

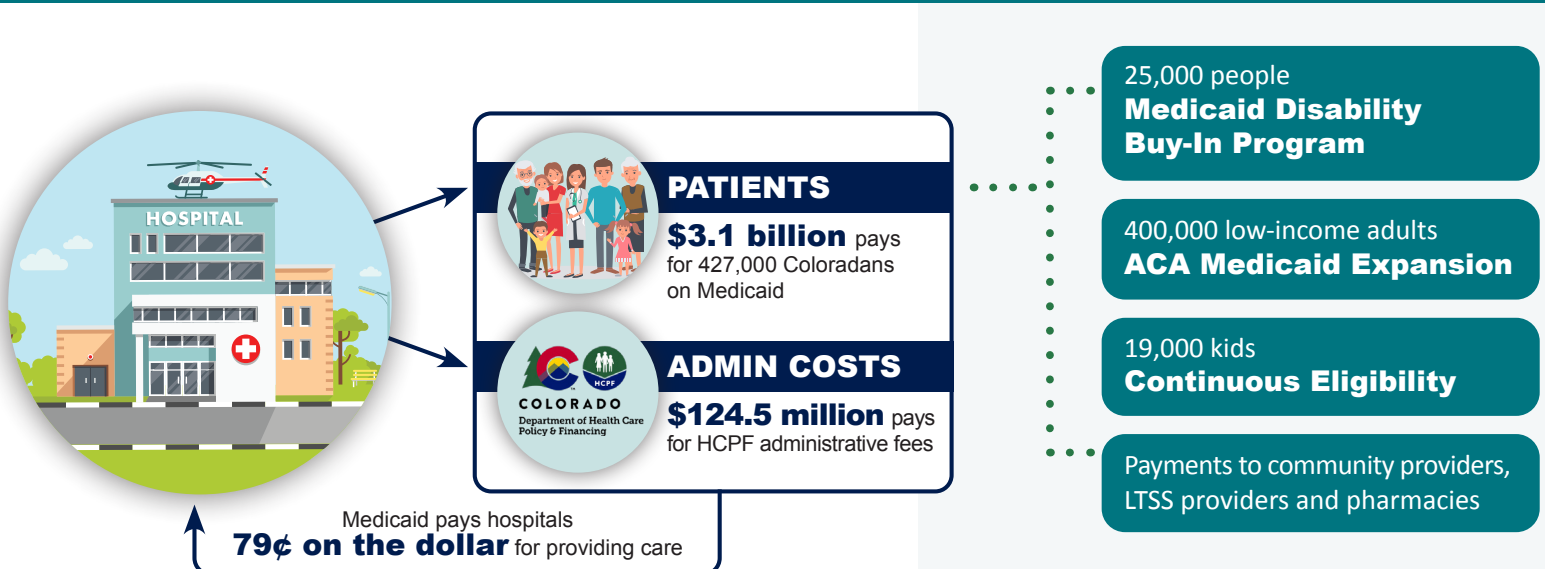


Colorado's Medicaid Landscape

Colorado Characteristics:

- **Taxpayer's Bill of Rights (TABOR):** TABOR is a unique constitutional budget constraint that limits the amount of revenue Colorado can retain and spend. Currently, Colorado is facing a more than \$670 million budget shortfall.
- **Medicaid Financing Mechanism:** Colorado is one of 41 states that has expanded Medicaid. Hospital fees finance the expansion population through the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) – also known as the hospital provider fee. CHASE is a government enterprise established in 2017 to collect fees from hospitals and leverage federal matching funds to increase supplemental payments for hospitals, cover Medicaid expansion, reduce the uninsured population, and reduce costs. The CHASE Fee is carefully balanced to benefit Medicaid patients, the state budget, and Colorado hospitals.

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



System Under Strain: Colorado's Health Care Infrastructure Is Being Tested to Its Limits



Publicly funded programs including Medicare, Medicaid, and the Children's Health Insurance Program are particularly important in rural communities where the payer mix is less robust and health care consumers and providers are more reliant on federal programs. More than 45% of care provided in rural areas is from a public payer source.



Colorado had the largest net Medicaid enrollment decline in the country at 33.4% following COVID-19¹. It costs more to care for the uninsured, since delays in seeking health care services usually result in more expensive care than if the patient accessed the system early. Patients without coverage are also unlikely to receive follow-up care as well as medications they need to stay healthy.



Hospital utilization by uninsured patients continues to surge, with emergency department visits increasing by 50% compared to pre-COVID levels, translating to over 16,000 additional uninsured patient visits per quarter. This trend is placing significant strain on hospital budgets and exacerbating challenges in accessing care.

Health care is essential to people's quality of life and is a key economic driver in Colorado. The complex interplay between health care, federal policy, and the state budget underscores the critical need for collaboration. We are deeply grateful for the opportunity to work together as we confront the unique challenges facing our state.

¹ Source: KFF, Medicaid enrollment and unwinding tracker, Sept. 12, 2024

FOR MORE INFORMATION:

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