



Larimer County Faces Health Care Challenges

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Fort Collins and Larimer County face great challenges to providing comprehensive and quality health care to residents.

Many people in Larimer County depend on public health insurance programs or lack health coverage altogether. Hospitals face increasing financial burdens by caring for those who cannot pay and accepting low reimbursement rates for treating Medicaid clients.

Hospitals and health care providers are forced to shift costs onto those with private insurance to make up for uncompensated care. This means higher premiums for everyone.

In addition, the county has experienced cuts to its public health system, putting public health at risk.

Larimer County needs a strong public health department

Larimer County is the seventh largest county in Colorado in population. The county covers 2,640 square miles and in 2004 had an estimated 283,000 residents.

Each year, an estimated 3 million visitors come to Larimer County to enjoy its beauty or to visit Colorado State University.

With a large population and so many visitors coming and going, protecting public health is a big and important job. Ongoing budget cuts to public health have eroded the county's ability to monitor communicable diseases and provide public health services.

In 2002, Colorado eliminated per-capita funding to local public health departments. The Larimer County Public Health and Environment department used that money to cover with lab costs for testing diseases such as tuberculosis, West Nile virus, hanta virus, influenza and others.

Loss of these funds puts core services at risk, such as the child injury prevention, tuberculosis

screening, prenatal care, hazardous waste inspections and leaking underground storage tanks inspections.¹

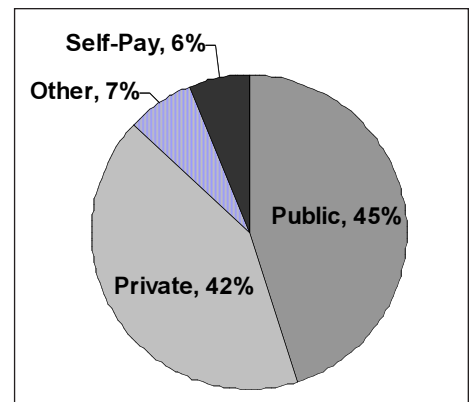
Hospitals serve a large number of publicly insured patients

In 2003, public health insurance programs paid for 45 percent of services provided at Larimer County hospitals.

More than 13 percent of residents in Larimer County have no health insurance² and more than 6 percent are insured through Medicaid.³

Public insurance programs in Colorado do not pay hospitals and health care providers the full cost of providing care. Medicaid pays only about 72 percent of total hospital costs.⁴

Figure 1:
Combined Fort Collins hospitals by payer, 2003



Source: DATABANK, Colorado Health Association, 2005 data retrieval.

Footnotes

¹ Larimer County Public Health and Environment Department. (2005)

² U.S. Census Bureau, Experimental Small Area Health Insurance Estimates by County (2004), estimates are for 2000.

³ Department of Health Care Policy and Financing, FY 2005-06 Budget Request Document. (2005)

⁴ San Luis Valley Regional Medical Center. Personal correspondence, R. Johnson. (2005)



The Bell Action Network

Larimer County hospitals and clinics absorb uncompensated care costs

Caring for the uninsured and accepting below-cost reimbursement from Medicaid and Medicare has forced area hospitals and clinics to absorb more costs.

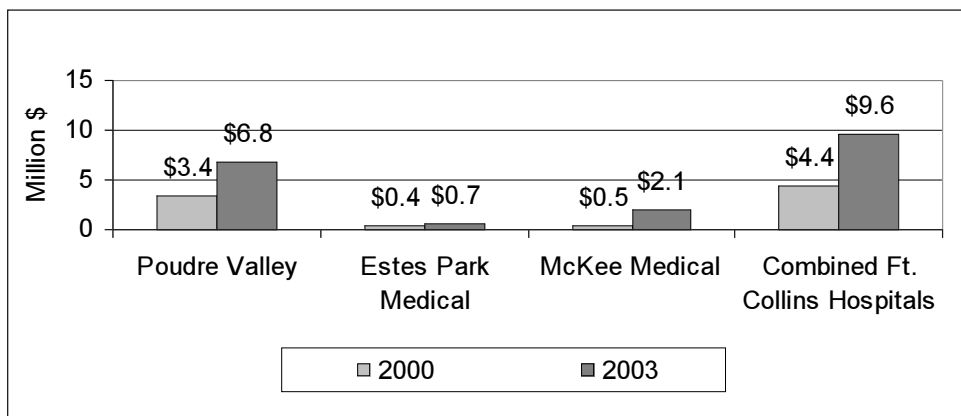
The percent change for uncompensated Medicaid care costs at Larimer County hospitals was 119 percent between 2000 and 2003. The largest change was at McKee Medical Center, at 327 percent.

Salud Family Health Center is the only health care provider in the area accepting new Medicaid patients. At the Salud Children's Clinic, 70 percent of patients rely on Medicaid to cover the costs of treatment.

Uncompensated care hurts small business

Health insurance premiums for small businesses in Colorado increased by 84 percent between 1996 and 2002. Between 2000 and 2004, the number of Colorado workers employed at small

Figure 2: Medicaid uncompensated care costs for Larimer County hospitals, 2000 to 2003.



Source: DATABANK, Colorado Health Association, 2005 data retrieval.

businesses who were covered by workplace health insurance plans declined by more than 30 percent.⁵

Larimer County is home to many small businesses. In 2001, 75 percent of all employers in the county had nine or fewer employees.⁶ The owners of these small businesses are being priced out of the health care premium market, leaving more employees uninsured.

As hospitals shift more of their uncompensated costs onto private insurance, small businesses will continue to face higher premiums, making it even harder to provide their employees with health care coverage.

For example, a 2001 survey conducted by the Northern Larimer County Health District found that of the uninsured in Larimer County, 78 percent did not have coverage because they could not afford the premiums.⁷

Health care is critical to the economy of Larimer County

In 2003, Larimer County hospitals and medical centers employed 3,029 people. Total payroll and benefits in 2003 was \$179 million, adding greatly to the economic vitality of the region.⁸

As uncompensated care costs rise, area hospitals and medical centers will find it more difficult to remain solvent. Already struggling medical centers have to make difficult choices about where to save and where to cut costs.

That poses a threat to the health and economy of Larimer County.

Footnotes

⁵ Colorado Health Initiative (2005). The Small Group Health Insurance Market in Colorado, online at http://www.coloradohealthinstitute.org/publications/Sm_grp_mkt.pdf

⁶ Compass of Larimer County (2005). Establishment & Employee Count by Industry for Larimer County, 2001. Online at http://www.co.larimer.co.us/compass/majoremployers_ec_bus.htm#chart1

⁷ Northern Larimer County Health District (2001). Community Health Survey, Access to Health Care. Online at <http://www.healthdistrict.org/survey/access.pdf>.

⁸ DATABANK, Colorado Health Association, 2005 data retrieval.