

HEALTH INSURANCE COVERAGE AMONG LOW-INCOME ADULTS IN COLORADO

Health insurance coverage has been found to be highly correlated with an individual's ability to gain access to health care, from doctor visits to filling prescriptions. Lacking insurance coverage can have adverse consequences for all members of a family—adults and children alike. Uninsured adults are nearly five times more likely than insured adults to report not having a usual source of care and are approximately three times as likely to report not seeing a doctor in the past year. According to a 2009 report issued by the Kaiser Commission on Medicaid and the Uninsured, more than one in four uninsured adults (ages 19-64) reported skipping needed health care within the last year because of costs, a rate much higher than the 7 percent of Medicaid adults who reported skipping needed care.¹

The Kaiser Commission also found that increasing rates of insurance coverage among low-income parents was associated with an increase in their children's coverage and access to care.² Other research has demonstrated that children whose parents were insured were more likely to visit a pediatrician for preventive care than children whose parents were not insured.³

This issue brief describes and provides estimates of the adult population in Colorado who will benefit from Medicaid and Child Health Plan Plus (CHP+) coverage expansions as a result of the passage of Colorado's *Healthcare Affordability Act* (HB 09-1293) and the federal *Patient Protection and Affordable Care Act* (HR 3590) signed into law by President Obama in March 2010. The brief focuses on working-age adults (ages 19-64) in Colorado who are currently uninsured and provides estimates of how many will become eligible for publicly financed health care coverage as a result of the federal and state eligibility expansions.

The Colorado Healthcare Affordability Act

The *Colorado Healthcare Affordability Act of 2009* (HB 09-1293) directs the Colorado Department of Health Care Policy and Financing (HCPF), in collaboration with a gubernatorially appointed Oversight and Advisory Board, to assess a fee on all Colorado hospitals for the purposes of generating more federal funds for financing health care in Colorado. It has been estimated that the hospital fee will generate \$600 million annually which when matched with federal funds will generate a total of \$1.2 billion each year. The fees will be used to expand Medicaid to new classes of adults previously not eligible for the program, as well as expand eligibility thresholds in the CHP+ program to include more low-income children and pregnant women.⁴ In addition, the revenue generated from the hospital fee bill will increase reimbursements that hospitals receive for providing services to individuals on Medicaid and the Colorado Indigent Care Program.⁵

Prior to passage of this bill, only parents of dependent children with annual family incomes at or below 60 percent of federal poverty level (FPL)⁶ were eligible for Medicaid coverage. HB 09-1293 expands eligibility to parents in families with incomes up to 100 percent of FPL. In addition, the legislation creates two new adult eligibility categories: one for adults who are not parents of dependent children (hereafter referred to as "childless adults") at or below 100 percent of FPL and another for adults with disabilities whose incomes are at or below 450 percent of FPL who can buy into the Medicaid program.⁷

Medicaid eligibility for parents up to 100 percent of the FPL is scheduled for implementation in May 2010 with an assumed three-year phase-in. Similarly, Medicaid eligibility for childless adults is scheduled to begin implementation in the winter of 2012 and will be completely phased in by FY 2013-14.

The Patient Protection and Affordable Care Act

The federal *Patient Protection and Affordable Care Act* (HR 3590) and the changes made to the law by the *Health Care and Education Affordability Reconciliation Act* (HR 4872) significantly expand health insurance coverage through a combination of Medicaid expansions, premium credits and an individual mandate requiring U.S. citizens and legal residents to purchase health insurance. Under this new federal law, most citizens and legally documented residents who have resided in the United States for at least five years and who have annual incomes at or below 133 percent of FPL will become eligible for Medicaid, an expansion that is expected to affect 16 million children

and adults in the United States. Overall, 32 million Americans are expected to gain health insurance coverage as a result of HR 3590.⁸

State implementation of the Medicaid expansions included in the federal health care reform bills are required to begin in January 2014. The federal government will fund the full cost of the newly covered Medicaid populations in 2014 and 2015. The federal financial contribution will gradually decrease to 90 percent by 2020 and thereafter.

Table 1 displays current Medicaid eligibility guidelines for adults in Colorado and includes estimates of adults eligible for Medicaid under state and federal expansions.

Table 1. Uninsured working-age adults (ages 19-64) by family status and percent of federal poverty level (FPL), 2008

FPL threshold	Parents	Childless adults	Ineligible based on documentation status	TOTAL	Legend:
0-60% of FPL	25,544	74,809	12,907	113,260	Adults currently eligible but not enrolled in Medicaid
61-100% of FPL	27,618	44,295	14,881	86,794	Adults who will become Medicaid eligible in 2010 as a result of state HB 09-1293
101-133% of FPL	23,743	28,933	8,145	60,821	Adults who will become Medicaid eligible in 2012 under state HB 09-1293
Over 133% of FPL	98,180	237,353	27,918	363,451	Adults who will become Medicaid eligible in 2014 under federal HR 3590
Total	175,085	385,390	63,851	624,326	

SOURCE: CHI analysis of the 2008 American Community Survey.

Uninsured rates among Colorado adults

Table 2 displays county and state uninsured estimates by number and percentage of all working-age adults ages 19-64 in Colorado. As shown in Table 2, approximately 20 percent of working-age Coloradans

were uninsured in 2008. Douglas County had the lowest rate (10%), while Jackson County had the highest rate (33%) of adults who were uninsured.

Table 2. Rates of uninsured adults (ages 19-64 years) in Colorado counties, 2008

County	Total adults 19-64 yrs (a)	Uninsured adults (b)	Percent uninsured (b/a)
Adams	262,764	61,194	23.3%
Alamosa	8,390	2,146	25.6%
Arapahoe	335,233	64,856	19.4%
Archuleta	6,870	2,268	33.0%
Baca	2,532	648	25.6%
Bent	3,438	693	20.2%
Boulder	199,636	33,356	16.7%
Broomfield	31,018	4,645	15.0%

County	Total adults 19-64 yrs (a)	Uninsured adults (b)	Percent uninsured (b/a)
Chaffee	9,212	1,969	21.4%
Cheyenne	1,279	258	20.2%
Clear Creek	6,447	727	11.3%
Conejos	4,709	1,205	25.6%
Costilla	2,054	525	25.6%
Crowley	3,163	638	20.2%
Custer	1,987	425	21.4%
Delta	19,320	6,378	33.0%
Denver	375,242	92,370	24.6%
Dolores	1,280	423	33.0%
Douglas	174,377	16,578	9.5%
Eagle	32,418	7,123	22.0%
El Paso	361,841	69,554	19.2%
Elbert	11,390	2,297	20.2%
Fremont	26,173	5,593	21.4%
Garfield	32,142	10,718	33.3%
Gilpin	3,290	371	11.3%
Grand	9,682	2,127	22.0%
Gunnison	10,860	2,386	22.0%
Hinsdale	615	135	22.0%
Huerfano	4,408	1,127	25.6%
Jackson	1,157	386	33.4%
Jefferson	350,233	58,411	16.7%
Kiowa	930	187	20.2%
Kit Carson	4,591	926	20.2%
La Plata	30,499	10,069	33.0%
Lake	6,079	1,336	22.0%
Larimer	188,372	27,031	14.4%
Las Animas	8,525	2,181	25.6%
Lincoln	3,489	703	20.2%
Logan	11,752	2,370	20.2%
Mesa	89,241	22,835	25.6%
Mineral	647	142	22.0%
Moffat	9,677	3,227	33.3%
Montezuma	16,540	5,461	33.0%
Montrose	23,205	7,661	33.0%

Table 2 (continued)

County	Total adults 19-64 yrs (a)	Uninsured adults (b)	Percent uninsured (b/a)
Morgan	15,573	3,140	20.2%
Otero	11,387	2,913	25.6%
Ouray	2,912	640	22.0%
Park	8,237	1,760	21.4%
Phillips	2,568	518	20.2%
Pitkin	11,573	2,543	22.0%
Prowers	8,301	1,674	20.2%
Pueblo	87,953	20,087	22.8%
Rio Blanco	4,394	1,465	33.3%
Rio Grande	6,959	1,780	25.6%
Routt	14,452	4,819	33.3%
Saguache	3,317	849	25.6%
San Juan	387	128	33.0%
San Miguel	4,577	1,511	33.0%
Sedgwick	1,574	317	20.2%
Summit	18,324	4,026	22.0%
Teller	11,658	2,491	21.4%
Washington	2,823	569	20.2%
Weld	155,358	36,300	23.4%
Yuma	5,640	1,137	20.2%
TOTAL	3,064,674	624,326	20.4%

SOURCE: CHI analysis of the 2008 American Community Survey

Table 3 summarizes the number and proportion of working-age parents who were enrolled or eligible but not enrolled (EBNE) in Medicaid in 2008.

Table 3. Working-age parents (ages 19-64) of dependent children (ages 0-18) by current (pre-expansion) Medicaid eligibility and enrollment, Colorado, 2008 data

County	Medicaid enrolled (a)	Medicaid eligible but not enrolled (b)	Total Medicaid eligible [a+b] (c)	% enrolled in Medicaid [a/c]	% eligible but not enrolled in Medicaid [b/c]
Adams	5,742	3,224	8,966	64.0%	36.0%
Alamosa	449	208	656	68.4%	31.6%
Arapahoe	5,738	2,581	8,319	69.0%	31.0%
Archuleta	93	79	173	54.1%	45.9%
Baca	92	63	154	59.4%	40.6%
Bent	142	25	167	85.1%	14.9%
Boulder	1,687	434	2,121	79.6%	20.4%

County	Medicaid enrolled (a)	Medicaid eligible but not enrolled (b)	Total Medicaid eligible [a+b] (c)	% enrolled in Medicaid [a/c]	% eligible but not enrolled in Medicaid [b/c]
Broomfield	281	237	518	54.2%	45.8%
Chaffee	97	0	97	100.0%	0.0%
Cheyenne	Not Available	9	Not Available	Not Available	Not Available
Clear Creek	78	0	78	100.0%	0.0%
Conejos	276	116	392	70.3%	29.7%
Costilla	105	51	156	67.5%	32.5%
Crowley	85	23	108	78.7%	21.3%
Custer	49	0	49	100.0%	0.0%
Delta	448	223	671	66.8%	33.2%
Denver	9,455	4,571	14,026	67.4%	32.6%
Dolores	Not Available	15	Not Available	Not Available	Not Available
Douglas	779	254	1032	75.4%	24.6%
Eagle	106	39	145	72.9%	27.1%
El Paso	7,953	3,017	10,970	72.5%	27.5%
Elbert	167	83	249	66.9%	33.1%
Fremont	628	0	628	100.0%	0.0%
Garfield	329	756	1,085	30.3%	69.7%
Gilpin	44	0	44	100.0%	0.0%
Grand	68	12	80	85.3%	14.7%
Gunnison	93	13	106	87.6%	12.4%
Hinsdale	Not Available	1	Not Available	Not Available	Not Available
Huerfano	191	109	300	63.6%	36.4%
Jackson	Not Available	27	Not Available	Not Available	Not Available
Jefferson	3,805	1,848	5,653	67.3%	32.7%
Kiowa	Not Available	7	Not Available	Not Available	Not Available
Kit Carson	98	33	131	74.6%	25.4%
La Plata	443	352	794	55.7%	44.3%
Lake	63	7	71	89.5%	10.5%
Larimer	2,817	1,883	4,701	59.9%	40.1%
Las Animas	282	211	493	57.2%	42.8%
Lincoln	69	25	94	73.1%	26.9%
Logan	284	85	369	76.9%	23.1%
Mesa	1,914	658	2,572	74.4%	25.6%
Mineral	Not Available	1	Not Available	Not Available	Not Available
Moffat	160	228	388	41.3%	58.7%

Table 3 (continued)

County	Medicaid enrolled (a)	Medicaid eligible but not enrolled (b)	Total Medicaid eligible [a+b] (c)	% enrolled in Medicaid [a/c]	% eligible but not enrolled in Medicaid [b/c]
Montezuma	420	191	610	68.7%	31.3%
Montrose	597	268	864	69.0%	31.0%
Morgan	350	113	463	75.6%	24.4%
Otero	451	282	732	61.5%	38.5%
Ouray	Not Available	4	Not Available	Not Available	Not Available
Park	153	0	153	100.0%	0.0%
Phillips	Not Available	19	Not Available	Not Available	Not Available
Pitkin	Not Available	14	Not Available	Not Available	Not Available
Prowers	341	60	401	85.0%	15.0%
Pueblo	4,429	985	5,414	81.8%	18.2%
Rio Blanco	69	103	172	39.9%	60.1%
Rio Grande	401	172	573	70.0%	30.0%
Routt	69	340	410	16.9%	83.1%
Saguache	129	82	211	61.1%	38.9%
San Juan	Not Available	4	Not Available	Not Available	Not Available
San Miguel	Not Available	53	Not Available	Not Available	Not Available
Sedgwick	Not Available	11	Not Available	Not Available	Not Available
Summit	87	22	109	79.7%	20.3%
Teller	196	0	196	100.0%	0.0%
Washington	38	20	58	64.9%	35.1%
Weld	3,014	1,253	4,267	70.6%	29.4%
Yuma	94	41	135	69.6%	30.4%
TOTAL	56,187	25,544	81,731	68.7%	31.3%

NOTE: Not Available = Not reported by the Colorado Department of Health Care Policy and Financing (HCPF) due to fewer than 30 cases.

SOURCE: Uninsured estimates based on CHI analysis of the 2008 American Community Survey. Average monthly adult Medicaid enrollment figures provided by the budget division at HCPF.

As shown in Table 3, CHI estimates that in 2008 nearly one-third of parents in Colorado were EBNE in Medicaid. Garfield County had the highest EBNE rate (70%), with more than two out of three eligible parents not enrolled in Medicaid. CHI's analysis did not identify any uninsured EBNE parents in Chaffee, Clear Creek, Custer, Fremont, Gilpin, Park and Teller counties, suggesting a 100 percent enrollment rate.

Because a number of counties in Colorado have small populations of eligible parents, however, the potential for misspecification of enrollment rates is amplified. For example, while Garfield County had the highest EBNE rate, EBNE parents in the county accounted for only 3 percent of all EBNE parents statewide. Therefore, CHI advises caution in interpreting the data in counties with small population sizes.

Table 4 provides county-level estimates of the number of parents and childless adults who will become eligible for Medicaid based on state and federal expansions within the program.

Table 4. Uninsured Colorado adults by FPL level and family status, newly eligible for Medicaid under Colorado HB 09-1293 and federal HR 3590, 2008 data

County	Colorado HB 09-1293		U.S. HR 3590	
	Parents (61-100% FPL)	Childless adults (0-100% FPL)	Parents (101-133% FPL)	Childless adults (101-133% FPL)
Adams	3,080	11,097	1,746	1,719
Alamosa	24	694	136	108
Arapahoe	1,883	14,645	2,605	3,085
Archuleta	89	298	128	72
Baca	7	210	41	32
Bent	3	161	62	25
Boulder	1,433	6,671	40	1,916
Broomfield	66	562	11	295
Chaffee	79	317	192	247
Cheyenne	1	60	23	9
Clear Creek	19	94	23	78
Conejos	13	390	76	60
Costilla	6	170	33	26
Crowley	3	148	57	23
Custer	17	68	41	53
Delta	252	837	359	203
Denver	4,006	19,046	3,520	5,173
Dolores	17	55	24	13
Douglas	458	4,283	353	944
Eagle	200	798	252	817
El Paso	5,249	13,206	1,541	2,092
Elbert	9	532	206	84
Fremont	224	900	546	702
Garfield	302	1,404	636	166
Gilpin	10	48	12	40
Grand	60	238	75	244
Gunnison	67	267	84	274
Hinsdale	4	15	5	16
Huerfano	13	365	71	56
Jackson	11	51	23	6
Jefferson	2,031	10,582	2,152	2,629

Table 4 (continued)

County	Colorado HB 09-1293		U.S. HR 3590	
	Parents (61-100% FPL)	Childless adults (0-100% FPL)	Parents (101-133% FPL)	Childless adults (101-133% FPL)
Kiowa	1	43	17	7
Kit Carson	4	214	83	34
La Plata	397	1,321	567	321
Lake	37	150	47	153
Larimer	1,188	6,118	928	1,546
Las Animas	24	705	138	109
Lincoln	3	163	63	26
Logan	10	549	213	87
Mesa	366	4,743	672	416
Mineral	4	16	5	16
Moffat	91	423	191	50
Montezuma	215	717	308	174
Montrose	302	1,005	432	244
Morgan	13	727	282	115
Otero	32	942	184	146
Ouray	18	72	23	73
Park	70	283	172	221
Phillips	2	120	46	19
Pitkin	71	285	90	292
Prowers	7	388	150	61
Pueblo	1,295	4,272	1,511	484
Rio Blanco	41	192	87	23
Rio Grande	20	576	112	89
Routt	136	631	286	75
Saguache	9	274	54	43
San Juan	5	17	7	4
San Miguel	60	198	85	48
Sedgwick	1	74	29	12
Summit	113	451	142	462
Teller	100	401	243	312
Washington	2	132	51	21
Weld	3,339	4,427	1,348	1,999
Yuma	5	263	102	42
STATE TOTAL	27,618	119,104	23,743	28,933

SOURCE: Colorado Health Institute analysis of the 2008 American Community Survey

As shown in Table 4, more than 27,000 parents and 119,000 childless adults in Colorado will become eligible for Medicaid once the state expansion (HB 09-1293) is fully implemented. Further, another 24,000 parents and 29,000 childless adults will become eligible for Medicaid as a result of the federal health care reform bills, HR 3590 and HR 4872.

Characteristics Of Coloradans eligible for adult Medicaid expansions

Although no previous Colorado-specific studies have examined the characteristics of adults who will become eligible for Medicaid under federal and state expansions, national research provides some insight into the demographic profile and health status of this population. A 2009 study by the Kaiser Commission on Medicaid and the Uninsured estimated that 64 percent of low-income adults at or below 100 percent of FPL were between the ages of 19 and 39 years; 26 percent were between the ages of 40 and 54 years; and the remaining 10 percent were between 55 and 64 years. Half of these adults reported being in *very good* or *excellent* health, while one-third reported being in *good* health and the remaining 17 percent reported being in *fair* or *poor* health.⁹

The experience of other states provides additional information about the characteristics of previously uninsured low-income adults that can help to inform Colorado policymakers about the anticipated impact on Medicaid utilization and costs as well as provider level impacts as a result of these newly eligible adults. For example, after Medicaid expansions for adults were implemented in Massachusetts in 2006 and 2007, many of the first to sign up were middle-aged or older adults not yet eligible for Medicare but nonetheless having multiple chronic conditions such as diabetes and hypertension. Because many had delayed seeking care while they were uninsured, the pent-up demand for care meant these newly eligible adults were high utilizers of services.¹⁰ A 2003 study of Oregon confirmed these findings.¹¹ Based on a national study commissioned by the Commonwealth Fund, pent-up demand subsided and began declining after the first few years of continuous enrollment.¹²

About These Data

Medicaid enrollment

County and state Medicaid enrollment figures were provided by the Colorado Department of Health Care Policy and Financing and summarize the average monthly enrollment for January through December 2008. Because Medicaid enrollment data were unavailable for a few small counties, the sum of the counties does not equal the state Medicaid enrollment totals in Table 3.

Income and poverty status

In calculating the ratio of annual family income to federal poverty guidelines, CHI developed a new method for this brief that identifies and calculates nuclear family income within households in which multiple related families reside. This approach more closely approximates Medicaid eligibility determination guidelines. These analyses were limited to Coloradans for whom ACS income data were collected; income and poverty data are not available for foster children and individuals living in prisons, nursing homes, mental hospitals, college dormitories or military barracks.

Uninsured estimates

The data source used for this analysis was the U.S. Census Bureau's 2008 American Community Survey (ACS). The ACS is an annual survey of approximately 48,000 individuals from 21,000 Colorado households. The data have been weighted to represent the state population as well as geographic sub-regions within Colorado. CHI applied a method developed by the University of Missouri to apportion the ACS regions and yield county-level estimates. The estimates do not exclude uninsured adults with a disability who may be eligible for the Medicaid buy-in provisions of HB 09-1293.

An individual was counted as uninsured if he or she reported not having any form of health insurance at the time at which the ACS questionnaire was administered. Note that the estimates provided in this brief represent the number of currently uninsured adults who will become *eligible* for Medicaid as a result of federal and state legislation, not those who will actually *enroll*. In addition, both HB 09-1293 and the federal *Patient Protection and Affordable Care Act* will be implemented over a multi-year period beginning

in 2010. This analysis, however, assumes fully implemented programs and the estimates have not been adjusted for population growth over the period of implementation.

Citizenship and documentation status

The ACS contains variables on citizenship but not on documentation status. Based on national research, CHI assumed that 30 percent of all foreign-born adults in the United States were undocumented.¹³ From the remaining group of foreign-born individuals, any adult residing in the nation for fewer than five years was removed from the analysis.

Parental status

Individuals (ages 19-64) were identified as parents if they had legal custody of a child from 0-18 years. For this analysis, CHI identified nuclear families within households to more closely approximate income eligibility for Medicaid. CHI staff would be pleased to provide additional details upon request.

Endnotes

¹ Kaiser Commission on Medicaid and the Uninsured. (2009). "Expanding Health Coverage for Low-Income Adults: Filling the Gaps in Medicaid Eligibility." (Retrieved March 24, 2010, from <http://www.kff.org/medicaid/upload/7900.pdf>).

² Artiga, S, and Mann, C (2007). "Family Coverage Under SCHIP Waivers." (Retrieved March 24, 2010, from <http://www.kff.org/medicaid/upload/7644.pdf>).

³ Ku, L, and Broaddus, M (2006). *Coverage of Parents Helps Children, Too*. Center on Budget and Policy Priorities. (Retrieved March 24, 2010, from <http://www.cbpp.org/cms/?fa=view&id=754>); Davidoff, A, et al. (2003). "The Effects of Parents' Insurance Coverage on Access to Care for Low-Income Children." *Inquiry*, 40:254-268. Gifford, E, et al. (2005). "Low-Income Children's Preventive Service Use: Implications of Parents' Medicaid Status." *Health Care Financing Review*, 26(4): 81-94.

⁴ Medicaid is a state-federal partnership that provides health care coverage to low-income children, parents, pregnant women, elders and individuals with disabilities. CHP+ is Colorado's *State Children's Health Insurance*

Program, a federal-state partnership that provides health coverage to children and pregnant women with incomes up to 205 percent of FPL who do not otherwise qualify for Medicaid based on their family income. More information about these programs is available at <http://www.colorado.gov/cs/Satellite/HCPF/HCPF/1197364086675>.

⁵ The Colorado Indigent Care Program provides partial reimbursement to health care providers who provide a significant amount of health care to the state's uninsured populations with incomes of up to 250 percent of FPL.

⁶ The Federal Poverty Level (FPL) in 2009 was \$10,830 for an individual and \$22,050 for a family of four.

⁷ These uninsured estimates included in this paper do not exclude uninsured individuals who may become insured under the Medicaid buy-in provisions of HB 09-1293.

⁸ Congressional Budget Office. (2010). (Retrieved March 24, 2010 from <http://www.cbo.gov/ftpdocs/113xx/doc11355/hr4872.pdf>).

⁹ Kaiser Commission on Medicaid and the Uninsured. (2009). "Expanding Health Coverage for Low-Income Adults: Filling the Gaps in Medicaid Eligibility." (Retrieved March 24, 2010, from <http://www.kff.org/medicaid/upload/7900.pdf>).

¹⁰ Kaiser Commission on Medicaid and the Uninsured. (2009). "How Is the Primary Care Safety Net Faring in Massachusetts? Community Health Centers in the midst of health reform." (Retrieved March 30, 2010, from <http://www.kff.org/healthreform/upload/7878.pdf>).

¹¹ Office for Oregon Health Policy and Research. (2003). "Assessing the Early Impacts of OHP2: A pilot study of federally qualified health centers' impacts in Multnomah and Washington counties." (Retrieved March 30, 2010 from <http://www.oregon.gov/OHPPR/RSCH/docs/SafetyNe.pdf>).

¹² Ku, L, and Cohen-Ross, D. (2002). "Staying Covered: The importance of retaining health insurance coverage for low-income families." Commonwealth Fund.

¹³ Passel, J, and Cohn, D (2008). *Trends in Unauthorized Immigration: Undocumented inflow now trails legal inflow*. Available from the Pew Hispanic Center at <http://pewhispanic.org/files/reports/94.pdf>.

