-income families.  7,000 Medicaid patients will lose access to community health centers for their primary care. They will be more likely to use the emergency room as their source of health care. This will result in an estimated increase of \$48 million in hospital and specialty care costs for the Medicaid program.
Legal immigrants	\$5.9 M	Legal immigrants eligible for Medicaid benefits include those who have been granted asylum or are refugees as well as those who have lived, worked, and paid taxes in the United States for at least five years.
Public Benefit fees	\$589,000	Recipients of TANF, OAP, AND, Aid to the Blind, LEAP (low-income energy assistance program), and child care assistance must now pay \$1 a month to receive cash assistance. Over 48,000 people are affected by the fee. For example, a single mother with two children will now receive \$355 rather than \$356 a month for TANF.

Colorado Consumer Health Initiative 1761 Emerson St. Denver CO 80218 (303) 839-1261 Contact: Catherine Han Montoya

**Supporting organizations: AARP, Colorado Coalition For the Homeless, Lutheran Advocacy Ministry, Colorado Community Health Network, Colorado Center on Law and Policy, Colorado Consumer Health Initiative, Denver Women's Commission, Colorado Social Legislation Committee, Mental Health Association of Colorado**