



COLORADO CENTER
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Justice and Economic Security for all Coloradans

FACT SHEET
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Colorado and federal health reform provisions on coverage and affordability

State public program expansions

The Colorado Health Care Affordability Act (House Bill 09-1293) will increase Medicaid hospital rates and Colorado Indigent Care Program rates, and expand Medicaid and CHP+ coverage to an estimated 100,000 low-income Coloradans between now and 2014.

- Parents of Medicaid-eligible children up to 100 percent of federal poverty, or \$22,050 for a family of four. (May 1, 2010)
- Children and pregnant women in CHP+ up to 250 percent of federal poverty or \$55,125 for a family of four. (May 1, 2010)
- Adults without dependent children up to 100 percent of federal poverty or \$10,830 for one person. (2012)
- Medicaid buy-in for people with disabilities up to 450 percent of federal poverty. (2011)
- Continuous 12-month eligibility for children in Medicaid. (2012)

Federal reform public program expansion

- Medicaid for everyone under age 65 at or below 133 percent of federal poverty, or \$29,326 for a family of four, beginning in 2014.
- Medicaid and CHIP coverage above 133 percent of federal poverty will be preserved.
- States will be allowed to provide CHIP coverage to eligible state employees if the employee's insurance premiums and cost sharing exceed 5 percent of family income.

Federal reform private insurance subsidies

- Beginning in 2014, premium subsidies will be available and out of pocket limits will apply for U.S. citizens and legal immigrants up to 400 percent of federal poverty who purchase health insurance in the health insurance Exchange.
- Employees who have employer sponsored insurance will not be eligible for subsidies in the Exchange unless the employee share of the premium is more than 9.5 percent of income or unless the actuarial value of the employer sponsored plan is less than 60 percent.
- Premiums will be based on the individual/family's income and subsidies (refundable and advanceable premium credits) will limit the annual premium for an individual or family to a percentage of the individual or family income.
- Out-of-pocket costs will be capped at a certain percentage of income based on income level for families up to 400 percent of federal poverty.

Premium subsidies for a family of four

Income as percent of federal poverty	Income	Premium as percent of income	Annual premium
150 percent	\$33,075	4 percent	\$1,323
200 percent	\$44,100	6.3 percent	\$2,778
300 percent	\$66,150	9.5 percent	\$6,284
400 percent	\$88,200	9.5 percent	\$8,379

Out-of-pocket limits for a family of four

Income as percent of federal poverty	Income	Out-of-pocket maximum
100-200 percent	\$22,050-\$44,100	\$3,967
200-300 percent	\$44,100-\$66,150	\$5,950
300-400 percent	\$66,150-\$88,200	\$7,973

Federal reform immediate changes

While the bulk of changes from federal health reform will phase in toward full implementation in 2014, below are some highlights of changes that are effective in 2010 and 2011.

- Dependent coverage for adult children up to age 26.
- No denying coverage to children with pre-existing conditions.
- No cost sharing for preventive care.
- Create a temporary high-risk pool to cover people with pre-existing conditions.
- Prohibit lifetime limits, limit annual limits, and prohibit rescissions in individual and group health plans.
- \$250 rebate to Medicare beneficiaries reaching the Part D “donut hole” coverage gap.
- Small business tax credits for employers with fewer than 25 employees and average annual wages of less than \$50,000 who provide health insurance to employees.
- \$11 billion in new funding for community health clinics to expand operational and capital capacity, plus \$1.5 billion over five years to increase primary care providers in shortage communities.

Individual responsibility

Beginning in 2014, all U.S. citizens and legal immigrants will be required to have qualified health coverage or face a penalty that will be calculated as a flat rate or as a percentage of income and phased in over three years.

Employer responsibility

- Companies with more than 50 employees that do not offer coverage to employees will be assessed a fee if the employer has at least one employee receiving a premium subsidy in the exchange.
- Employers will be required to offer Free Choice Vouchers to employees making less than 400 percent of federal poverty, whose share of the premium for the employer coverage is more than 8 percent of income so the employee can apply the voucher toward the purchase of insurance in the Exchange.

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