



## Glenwood Springs Faces Health Care Challenges

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The Roaring Fork Valley has a higher median income and lower rate of poverty than the rest of the state. However, the number of area residents who lack health insurance or rely solely on public insurance — nearly one in every four — is near the state average.

Fifteen percent of Garfield County residents are uninsured,<sup>1</sup> compared to Colorado's average of 17 percent. Medicaid covers nearly 8 percent of residents;<sup>2</sup> the state average is 9 percent.

However, Valley View Hospital is absorbing more costs each year in caring for uninsured residents and taking below-cost reimbursement for Medicaid clients. As Garfield County grows, this imbalance increases the financial strain on Valley View and local medical clinics, affecting their capacity to provide quality, comprehensive care.

More charity care and uncompensated care also leads hospitals to shift costs onto the privately insured, resulting in higher health care costs and higher insurance premiums and deductibles for everyone.

### Garfield County growing faster than the Front Range

From 2000 to 2004, the Garfield County population grew by 10.8 percent, according to the U.S. Census Bureau. That makes Garfield the second fastest growing county in Colorado.<sup>3</sup> Some of the incoming residents are immigrants, legal and undocumented, who have no health insurance.

### Valley View serves more Medicaid patients

Most county residents are covered by some form of health insurance. Of all residents, 77 percent have private insurance or can pay for their own care. Medicaid covers 8 percent, and 15 percent are uninsured.

But in looking only at Valley View patients, the picture is different. Of

Valley View's actual patients, 54 percent have private or other insurance, 36 percent use public insurance such as Medicaid and Medicare, and 10 percent are uninsured.

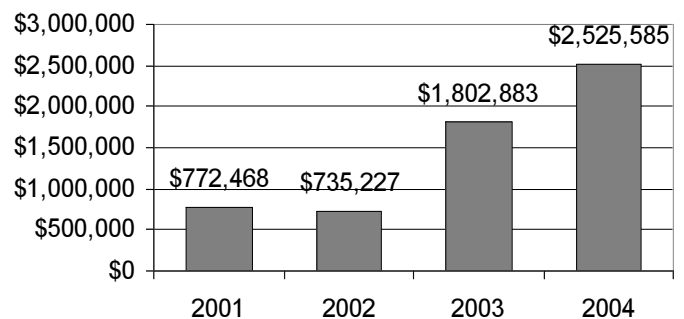
Medicaid and Medicare patients make up a larger percentage of hospitals patient visits because they tend to delay care until their health problem requires hospital care. In addition, Medicaid and Medicare cover a large number of elderly people and pregnant women, who usually need require more and costlier health care.

### Uninsured patients put increasing pressure on hospital finances

People without insurance include those who make too much money to qualify for Medicaid, but earn too little to pay for private coverage or work at jobs where insurance is not offered as a benefit. They also include undocumented immigrants.

Valley View Hospital tries to provide care for everyone, but the costs of caring for those who cannot pay are growing rapidly. Last year, the hospital tallied \$2.5 million in charity care.

Figure 1. Growth in charity care at Valley View Hospital, 2001-2004



Sources: DATABANK, Colorado Health Association, 2005 data retrieval, and Valley View Hospital 2005 data request.

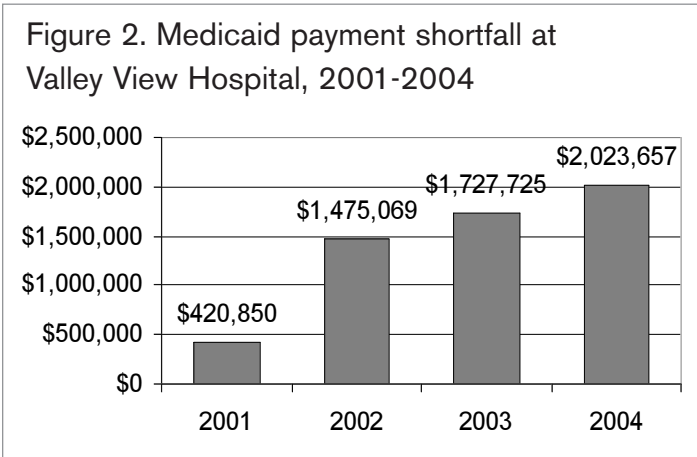


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## Uncompensated care costs from Medicaid hurts hospitals

The high rate of Medicaid patients among Valley View's total patient count is further skewed by low reimbursement rates for Medicaid services.

In 2000, Medicaid reimbursements covered about 91 percent of actual costs, according to DATABANK. By 2003, Medicaid covered only 70 percent of the hospital's actual costs. For Valley View Hospital, Medicaid shortfalls topped \$2 million in 2004 (Figure 2).



Sources: DATABANK, Colorado Health Association, 2005 data retrieval, and Valley View Hospital, 2005 data request.

## Valley View shifts costs to those who can pay

Garfield County residents give generously to charities to help serve those who cannot pay for health care.<sup>4</sup> But charitable giving does not come close to covering the cost gap for Valley View, which totaled \$4.5 million in 2005.

As a result, Valley View charges a higher rate for care to those who can pay. This results in higher costs for service, higher costs for health insurance for employers, and higher deductibles and co-pays for workers.

## Uncompensated care costs hurt small businesses

Health insurance premiums for small businesses in Colorado increased 84 percent between 1996 and 2002.

As premiums ballooned, employers limited or dropped workplace insurance coverage for workers. Between 2000 and 2004, the number of Colorado workers at small businesses covered by workplace health insurance plans declined by more than 30 percent.<sup>5</sup>

Employers in the Roaring Fork Valley do better than average — 64 percent offer coverage, compared to 58 percent for the state.<sup>6</sup> That still leaves workers at more than one-third of the county's businesses without insurance.

## Valley View is good for the economy

In 2003, Valley View Hospital employed 408 full-time workers and provided \$27.8 million in wages and benefits.

## Referenda C and D

Referenda C and D could help relieve some of these pressures on Valley View Hospital and small businesses seeking to offer insurance for their workers.

One-third of the tax revenues the state would be allowed to keep under Referendum C is earmarked for health care. This includes programs to help small businesses afford health insurance for their employees and to support health programs for children, the elderly and disabled.<sup>7</sup>

This funding could help reduce the amount of charity and uncompensated care costs for Valley View.

### Footnotes

<sup>1</sup> U.S. Census Bureau. (2005). Experimental Small Area Health Insurance Estimates by County, 2004.

<sup>2</sup> Department of Healthcare Policy and Financing. (2005) Budget Request Document. Note: The percent of residents covered by Medicaid is for Garfield, Moffat and Rio Grande counties.

<sup>3</sup> *Denver Post*, Aug. 24, 2005. Three Western counties grow by 10 percent

<sup>4</sup> Harrell, E. (2003). We are the safety net. *Aspen Times Weekly*. Aspen, Colo.

<sup>5</sup> Mesa County Job Vacancy Survey (2004). Colorado Department of Labor and Employment. Denver, Colo. <http://www.coworkforce.com/lmi/WRA/MesaJVS6.pdf>

<sup>6</sup> Adapted from Colorado Northwest and Rural Resort Region Job Vacancy Survey, 2005.

<sup>7</sup> Colorado General Assembly. (2005). House Bill 1350.