



Medicaid is in trouble.

Diverting CHASE dollars is **not the answer.**

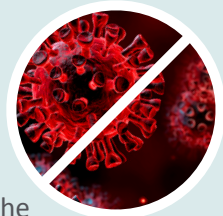
The CHASE Fee is carefully balanced to benefit Medicaid patients, the state budget, and Colorado hospitals. Upsetting that balance to bail out the General Fund could put CHASE’s enterprise status at risk, potentially costing Colorado up to \$4.9B in hospital fees and federal revenue.

Shifting CHASE funds to offset the General Fund creates significant legal risk, as CHASE is a TABOR enterprise.

- Colorado courts have established that to qualify as an enterprise, benefits (i.e., “business services”) must be provided to fee payers. When the original Hospital Provider Fee was replaced with the CHASE enterprise in 2017, it was built upon this foundation of Colorado law.
- In recent years, CHASE spending on state administration and Medicaid expansion costs have grown significantly, limiting benefit to hospitals and putting the program out of balance.
- Any further diversions may put CHASE’s enterprise status – and its nearly \$5 billion in funding for Medicaid – at risk.

2025: Not the Same as COVID

Redirecting CHASE funds to the General Fund has occurred only one other time since the enterprise was created, during the state and federally designated public health emergency (PHE), resulting from the global COVID-19 crisis. The PHE created highly unusual extenuating circumstances far outside anything in Colorado’s control or ability to plan for or mitigate.



In contrast, current Medicaid funding challenges are the result of several factors, most of which were foreseeable and some are within policymakers’ control.

Putting CHASE’s enterprise status at risk also jeopardizes Colorado’s Medicaid program and would have devastating impacts to Coloradans and communities.

Every year, CHASE dollars already provide major financial support to the General Fund:



Medicaid pays hospitals **79¢ on the dollar** for providing care

	PATIENTS \$3.1 billion pays for 427,000 Coloradans on Medicaid
	ADMIN COSTS \$124.5 million pays for HCPF administrative fees

25,000 people
Medicaid Disability Buy-In Program

400,000 low-income adults
ACA Medicaid Expansion

19,000 kids
Continuous Eligibility

Payments to community providers, LTSS providers and pharmacies

In addition to CHASE fees, Colorado hospitals also:



Provide
\$330 million
in charity care



Subsidize
\$3.4 billion
in under-reimbursement



Fund
\$726 million
community benefits and support

Hospital finances are tenuous today. Further eroding Medicaid payments threatens access to care for ALL Coloradans.

- 70% of Colorado hospitals – from communities across the state – operate today with thin, negative, or zero margins. **Current underpayment from Medicaid contributes to the existing challenge.**
- Even with CHASE supplemental payments, **hospitals are paid only 79 cents for every dollar of cost to care for Medicaid patients.**
- Redirecting CHASE fee funding puts hospitals in an even more precarious financial position, thus **threatening access to care for ALL Coloradans** – Medicaid clients and others.

CHASE fee dollars should not be used to bail out the General Fund shortfall. It is a **HUGE RISK for the Medicaid program, Colorado's economy, and the health and financial security of Coloradans.**

FOR MORE INFORMATION:

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