



MEDICAID WORKS:

Protect the Health of Coloradan's at Risk for Substance Use Disorders

Health First Colorado, Colorado's Medicaid program, is a public health insurance program that pays for necessary health care services for low-income Coloradans and those living with disabilities. By investing in health care services and supports, Health First Colorado improves health outcomes, reduces unnecessary costs to the health system, and supports a strong Colorado economy. Health First Colorado is also an efficient program; spending far less than what private insurers pay for enrollees of similar health status.ⁱ

Despite Health First Colorado's successes and efficient use of funds, opponents of Medicaid have proposed drastic cuts to federal funding for the program. Federal Medicaid funding currently comprises 60 percent of Health First Colorado's budget.ⁱⁱ Cuts in that funding will force Colorado lawmakers to make hard decisions about where to cut eligibility, services, provider rates or a combination of the three.

To make the case for Medicaid, Colorado Center on Law and Policy has compiled **Medicaid Works**, a series of fact sheets that outline some of the reasons Health First Colorado is so important to our state.

This fact sheet explains why Health First Colorado is critical in preventing and treating substance use disorders (SUDs) and examines how such efforts would be harmed if federal lawmakers drastically cut Medicaid by rolling back the Affordable Care Act's Medicaid expansion and converting the remaining funding for the program into a block grant or per-capita cap.

Why Health First Colorado is important for Coloradans at risk for Substance Use Disorders (SUD):

- **Coloradans experience high rates of death due to drug overdose:** Overall, the rate of drug overdose deaths in Colorado climbed 68 percent from 2002 to 2014.ⁱⁱⁱ The 2014 rate is higher than the national average and 12 Colorado counties have overdose death rates that are among the highest in the nation. Seven of those counties – Baca, Bent, Conejos, Rio Grande, Las Animas, Costilla and Huerfano – are in rural Southern Colorado. The final two are Delta on the Western Slope and Jackson in the north.^{iv}
- **Poverty is associated with higher rates of SUD.** While SUD affects Coloradans at many income levels, poverty is associated with higher levels of drug overdose. From 2010-2014, Colorado communities with 30 percent or more residents who lived in poverty experienced drug overdose

rates that were more than twice those of communities where fewer than 10 percent of residents lived in poverty.^v

- **Health First Colorado plays an important role in preventing SUD.** Early interventions to identify and prevent SUD save money and lives. Access to timely, evidence-based health services can prevent SUD by ensuring that problems are identified and treated early. Health First Colorado provides periodic mental health assessments and substance use screening for enrolled children under age 21. Health First Colorado also covers SUD screenings for enrolled adults. Screenings are instrumental in identifying individuals at risk of SUD and connecting them with appropriate medical and behavioral interventions.
- **Health First Colorado covers SUD treatment and overdose prevention services.** Health First Colorado's coverage of mental health and substance abuse services is more comprehensive than private plan coverage. Health First Colorado covers psychiatric hospital visits, case management, day treatment, psychological rehabilitation, psychiatric evaluation and testing, medication management, individual therapy, group therapy, inpatient detoxification, methadone maintenance, and smoking and tobacco cessation services. In addition, Colorado took advantage of the Medicaid expansion which has been shown to increase the availability of behavioral health services, including SUD treatments, in states that expanded. In Colorado, the Medicaid expansion extended eligibility to approximately 34,000 Coloradans with mental illness.^{vi}

How funding caps would harm the health of Coloradans with SUD:

Currently, federal law requires the federal government to cover at least half of the cost of providing services for those enrolled in Health First Colorado. For individuals covered as a result of the Affordable Care Act's Medicaid expansion, over 90 percent of costs are covered by the federal government. Capping federal funding for Health First Colorado by converting the funding into a block grant or a per-capita cap would eliminate those guarantees and would drastically reduce federal support for the program over the next several years.

Existing proposals to cap Medicaid funding are expected to reduce the federal government's contribution to state Medicaid programs by over \$1 trillion nationwide over the next 10 years, and that is without taking into consideration proposals to cut or eliminate the ACA's Medicaid expansion which brought nearly 1.1 billion federal dollars into the state during the first full fiscal year of the expansion.^{vii}

Federal funds currently make up 60 percent of Health First Colorado's budget. Drastic cuts in that funding will shift the cost of providing care to Colorado and require Colorado lawmakers to substantially increase the General Fund contribution to Health First Colorado or cut eligibility, services, provider rates or a combination of the three.

If faced with these cuts, Colorado lawmakers will need to make hard choices regarding a program that pays for critical health care services for children living in poverty, low-wage workers, older Coloradans and Coloradans living with disabilities. Health First Colorado also provides a critical funding stream for hospitals and other providers that serve low-income Coloradans and other underserved communities.

Reduced funding for SUD services will mean more unmet need and will likely result in Colorado losing ground in the fight against drug addiction and drug-related deaths in Colorado.

ⁱ Lisa Clemans-Cope, John Holahan and Rachel Garfield, *Medicaid Spending Growth Compared to Other Payers: A Look at the Evidence*, (Washington, DC: The Kaiser Family Foundation, April 2016) <http://kff.org/report-section/medicaid-spending-growth-compared-to-other-payers-issue-brief/>.

ⁱⁱ Colorado Department of Health Care Policy and Financing, *Joint Budget Committee Hearing: Executive Director's Office*, Slide Presentation (December 14, 2016) <https://www.colorado.gov/pacific/sites/default/files/HCPF%20EDO%20JBC%20Hearing%20Presentation%2012.14.16.pdf>.

ⁱⁱⁱ *Colorado Drug Death Rate Tops U.S. Average*, (Denver, CO: The Colorado Health Institute, February 2016), http://coloradohealthinstitute.org/uploads/downloads/Drug_deaths_2_pager.pdf.

^{iv} Id.

^v Allison Rosenthal, MPH, Kirk Bol, MSPH, Barbara Gabella, MSPH, *Examining Opioid and Heroin-Related Drug Overdose in Colorado*, (Denver, CO: Colorado Department of Public Health & Environment, November 2016), <http://www.chd.dphe.state.co.us/Resources/pubs/Colorado-Opioid-and-Heroin-Overdose.pdf>.

^{vi} *Medicaid Expansion & Mental Health Care*, (Arlington, VA: National Alliance on Mental Health, May 2013), <http://www.nami.org/getattachment/About-NAMI/Publications/Reports/2013MedicaidReport.pdf>.

^{vii} Edwin Park. *Medicaid Block Grant Would Slash Federal Funding, Shift Costs to States, and Leave Millions More Uninsured*, (Washington, DC: Center on Budget and Policy Priorities, November, 2016), http://www.cbpp.org/research/health/medicaid-block-grant-would-slash-federal-funding-shift-costs-to-states-and-leave#_ftn5