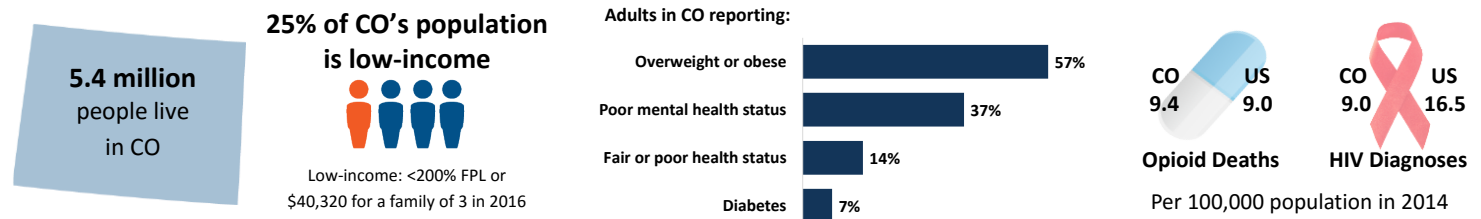
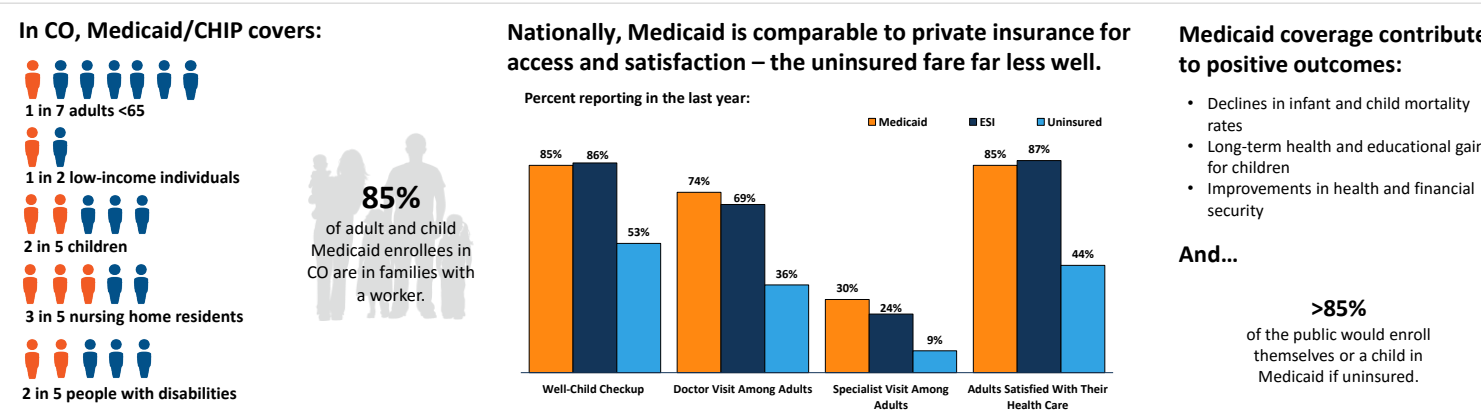
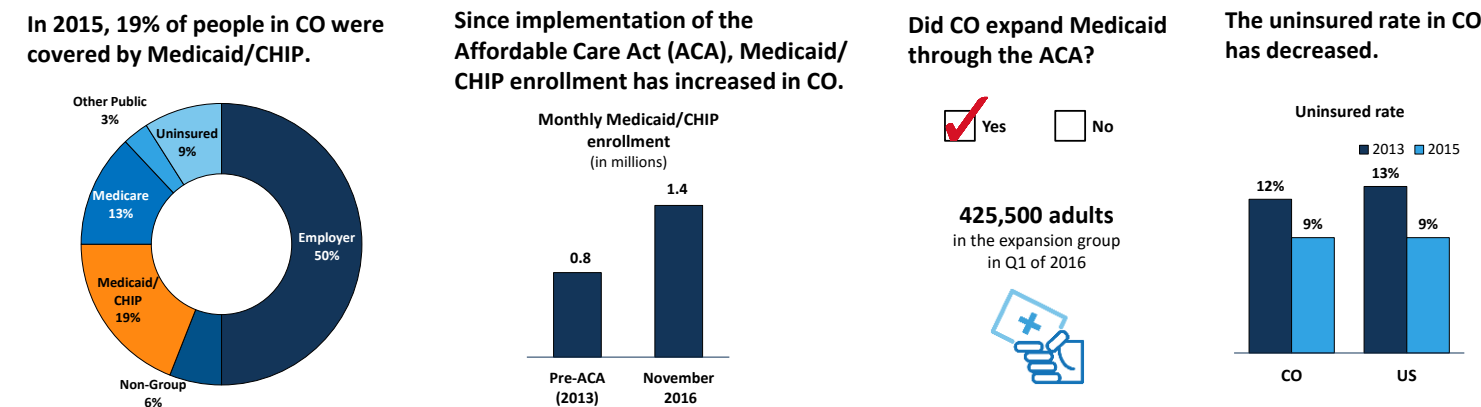


Medicaid and the Children's Health Insurance Program (CHIP) provide health and long-term care coverage to nearly 1.4 million low-income children, pregnant women, adults, seniors, and people with disabilities in Colorado. Medicaid is a major source of funding for safety-net hospitals and nursing homes. Federal policy proposals could fundamentally change the scope and financing of the program.

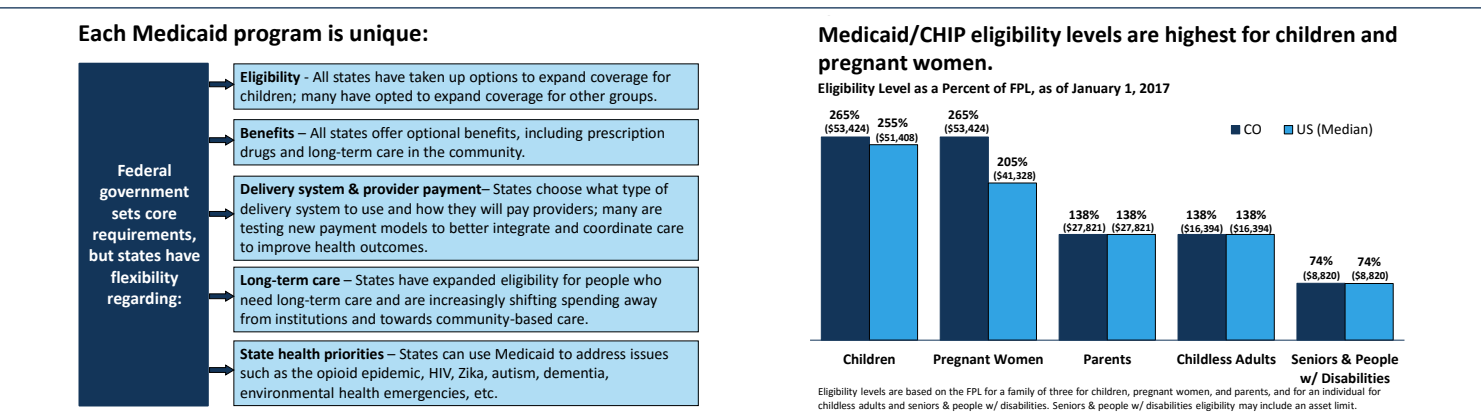
Snapshot of Colorado's population



How has Medicaid affected coverage and access?



How does Medicaid work and who is eligible?



# How are Medicaid funds spent and how is the program financed?

Medicaid plays a key role in the U.S. health care system, accounting for:



\$1 in \$6 dollars spent overall in the health care system



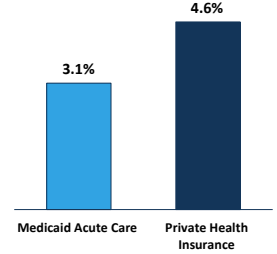
More than \$1 in \$3 dollars provided to safety-net hospitals and health centers



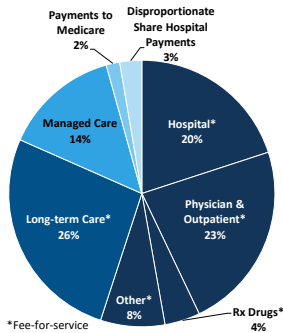
\$1 in \$2 dollars spent on long-term care

On a per enrollee basis, Medicaid spending growth is slower than private health care spending, in part due to lower provider payments.

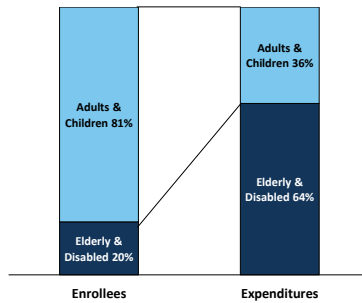
Per enrollee spending growth in the US, 2007-2013



In FY 2015, Medicaid spending in CO was \$7.4 billion.



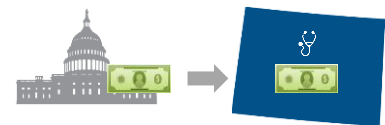
In 2011, most Medicaid beneficiaries in CO were children and adults, but most spending was for the elderly and people with disabilities.



Federal funding to states is guaranteed with no cap and fluctuates depending on program needs.

In CO the federal share (FMAP) is 50%. For every \$1 spent by the state, the Federal government matches \$1.

Expansion states receive an increased FMAP for the expansion population. CO received \$2.1 billion in federal funds for expansion adults from Jan 2014 – Sept 2015.



**0.72**

is the Medicaid-to-Medicare physician fee ratio in CO.

**63%**

of long-term care spending in CO is for home and community-based care.

**77%**

of beneficiaries in CO are in primary care case management.

**77,500**

Medicare beneficiaries (12%) in CO rely on Medicaid for assistance with Medicare premiums and cost-sharing and services not covered by Medicare, particularly long-term care.

**34%**

of Medicaid spending in CO is for Medicare beneficiaries.

**24%**

of state general fund spending in CO is for Medicaid.

**52%**

of all federal funds received by CO is for Medicaid.

## What are the implications of reduced federal financing in a Medicaid block grant or a per capita cap?

Congress may soon debate proposals to reduce federal Medicaid funding through ACA repeal and federal caps.

The March 2016 Budget Resolution would reduce federal Medicaid spending by 41% nationally over the 2017-2026 period.

Total reduction in federal funds: \$2.1 trillion



The impact of a block grant or per capita cap will depend on funding levels, but could include:



Increases in the number of uninsured



Reduced access and service utilization, decreased provider revenues (to hospitals, nursing homes, etc.), and increased uncompensated care costs



Increased pressure on state budgets



Decreased economic activity

A per capita cap could lock in historical state differences or redistribute federal funds across states.

Per capita spending by enrollment group

