

NEWS STATEMENT
FOR IMMEDIATE RELEASE
August 18, 2009

Contact: Maureen Maxwell
(303) 861-5165, ext. 259 or
cell: (303) 913-9078
e-mail: Maureen@cchn.org

Statement attributable to:
Polly Anderson
Policy Director
Colorado Community Health Network

**State Balances Budget on Backs of the Uninsured
and the Safety Net that Cares for Them**
\$31 Million in Cuts Impacting Community Health Centers

DENVER— More than 10 percent of the state budget cuts announced today within the Department of Health Care Policy and Financing are direct cuts to funding for the medically underserved and the safety net providers that care for them. Today's state budget cuts create more health care access barriers for those who are hardest hit by the economic downturn: low-income uninsured and the newly unemployed. Community Health Centers, the state's largest primary care safety net, are already struggling to keep up with increased demand for services, and these cuts will make the struggle harder.

The cuts to the state budget announced today impacting Colorado's 15 Community Health Centers include:

- \$21 million cut to funding for the uninsured with the elimination of the Health Care Services Fund.
- \$3.9 million cut in Community Health Center Medicaid reimbursement.
- Reductions in pharmacy, dental, and Medicaid Fee For Service (FFS) reimbursement rates.
- Cuts to tobacco cessation/prevention and disease prevention and treatment grant funding from Amendment 35, and other grants programs.

Community Health Centers will be scrambling to manage the consequences of these cuts. Measures that may have to be taken include reducing services, cutting back on hours of service, and reducing staff. These cuts along with those previously announced for the current state fiscal year (FY09-10), outlined below, total more than \$31 million to Health Centers in FY09-10.

The \$31 million in cuts jeopardizes care for more than 45,000 patients, at a cost per patient of \$685 annually.

These cuts are huge considering the small portion of the overall HCPF budget that goes to Health Centers to care for the hundreds of thousands of people in Colorado who rely on them. These aren't just dollars – they are lives of our neighbors and friends.

Community Health Centers collectively serve one-third of all low-income uninsured, one-third of all Medicaid patients, and one-third of all Child Health Plan Plus patients in Colorado. The economic downturn has increased demand on the 138 Community Health Center sites across the state. Some Health Centers have reported that visits by the uninsured are up as much as 41 percent when comparing patient utilization in late 2008 with the same time period in 2007. Medicaid visits are also up between 15-23 percent at some Health Centers.

The increased demand is no surprise. When people lose their jobs or have their hours cut, they lose access to employer-sponsored health insurance. Demand rises at Health Centers because all accept Medicaid and offer a sliding fee scale for care based on ability to pay.

Unfortunately, this increased demand is occurring when state funding for the uninsured is down. Previously announced state budget cuts impacting Health Centers in FY 09-10 include:

- \$6.35 million cut to direct funding for the uninsured in the Primary Care Fund
- \$64,000 reduction in multi-year awards from the Comprehensive Primary and Preventive Care (CPPC) grants program for clinic operations and expansions.
- Lost access to \$2.4 million in new CPPC grants

We understand Governor Ritter and his team had some very difficult choices to make and we respect their hard work. However, federal funds awarded to Health Centers from the American Recovery and Reinvestment Act (ARRA) to help cover the increased demand for services are not adequate to offset these state losses. In FY09-10, Health Centers will receive only \$3.75 million to help fund increased demand for services.

Federal rules governing other ARRA dollars awarded for capital construction, renovation and equipment purchase cannot be used to cover operation expenses or fill budget holes.

###

To interview Ms. Anderson, please contact Maureen Maxwell at (303) 861-5165, Ext. 259, cell (303)913-9078, or maureen@cchn.org.

The Colorado Community Health Network (CCHN) is the collective voice for Colorado's 15 Community Health Centers (CHCs) and their patients. CHCs provide a health care home to more than 500,000 of their community members - one in 10 people in Colorado - from 55 of the state's 64 counties. Without CHCs, hundreds of thousands of Colorado's low-income families and individuals would have no regular source of health care. CCHN's mission is to increase access to high quality health care for people in need in Colorado. For more information about CCHN, please visit www.cchn.org.

600 grant street • suite 800 • denver,co 80203 • 303-861-5165 • 303-861-5315 (fax) • www.cchn.org