

SUSAN E. BIRCH STATEMENT ON EXPANSION OF MEDICAID

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DENVER – January 3, 2013 – Colorado Governor John Hickenlooper announced plans to contain costs while expanding Medicaid today. Below are the opening remarks delivered at the press conference by Susan E. Birch, executive director at the Department of Health Care Policy and Financing.

“Thank you Governor Hickenlooper for your leadership in health care reform. Colorado has been reforming and rebuilding our Medicaid program long before the federal government passed health care reform. Under your directive our health and human services departments have strengthened our collaborative work together to become more effective, efficient and elegant in the health sector. We will continue to build upon this success with the Governor’s leadership and pledge to keep forging the public private partnerships Colorado is so well known for.

Over the past few years, we have learned about the importance of coverage. We know from our previous expansions that kids with coverage do better in school and that adults with coverage are more likely to receive preventive care. Simply put, healthy people cost us a lot less money. There is evidence that having health insurance and appropriate public assistance has an enormous impact on one’s health.

Adults without health insurance are more likely to have cancer diagnosed at a more advanced stage. When their treatment occurs late it may be less effective or more costly. Compared to uninsured or underinsured, Medicaid enrollees are more likely to take necessary prescription drugs, be less depressed and are more likely to receive preventive healthcare. So, increasing the number of insured through our Medicaid program will have a profound impact on the health of those individuals, the health of our state and will also benefit our economy.

By expanding Medicaid, Colorado can leverage existing state and federal resources to improve Coloradans’ health coverage at a lower cost. Here’s how it works: Enhanced federal funds will pay 100% of the cost for the newly eligible population for the first three years, it will phase down to paying 90% of the costs in 2020. As the federal funding tapers, we anticipate savings, provider fee structure, and other existing public funding to fill the 10% gap.

As the Governor shared, we will bring these new populations into a modern 21st century Medicaid program.

Our initiatives to modernize Medicaid while enhancing value include these initiatives; we call them the Medicaid Five:

- Strengthening efforts to prevent unnecessary or duplicative services and ensuring the most effective services are delivered at the lowest cost;
- Increasing effectiveness in care delivery through our Accountable Care Collaborative;

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- Evolving our payment systems to reward value instead of volume;
- Leveraging health information technology to improve quality and efficiency of care; and
- Redesigning administrative infrastructure and reducing fraud, waste and abuse.

The bottom line is with our cost containment efforts underway, we will gain greater value, continue to care for our most vulnerable, and have saved enough in resources to fully cover the Medicaid expansion.

Thank you to the Governor for his leadership, to our partners for their support, as we work together to transform our health care system.”

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