



TABOR Issue Brief

The Taxpayer’s Bill of Rights (TABOR) restricts the amount of revenue that can be spent on state and local services—from health care to transportation to education. In the 1990s, TABOR forced reductions in many state services, and since 2000 the revenue situation has become especially dire. TABOR’s ratchet effect won’t let services recover, even when the economy rebounds, so the cuts caused by revenue shortages remain in place. Services will never be able to catch up or keep pace with real economic growth—and will, in fact, continue to shrink—unless we change TABOR’s spending limits and eliminate the ratchet effect.

According to Legislative Council’s Dec. 2004 forecast, under current revenue projections, the General Assembly will have to reduce FY 2005-06 expenditures by \$244.9 million to accommodate allowable General Fund growth as prescribed by TABOR, while simultaneously giving back \$459.2 million in refunds. Colorado’s improving revenue environment means that programs supported by either General Fund or cash funds will compete against each other under TABOR spending restrictions.

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- Agriculture
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- Colorado’s Economy
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- Higher Education
- Judiciary
- Medicaid and Health
- Mental Health
- Public Health
- Public Libraries
- Rural Colorado
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- Transportation

Medicaid and Health

Colorado Medicaid:

- By the end of FY 2004-2005, approximately 197,061 children are anticipated to be served by Medicaid programs—approximately 1 of every 6 children in Colorado. Total Medicaid caseload is forecasted to reach 375,411 persons—approximately 1 of every 13 Coloradans.
- In 2002, Colorado was ranked 31st in the nation for total (federal and state) Medicaid spending.
- The proportion of low-income individuals enrolled in Colorado’s Medicaid program is lower than in all but five other states.
- Since 2002, Medicaid hospital reimbursement rates have been cut almost 5%.
- As a result of declining state reimbursement rates to healthcare providers, the percent of Colorado pediatricians reporting treating children enrolled in Medicaid declined from 41% in 2000, to 24% in 2003.
- In 2004, Medicaid program cuts included: \$991,188 in private-duty nursing funding; \$747,361 in funding for the purchase of medical equipment; and state reductions in nursing home reimbursement rates that totaled \$16 million.
- In 2004, state funding for the Family Medicine Residency Training Program and the Commission on Family Medicine was cut by 10%.

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Colorado Health:

- Colorado's national ranking for access to prenatal care dropped sharply from 23rd in 1990, to 48th in 2004. Only 67% of women receive adequate care in the state, compared to the national average of 76%.
- The 2002 National Immunization Survey found that Colorado was 50th among all states in on-time child immunization rates. In 1995 the state's vaccination rate was well above the national average.
- Colorado law mandates state support of local and regional health services. In 2001, local public health agencies contributed about \$10 per person and the state contributed \$1.30. State support was totally eliminated due to budget shortfalls in 2002.
- According to the 2004 United Health Foundation state health report, Colorado is the 13th healthiest state in the nation. It was 9th in 2003. The indicators in which the state falls below the national halfway mark include: percent of population without health insurance (36th), percent of health expenditures devoted to public health (36th), per capita public health spending (37th), and adequacy of prenatal care (48th). Colorado excels in all other indicators including low incidences of premature death, cancer and cardiovascular deaths, obesity and diabetes.
- In 2004, Colorado ranked 36th in the nation for the percentage of people without health insurance. That year 17.2% of Coloradans were without insurance, compared to 12.8% in 1990. The percentage of low-income Colorado children who lack health insurance rose from 15% in 1991-92, to 27% in 2002-03. During the same period, the national proportion of people that lack insurance declined 3%. Among Colorado low-income adults, that state rate rose from 22% to 32%, while the national rate rose only one percent.

The best health care system is, by its nature, an expensive health care system...Yet these high prices threaten too many Coloradans' access to the system. Too many of our residents do not have health insurance, and those who do face daunting increases in their premium costs,...[Health care issues] are complex problems with no easy answers or silver bullets. And, the fact is that there is a limited amount of effective action we can take at the state level. But, what we can do, we must do...

**Governor Bill Owens
State of the State Address, 2003**

(SOURCES: OMB Watch, 2003; United Health Foundation, 2003 Edition; National Association of State Budget Officers, 2000-01; and the JBC, 2003-2005 Health Care Policy and Financing. National Center for Health Statistics, National Immunization Survey; Kaiser Commission, 2003. Center on Budget and Policy Priorities, "Public Services and TABOR in Colorado." January, 2005.)