# Comparing ColoradoCare

## An Analysis of Health Care Costs for Latino and Immigrant Coloradans

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# Thank You

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# Introduction

In November 2016, Colorado voters will decide the fate of ColoradoCare, a new system of paying for health care. ColoradoCare would provide universal health coverage to all Colorado residents, regardless of immigration status, and be funded primarily through a 10 percent health care premium tax. All workers in Colorado, including immigrant workers, will pay 3.33 percent of their wages to fund ColoradoCare. Employers will pay a 6.67 percent tax on total payroll. People who report self-employment income and other forms of non-wage earnings will pay the 10 percent tax. This publicly financed, universal access system will be the first of its kind in the nation, if approved.

In this report, the Colorado Fiscal Institute compares current health care coverage and costs for Hispanic families and individuals, including Hispanic immigrants, to the proposed costs and coverage under ColoradoCare. This required calculating what Hispanic families, individuals and immigrants (both lawfully present and undocumented) currently pay in out-of-pocket costs as well as annual premiums for health insurance, and comparing to the payroll tax.

CFI's analysis shows that for many Coloradans, paying 3.33 percent of wages will be less than they currently pay in monthly health insurance premiums and out-of-pocket costs (deductibles, copays, etc.) when they use medical services.

The savings from ColoradoCare are more pronounced for Hispanic households in Colorado, given the unique income distribution of the population. Approximately 87 percent of Hispanic households will pay less under ColoradoCare than they do today.

The answer for Hispanic families and individuals with low-cost, public health coverage, such as Medicaid, is more complex. A larger share of Hispanic families and individuals receive some form of publicly subsidized health care than do all Colorado families and individuals, 39 percent and 26 percent respectively. ColoradoCare's premium tax will be assessed on all income and wages, including that of low-income people who qualify for public health coverage. ColoradoCare is intended to provide Medicaid and replace other forms of state subsidized health care coverage, but does not yet have a determined method for exempting, subsidizing or rebating the Health Care Premium tax to these low-income people. If ColoradoCare can rebate all or a portion of the tax as planned, then ColoradoCare would provide similar care for less. If not, some Hispanic families and individuals with public health coverage could pay more under the new structure.

The answer for Hispanic immigrant families and individuals is even more complex. Just as the current system of financing and covering Coloradans affects immigrants differently, so too will ColoradoCare. Colorado, like the nation as a whole and most states, offers a patchwork of health care services to noncitizen residents, depending upon their immigration status. For instance, immigrants who have not resided in Colorado for more than five years are ineligible for Medicaid, even if they would qualify based solely on their income. They can, however, purchase insurance through the state exchange, Connect for Health Colorado, and receive a subsidy through the Advanced Premium Tax Credit (APTC) established by the Affordable Care Act (ACA) to reduce the cost of their premiums. In contrast, Colorado immigrants without documentation are ineligible for most public health coverage. They are ineligible for Medicaid, no matter how long they have resided in Colorado, and they cannot purchase health insurance through the state exchange nor receive APTC.

As a result of this patchwork system and the limited data sources on immigrants in Colorado, determining the effect of ColoradoCare on these populations proved difficult. To overcome those challenges, CFI conducted its own survey of Latino and immigrant communities. Through

the Latino Health Care Access and Cost Survey, CFI gained a better understanding about how and if immigrants access the care they need and what they spend annually on health care expenditures. Our analysis, broken out as a separate section of this report, found that the universal access offered by ColoradoCare would benefit immigrants, particularly undocumented immigrants, but they could end up paying more through the premium payroll tax than they currently pay in out-of-pocket costs for the treatment they do seek.

A system of financing and access like ColoradoCare would mean that the many Latinos and immigrants with private health insurance coverage or no insurance at all would pay less under the new system. This is true even for people receiving subsidized coverage through Connect for Health Colorado. However, some families and individuals with public health insurance coverage could pay more under ColoradoCare. Finally, Colorado's immigrant communities will be affected differently. For undocumented immigrants who call Colorado home, ColoradoCare would provide better access to health care, including preventive care, although possibly at a higher cost than our estimate of what they pay today for the care they do seek.

## Notes about CFI's methodology

Calculating a population's health care expenditures is inherently difficult because of the wide variety of health care coverage and ways of paying for it. For example there are premiums, deductibles, out-of-pocket costs and a wide range of health insurance coverages from Medicaid to employer-paid to individual private. Because there is no perfect data source, this analysis relies on both Colorado-specific and national data to estimate what Hispanic households in Colorado currently spend on health care expenditures each year. To get a better sense of the costs and access among Latino communities, including immigrant communities, CFI also administered its own survey about health care spending. We distributed 578 surveys through community partners and received completed surveys from 366 people who identified as Hispanic or Latino. Of these respondents 35 percent were citizens, 18 percent were lawfully present, noncitizens and 47 percent were undocumented. These surveys were collected by organizers from community partners at regional meetings and online. Each data source has its benefits and drawbacks, which are detailed in Table 1.

### Table 1: Data Sources for Health Care Expenditures

| | Data Year | Pros | Cons |
|---|---|---|---|
| **Colorado Health Access Survey (CHAS)** | 2015 | Colorado-specific data on out-of-pocket costs by family size | No data on premiums paid for health insurance and no immigration status info |
| **Medical Expenditure Panel Survey (MEPS)** | 2013 | Has premium data | Not-Colorado specific, most recent data is pre-affordable Care Act and no immigration status info |
| **Consumer Expenditure Survey (CES)** | 2014-2015 | Post-Affordable Care Act data | Broad averages don't address health care coverage differences across populations, and not immigration status info |
| **Colorado Fiscal Institute Survey** | 2016 | Colorado-specific data on out-of-pocket costs and premiums and immigration status info | Relies on survey respondent information, convenience sample |

## Some Useful Definitions

**Premium:** the amount the individual or sponsor (e.g. employer) pays to a health insurance company to purchase health insurance or a health plan. Premiums are usually paid monthly, quarterly or yearly.

**Out-of-pocket costs:** expenses for medical care that are not reimbursed by insurance. These normally include deductibles and copayments as well as other costs for services that insurance doesn't cover such as seeing a doctor who isn't employed or under contract with the health plan.

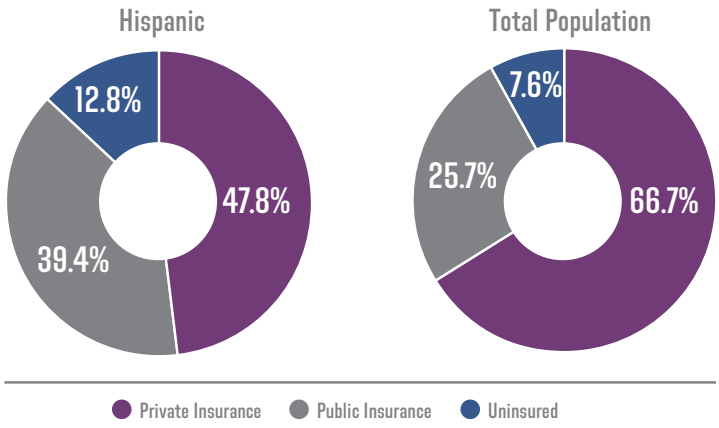
# SECTION 1:

## Health Care Costs and Coverage in the Hispanic Community

### What type of health care coverage do Coloradans have?

Coloradans can have a variety of health care coverage. Private coverage can be obtained through an employer, who may pay all or a portion of the costs, or purchased by the individual through a broker or Connect for Health Colorado, the state Affordable Care Act Marketplace.

**Figure 1:**




Source: Colorado Health Access Survey 2015

Types of public health insurance, where the government subsidizes the cost of coverage, include Medicare, Medicaid, and Child Health Plan Plus (CHP+). Medicare is federal public health insurance program that covers seniors. We do not examine Medicare patients in this analysis, as ColoradoCare will not be the primary coverage for Medicare eligible Coloradans. Medicaid is a state and federal program that provides health insurance to low-income families and children, people with disabilities and elderly Coloradans. The Child Health Plan Plus (CHP+) is low-cost health insurance for uninsured children and pregnant women who earn too much to qualify for Medicaid but cannot afford private health insurance.

*Hispanic households in Colorado are much less likely to have private health insurance compared to all households in the state*

Hispanic households in Colorado are much less likely to have private health insurance compared to all households in the state. Forty-eight percent of Hispanic households reported having private insurance compared to 67 percent of all Colorado households. Figure 1.

Hispanic households are much more likely to lack health insurance of any kind or receive public health insurance coverage. Nearly 40 percent of Hispanic households receive public health insurance such as Medicaid or CHP+ compared to 26 percent of total Colorado households. In addition, 13 percent of Hispanic households are uninsured compared to 8 percent of the total population in Colorado.

## Table 2: Health Insurance Status by Family Size, Hispanics Age 0-64, Colorado 2015

| | Total | Family of 1 | Family of 2 | Families of 3 or 4 | Families of 5+ |
|---|---|---|---|---|---|
| **Private insurance** | 47.8% | 44.4% | 59.3% | 45.9% | 35.0% |
| **Public insurance** | 39.4% | 38.2% | 26.6% | 44.2% | 56.5% |
| **Uninsured** | 12.8% | 17.5% | 14.1% | 9.9% | 8.5% |
| **Total** | **100%** | **100%** | **100%** | **100.0%** | **100%** |

Source: Colorado Health Access Survey 2015 data

Table 2 breaks down health insurance status by family size. The rate of uninsured Hispanic households in Colorado is correlated with family size. Individual Hispanics have nearly an 18 percent uninsured rate whereas families tend to have a much lower rate of uninsurance dropping below 10 percent for families of 3 or 4. Larger family size is correlated with higher rates of public health insurance. The income at which families qualify for Medicaid CHP+ increases as family size grows.

## A look at total health care spending between Hispanic and Non-Hispanic households

We can compare consumer spending between Hispanic and Non-Hispanic consumers in the U.S. by looking at Consumer Expenditure Survey data.[1]

In all health care expenditure categories, Hispanic consumers spend less than the total national population. The average Hispanic consumer spends $2,631 on health care while the average Non-Hispanic consumer spends $4,646. The biggest difference between the Hispanic population and the Non-Hispanic population in medical spending is the amount paid in health insurance premiums. See Table 3.

### Table 3: National Spending on Health Care (Consumer Expenditure Survey)

| | All consumer units | Hispanic or Latino | Not Hispanic or Latino |
|---|---|---|---|
| **Health care (mean spending)** | $4,379 | $2,631 | $4,646 |
| **Health insurance** | $2,972 | $1,818 | $3,148 |
| **Medical services** | $799 | $481 | $847 |
| **Drugs** | $460 | $242 | $493 |
| **Medical supplies** | $149 | $89 | $159 |

Source: Consumer Expenditure Survey, national annual expenditure means, 3rd quarter 2014 through 2nd quarter 2015

Fully understanding what Hispanic households spend on health care each year in Colorado requires a deeper investigation into what families pay in annual premiums for health insurance as well as out-of-pocket costs.

## What do Hispanic households in Colorado pay in annual premiums?

Individuals often have a hard time reporting their cost of health care insurance premiums because often this is a benefit partially paid by their employer or they receive some kind of subsidy to help pay for that premium. To determine what Hispanic households pay in annual premiums, we rely on a national source, the Medical Expenditure Panel Survey or MEPS.[2]

The MEPS is a set of large-scale surveys of families and individuals, their medical providers and employers across the United States. MEPS collects data on the specific health services that Americans use, how frequently they use them, the costs of those services, and how they are paid for, as well as data on the cost, scope and breadth of health insurance held by and available to U.S. workers.[3]

[1] Consumer Expenditure Survey (CES) data looks at average health care spending across demographic characteristics, including race and ethnicity. There are a number of caveats to consider when using CES data. Using only averages ignores the many subtleties and variables that explain why one population might spend more or less on health care. For example, CES only looks at expenditures made by the consumer net of third-party payments. This will bias the average since some consumers might include all or part of their health care premiums that are paid by an employer or by the state in their estimate of premium costs, others may not. Average expenditures on health care also do not account for health outcomes across populations. For example, a sick individual who doesn't buy medication will report lower spending than an individual who does buy that medication. Having acknowledged all these subtleties, the consumer expenditure survey helps shed some light on the difference in expenditures between Hispanic households and other households. These figures illustrate how taxes on consumption, such as a sales tax, place a larger burden on low-income people since they spend more of their income on goods subject to sales tax.

[2] The most recently-available data is from 2013, which unfortunately does not capture major changes that occurred as a result of implementation of the Affordable Care Act in 2014.

[3] See a full description here http://meps.ahrq.gov/mepsweb/about_meps/survey_back.jsp

Hispanic households in Colorado typically spend less in premiums than Non-Hispanic households, according to MEPS (Table 4).

### Table 4: Average Annual Health care Premiums by Family Size and Ethnicity

| | Total | Family of 1 | Family of 2 | Family of 3 or 4 | Family of 5 or more |
|---|---|---|---|---|---|
| Hispanic | $ 2,339 | $ 1,877 | $ 2,157 | $ 2,623 | $ 2,291 |
| Non-Hispanic | $ 2,497 | $ 1,808 | $ 2,354 | $ 3,057 | $ 2,910 |

Source: CFI analysis of 2013 Medical Expenditure Panel Survey microdata

One limitation of the MEPS for calculating premium costs in Colorado is that the sample size from the state is small. To supplement the national data on health care premium spending, CFI conducted its own survey on households in Colorado in 2016 to achieve a Colorado-specific and post-ACA estimate of average premium costs, particularly in Latino and immigrant communities (Table 5).

### Table 5: Average Annual Health Care Premiums Hispanic Individuals and Families in Colorado, 2016

| | | |
|---|---|---|
| **Total** | **$** | **3,228** |
| **Family** | **$** | **4,248** |
| **Individual** | **$** | **2,712** |

Source: CFI Health Care Survey 2016

We utilize both data sources to estimate what Coloradans pay in premiums in 2016 later in the analysis.

## What do Hispanic households in Colorado pay in out-of-pocket costs?

In addition to the premiums paid each year for health insurance coverage, there are also deductible, copayments and other medical expenditures that aren't covered by health insurance. Table 6 shows average and median out-of-pocket costs by coverage type and by family size of the Hispanic population in Colorado in 2015. Later in the report we index these figures into 2016 dollars for comparison purposes.

### Table 6: Out-of-Pocket Costs by Insurance Status and Family Size, Hispanics Ages 0-64, Colorado, 2015

| | Total | | Family of 1 | | Family of 2 | | Family of 3 or 4 | | Family of 5+ | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Average | Median | Average | Median | Average | Median | Average | Median | Average | Median |
| **Private Insurance** | | | | | | | | | | |
| **Out-of-pocket costs** | $4,039 | $231 | $1,799 | $765 | $1,427 | $84 | $880 | $285 | $580 | $74 |
| **Public Insurance** | | | | | | | | | | |
| **Out-of-pocket costs** | $1,339 | $154 | $1,492 | $96 | $1,461 | $392 | $1,267 | $150 | $885 | $241 |
| **Uninsured** | | | | | | | | | | |
| **Out-of-pocket costs** | $2,914 | $1,186 | $3,402 | $1,567 | N/A | N/A | N/A | N/A | N/A | N/A |

Source: Colorado Health Access Survey 2015 data N/A indicates sample size was too small

Not surprisingly, out-of-pocket costs are the highest for uninsured Coloradans. There is a wide range of out-of-pocket costs; some individuals have very little while others have large medical costs in a given year. Because of this, we focus on the median costs rather than the average.

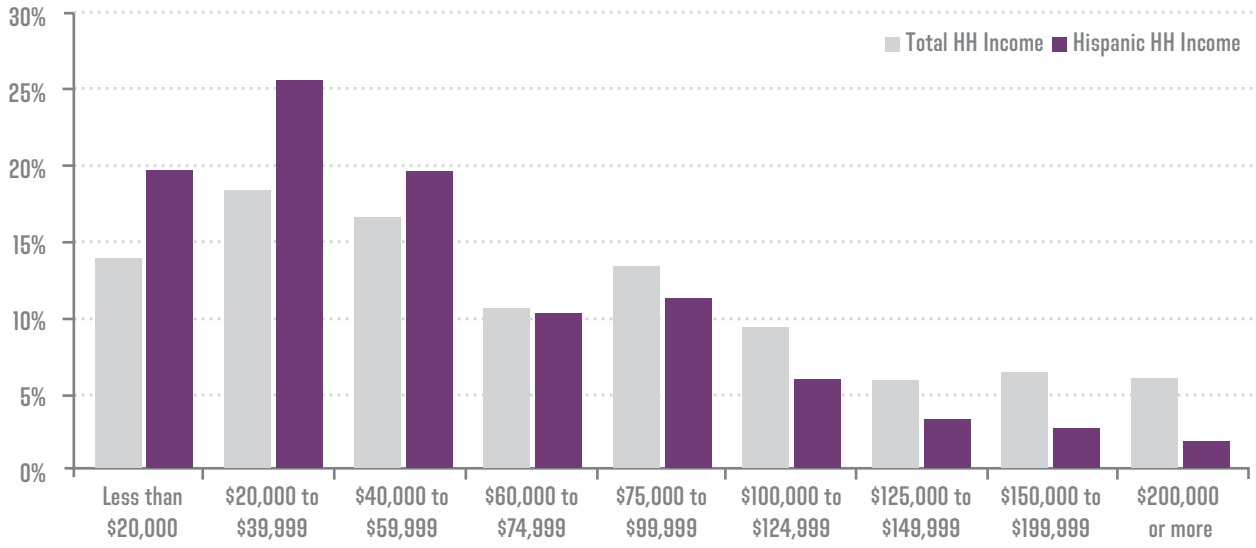
## A look at wages and income in Colorado

To compare our estimate of what Hispanic families and individuals currently pay for health care in Colorado to the payroll premium tax proposed by ColoradoCare requires an investigation of household wages and income for both Hispanic and Non-Hispanic households in Colorado.

Hispanic households have lower incomes than all households in Colorado. More than 45 percent of Hispanic households make less than $40,000 a year compared to 32 percent of total households. Figure 2 illustrates the distribution of incomes in Colorado for Hispanic and all other households.

*More than* ***49%*** *of Hispanic households make less than $40,000 a year compared to* ***32%*** *of total households.*

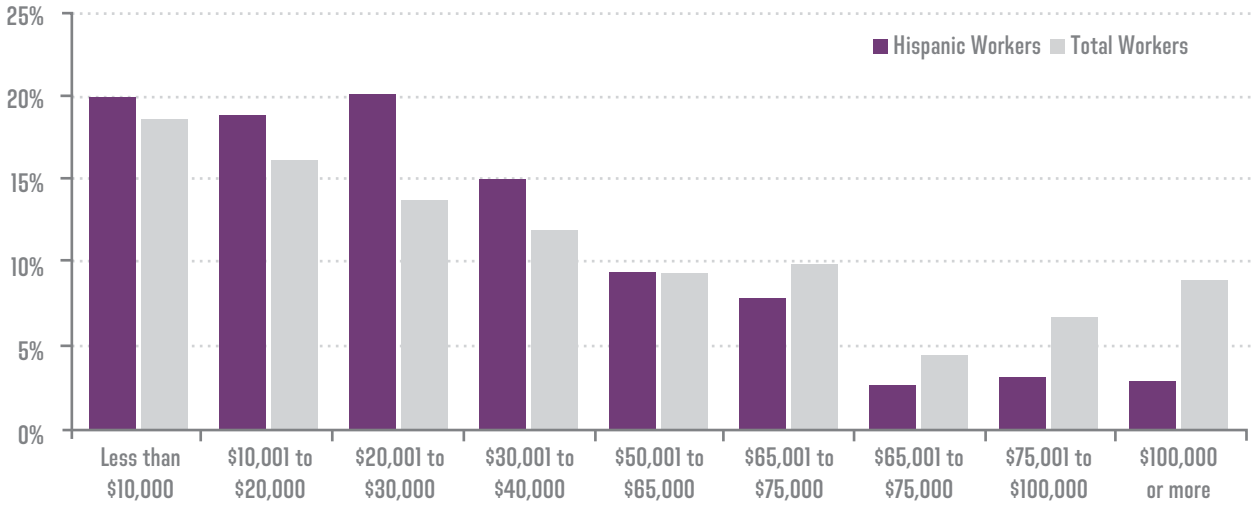
### Figure 2: Household Income in Colorado 2014




Source: 2014 U.S. Census data

In addition to household income, Figure 3 compares the individual wage distribution for Hispanic and all workers in Colorado. Hispanic workers are more likely to work in lower-wage jobs than total workers in the state. Roughly 59 percent of Hispanic workers make less than $30,000 compared to 49 percent of total workers in Colorado who make less than $30,000.

## Figure 3: Individuals Workers' Wage Distribution in Colorado 2014




Source: 2014 U.S. Census data

## Funding under ColoradoCare

ColoradoCare would be funded primarily through a Health Care Premium tax on payroll. The tax would be assessed on almost all forms of income in order to support the universal care system. ColoradoCare would collect a 10 percent premium payroll tax with the employers paying 6.67 percent on payroll and the worker paying 3.33 percent of gross wages.

In addition to wage income, nonpayroll income would be taxed at 10 percent. This includes self-employment income, interest and dividends, capital gains, business income reported on tax forms, real estate income, retirement account distributions and social security benefits.

ColoradoCare excludes income from unemployment insurance and alimony. There are substantial exemptions for Social Security and pension income that, with some combinations of retirement income sources, can be as much as $46,000 annually for individual filers and $75,000 annually for joint income filers. Taxable income is capped at $350,000 for individual and $450,000 for joint filers.

ColoradoCare relies in part on federal Medicaid waiver funds and federal ACA waiver funds. ColoradoCare is intended to replace these and most forms of coverage currently offered in Colorado.

CFI finds that most Coloradans would pay less under ColoradoCare than what they pay currently in premiums and out-of-pocket expenditures. This is because most Coloradans pay more than 3.33 percent of their income in medical spending each year (Table 7).

### Table 7: What Does the Worker Pay under ColoradoCare?

| Income | 3.33% of Income |
|---|---|
| $10,000 | $333 |
| $15,000 | $500 |
| $20,000 | $666 |
| $25,000 | $833 |
| $30,000 | $999 |
| $35,000 | $1,166 |
| $40,000 | $1,332 |
| $45,000 | $1,499 |
| $50,000 | $1,665 |
| $55,000 | $1,832 |
| $60,000 | $1,998 |
| $65,000 | $2,165 |
| $70,000 | $2,331 |
| $75,000 | $2,498 |
| $80,000 | $2,664 |
| $90,000 | $2,997 |
| $100,000 | $3,330 |
| $150,000 | $4,995 |
| $200,000 | $6,660 |
| $250,000 | $8,325 |
| $300,000 | $9,990 |
| $350,000 | $11,655 |

### *What happens to people currently enrolled in Medicaid?*

Under the current system, Coloradans whose incomes are insufficient to pay for health care (i.e. income under 138 percent of the federal poverty level) can qualify for Medicaid.[4] The federal poverty line changes depending upon household size. A single individual can qualify for Medicaid if they make less than $16,394 annually while a three-person household can qualify if they make less than $27,821. Medicaid families and individuals pay no premiums or enrollment fees, but do pay minimal out-of-pocket costs.

Under ColoradoCare, workers with Medicaid would pay the 3.33 percent Health Care Premium Tax on wages. Others receiving non-wage forms of eligible income will pay the 10 percent Health Care Premium tax. ColoradoCare hopes to exempt current Medicaid-eligible Coloradans from paying the Health Care Premium Tax or to find a mechanism to rebate the tax paid, but there is no process for doing so at this time.

ColoradoCare benefits would be similar to current Medicaid benefits. In order to receive Medicaid Waiver funds, ColoradoCare must seek federal approval that will be contingent upon ColoradoCare offering benefits that meet the basic standards of Colorado's current Medicaid program. ColoradoCare states that clients will receive benefits at least as generous as those required by Medicaid now in addition to other benefits selected by the ColoradoCare board.

The cost of health care under ColoradoCare could be more than today's Medicaid program. Medicaid enrollees currently pay some in out-of-pocket costs, such as $2 for primary care doctor visits, $3 for non-emergency ER visits, $1 a day for durable medical equipment like wheelchairs, $3 copayments for name brand prescription drugs, and up to $10 a day for hospital stays.[5] There are also enrollment fees for kids covered under CHP+. In contrast, ColoradoCare would not require copays for primary or preventive care and no deductibles or enrollment fees, but the eligible income of Medicaid enrollees would be subject to the Health Care Premium tax. The intent of ColoradoCare, again, is to waive copayments for specialty care and rebate the tax for low-income Coloradans, but that process is at this time undetermined.

Table 8 shows out-of-pocket costs for families with public insurance in Colorado. Single individuals with public insurance in Colorado pay around $101 in out-of-pocket costs per year.

## Table 8: Out-of-pockets Costs for Coloradans on Public Insurance Ages 0-64, Colorado, 2016

| | Total | Family of 1 | Family of 2 | Family of 3 or 4 | Family of 5 or more |
|---|---|---|---|---|---|
| Median Out-of-pocket costs | $162 | $101 | $412 | $158 | $253 |

Source: Colorado Health Access Survey 2015 data (costs grown by five percent to covert to 2016 dollars)

[4] Income eligibility levels vary across different populations, for instance the threshold is 200 percent FPL for pregnant women. These figures illustrate how taxes on consumption, such as a sales tax, place a larger burden on low-income riders since they spend more of their income on goods subject to sales tax.

[5] See HCPF's Benefits and Services Overview at https://www.colorado.gov/hcpf/colorado-medicaid-benefits-services-overview

Working people with public insurance could pay more than this in a Health Care Premium tax.

Many of Colorado's current Medicaid enrollees work, but often work in low-paying jobs. Approximately 25 percent of adult Medicaid enrollees in Colorado (including the disabled and 65 and older individuals) work.[6] A large portion of the enrollment in Medicaid is children, who make up 44 percent of enrollment. A majority of these children, like all Medicaid enrollees, are in households where at least one family member works.[7]

An individual with income at 138 percent FPL can make up to $16,424 annually and still qualify for Medicaid. Paying a 3.33 percent Health Care Premium tax on their income would amount to $547 annually, compared to an average of $101 in Medicaid. If ColoradoCare can refund the 3.33 percent of payroll, then all current Medicaid enrollees will pay less under ColoradoCare than they do now. Without the refund, workers who qualify for Medicaid now could end up paying more under ColoradoCare.

The median income of Hispanic families in Colorado who currently receive public health insurance is $20,450. Paying 3.33 percent of that income would mean $681 paid to ColoradoCare each year. The typical Colorado family on public health insurance pays $162 in out-of-pocket costs each year for medical services.

### *What happens to people currently without health insurance?*

Although Coloradans without health insurance don't pay monthly premiums, they do end up paying much higher out-of-pocket costs than those who have health insurance coverage. The median out-of-pocket annual cost for a single Hispanic individual in Colorado current is $1,645.[8] The median income of that single Hispanic worker without health insurance is $26,627. Paying 3.33 percent of $26,627 would mean $887 paid into ColoradoCare. The average single Hispanic worker who currently lacks health insurance could save $750 under ColoradoCare, while gaining access to health insurance.

### *What happens to people currently getting subsidies through the exchange?*

Many Coloradans with incomes too high for Medicaid can still get assistance paying for health insurance because the federal government offers assistance to people purchasing health coverage through Connect for Health Colorado. Individuals and families who fall between 133 percent and 400 percent of the Federal Poverty Line can quality for

**Table 9:**
**Expected Premium Contribution (tax year 2017)**

| % of FPL | % of Income |
|---|---|
| 133-150% | 3.06%-4.08% |
| 150-200% | 4.08%-6.43% |
| 200-250% | 6.34%-8.21% |
| 250-300% | 8.21%-9.69% |
| 300-400% | 9.69% |

[6] See table 7 of CFI's analysis what low-wage jobs cost the state here: http://www.coloradofiscal.org/wp-content/uploads/2015/04/Low-Wage-Jobs-Colorado-Report.pdf

[7] http://kff.org/medicaid/state-indicator/distribution-by-employment-status-4/

[8] $1,567 median out-of-pocket cost for Hispanic of family of 1 grown by 5% to convert to 2016 dollars $1,567 median out-of-pocket cost for Hispanic of family of 1 grown by 5% to convert to 2016 dollars

Advanced Premium Tax Credits (APTC) that help reduce the costs of their insurance premiums.

That credit amount is calculated by looking at the cost of the second lowest cost silver plan[9] – the "benchmark"– and subtracting the portion of that plan deemed affordable – this is a person's expected premium contribution. This is determined by a portion of income. For instance, if an individual's income puts them at 133 percent of FPL, their expected premium contribution is 3.06 percent of their income. (See table 9) The amount of the federal subsidy is then determined by subtracting their expected premium contribution (3.06 percent in this case) from the cost of the benchmark silver plan. The consumer experiences the credit or subsidy as a discount given on whatever plan they choose to buy through the exchange.

The expected premium contribution is an estimate of what a person can afford to spend on health care premiums given their income. Also think of that expected premium contribution as the maximum that individual would pay for that benchmark silver plan. While some plans cost more than the benchmark and some cost less, the amount of the premium subsidy for each person is fixed. A person can buy a more expensive gold or platinum plan that has higher monthly premiums but lower deductibles. Or they could buy a bronze plan that has a lower monthly premium but higher out-of-pocket costs. Whichever plan they purchase, the discount or subsidy is the same fixed amount.

Even with subsides, individuals and families buying at least a silver plan or better spend more under the current system than they would under ColoradoCare. The expected premium contribution rises above ColoradoCare's 3.33 percent right at 138 percent of FPL (which coincides with the eligibility for most Medicaid enrollees). Anybody between 138 percent and 400 percent of FPL – those who quality for the exchange subsidies – would pay less in premiums at 3.33 percent of income under ColoradoCare than they are expected to pay now if they buy at least a silver plan. And this doesn't include the out-of-pocket costs that could be substantially lower under ColoradoCare compared to today's system.

The Coloradans who decide to apply their subsidy to a bronze plan (with a lower premium and higher deductible compared to a silver plan) pay less than their expected premium contribution and in some cases the subsidy covers the entire cost of the plan they choose. These individuals could pay more than they currently pay in premiums under ColoradoCare by paying 3.33 percent of their income, but they will pay substantially less in out-of-pocket costs under ColoradoCare than what they pay currently if they seek medical care.

There is some added complexity for recent immigrants to Colorado. Immigrants who are lawfully present in Colorado but have not resided in the country for at least five years do not qualify for Medicaid. However, they can purchase health insurance through Connect for Health Colorado. If their income falls between 0-138 percent of FPL, they would qualify for Medicaid but for their immigration status. While they do not qualify for Medicaid, they can still receive a subsidy through the exchange. The subsidy is available for low-income lawfully, present, noncitizens earning between 0-138 percent of the FPL.[10]

[9] The Affordable Care Act defines four new types of health insurance plans. The four types of plans, ranked from most expensive out-of-pocket costs to least expensive, are: Bronze, Silver, Gold and Platinum. Bronze plans typically have lower premiums and higher out-of-pocket costs compared to a silver plan.

[10] Expected premium contributions are 2.04% for those below 133% FPL. $1,567 median out-of-pocket cost for Hispanic of family of 1 grown by 5% to convert to 2016 dollars

## Table 10: A Breakdown of Colorado's Population by Federal Poverty Level

| | Less 138% FPL | 138%-400% FPL | above 400% FPL | Total |
|---|---|---|---|---|
| **Total** | 18% | 40% | 42% | 100% |
| **Non-Hispanic** | 15% | 37% | 48% | 100% |
| **Hispanic** | 31% | 48% | 21% | 100% |

Source: CFI analysis of U.S. Census PUMS data 2014

Table 10 shows the distribution of Colorado's population by Federal Poverty Level category. The Hispanic population, both citizen and noncitizen, in Colorado is much more likely to fall below the 400 percent level compared to the total population. Only 21 percent of the Hispanic population in Colorado has income above 400 percent of the Federal Poverty Level.[11] This means a higher portion of the Hispanic community either qualifies for Medicaid or for the federal subsidies through the health insurance exchange than Colorado's population a whole.

Table 11 shows the median income of Hispanic families by health care coverage and family size. Having private health insurance is correlated with higher incomes. For example, the average Hispanic family in Colorado with private health insurance has a median income of $58,579, while the average Hispanic family with no health insurance earns $42,603 annually.

## Table 11: Median Income of Hispanic Families in Colorado by Household Size and by Health Insurance Type 2016

| | Total | Family of 1 | Family of 2 | Family of 3 or 4 | Family of 5 or more |
|---|---|---|---|---|---|
| **No Health Insurance** | $42,603 | $26,627 | $39,408 | $42,603 | $57,514 |
| **With Health Insurance** | $58,579 | $32,911 | $58,579 | $84,141 | $88,721 |
| **Medicaid, or medical assistance** | $20,450 | $10,544 | $21,941 | $30,355 | $44,733 |

Source: CFI analysis of U.S. Census PUMS Microdata 2014 data inflated to 2016 dollar by a 3.2% annual growth rate

## Who pays more and who pays less under ColoradoCare and by how much?

Coloradans who currently pay for private health insurance have the most savings to gain from ColoradoCare. The savings are more pronounced for lower-income families compared to upper income families.

Single Hispanic workers have the most to gain from ColoradoCare. On average, a single Hispanic worker with health insurance currently pays $2,534 annually in health insurance premiums, while that typical single Hispanic worker makes $32,900 in Colorado. Paying 3.33 percent of that income would mean paying $1,096 in taxes under ColoradoCare, resulting in a saving of $2,241. Of the total savings, $1,438 is the savings in premiums alone.

[11] Reminder that the Federal Poverty Level depends on household size. So 400% of FPL for an single person household is $47,520 and $80,640 for a family of three.

The average Hispanic family of two in Colorado would pay $1,049 less and $961 less in premiums alone by paying 3.33 percent of their income (see Table 12).

### Table 12: Average Savings for Hispanic Families Who Currently Have Health Insurance Compared to ColoradoCare (2016)

| | Total | Family of 1 | Family of 2 | Family of 3 or 4 | Family of 5 or more |
|---|---|---|---|---|---|
| **Average Health Insurance Premiums (a)** | $3,158 | $2,534 | $2,912 | $3,541 | $3,093 |
| **Median Out-of-pocket Costs (b)** | $243 | $803 | $88 | $299 | $78 |
| **3.33% of median income (c)** | $1,951 | $1,096 | $1,951 | $2,802 | $2,954 |
| **Savings (d)** | $1,450 | $2,241 | $1,049 | $1,038 | $216 |

(a) CFI analysis of 2013 MEPS premium data grown by 35% since 2013
(b) CHAS data grown by 5% to put 2015 costs into 2016 dollars
(c) CFI analysis of 2014 U.S. Census PUMS median income data grown by an annual 3.2% rate to get dollars in 2016
(d) The sum of premiums and out-of-pocket costs minus 3.33% of median household income

## Hispanic households in Colorado will see large gains from ColoradoCare

ColoradoCare requires workers to pay 3.33 percent of their income. As a Colorado worker's income increases, so does the amount paid into ColoradoCare. Upper-income Coloradans can end up paying more under this structure than what they currently pay. To determine the tipping point – i.e. the amount of money a family must earn before paying 3.33 percent of income is more than what they currently spend on premiums and out-of-pocket costs – we looked what the average family pays currently and divided by 3.33 percent. For example, all Hispanic families in Colorado with private health insurance pay on average $3,400 a year in premiums and out-of-pocket costs. Dividing $3,400 by 3.33 percent reveals that a family would need to make $102,108 before they would pay more under ColoradoCare than they do under the existing health care structure.

About 13 percent of Hispanic households in Colorado earn more than $102,108 annually. This means 87 percent of Hispanic Households in Colorado will pay less under ColoradoCare than they pay under the current system.[12]

The average white Non-Hispanic family in Colorado pays $3,684 in premiums and out-of-pocket costs. Dividing $3,684 by 3.33 percent would translate to an income of $110,658. Approximately 26 percent of white Non-Hispanic families in Colorado earn more than $110,658 annually. This means that 74 percent of white Non-Hispanic families in Colorado will pay less under ColoradoCare.

Hispanic families are also more likely to benefit from ColoradoCare because they tend to have more children than the total families in Colorado. Twenty-three percent of the total population is under 18 years old whereas 34 percent of the Hispanic community is less than 18 years old. There are more Hispanic children who would receive health coverage under ColoradoCare per wage earner that the total population in Colorado. In the total population for every child there are 2.18 workers. In comparison, for every child in a Hispanic household there are only 1.29 workers.

[12] This doesn't include those who might pay less currently but will have access to much better coverage under ColoradoCare.

## What about self-employed people?

Roughly 8.5 percent of the Non-Hispanic working age population in Colorado reported self-employment income last year compared to 5.7 percent of the Hispanic working age population. So while the ColoradoCare Health Care Premium tax on self-employment income is the full 10 percent, the tax will impact the Non-Hispanic population to a greater extent than the Hispanic population in Colorado.

# SECTION 2:

# ColoradoCare and Immigrants

## What health care coverage is currently available to immigrants in Colorado?

ColoradoCare will cover all residents, regardless of their immigration status. In Colorado today, like most states, immigrants have varying access to health care coverage and health care services depending upon their status. Immigrants or all foreign-born residents of the state include naturalized citizens, lawfully present noncitizens and undocumented immigrants.[13] There are many different ways for noncitizens to be considered lawfully present and different health care programs in Colorado define who is eligible for services differently. All naturalized citizens and most lawfully present immigrants who have passed a five-year waiting period are eligible for the same services that citizens can receive. Lawfully present immigrants who have not met the five-year waiting period and do not fall into an exempted category are eligible for only some health care services. For instance they can purchase health insurance through Connect for Health Colorado and receive premium subsidies, but they are not eligible in most cases for Medicaid.

Colorado bars undocumented immigrants from receiving most forms of publicly supported health coverage, including Medicaid (except for emergency care), CHP+, CICP, use of Connect for Health Colorado or the APTC. Coloradans without documentation of lawful presence can receive discounted fee-for-service programs offered through Federally Qualified Health Centers (FQHC). Undocumented immigrants can also purchase private health care through a broker or directly from a company that offers plans to undocumented Coloradans or take part in an employer-sponsored plan if it is offered. However, these options are limited and the cost and complexity of acquiring coverage through these methods is prohibitive. As a result of the current restrictions, undocumented immigrants account for an estimated 112,000 or one-fifth of all uninsured Coloradans.[14] See Table 13.

[13] National Immigration Law Center Immigration

[14] *Getting to Health Care Coverage and Access for All: Options to Increase Access to Care and Coverage for Immigrants Living in Colorado,* Health Management Associates Community Strategies for the Colorado Coalition for the Medically Underserved. May 9, 2016, 7.

## Table 13: Access to Health Care Coverage in Colorado by Immigration Status[15]

| Immigration status | Medicaid | CHP+ | Connect for Health Colorado and Premium Assistance through Advanced Premium Tax Credits | Private – individual | Private – employer sponsored | Colorado Indigent Care Program (CICP) | Federally Qualified Health Center (FQHC) | Colorado Care |
|---|---|---|---|---|---|---|---|---|
| | Provides public health insurance for low-income Coloradans. | Provides low cost health insurance for children and pregnant women with household income below 260% FPL. | Expands health care coverage through Medicaid expansion. | Individual health plan purchased through Connect for Health Colorado or private health insurance broker or directly from a health plan. | Health plan offered through a place of employment to employees (premiums partially or fully paid by employer in many cases). | Discounted health care services to low-income people. | Public or nonprofit safety net health clinics that provide discounted primary care services to medically underserved populations or areas. | New publicly financed, universal access health care system. |
| Lawfully present for 5 years or longer e.g. Lawful Permanent Resident (LPR or Green Card Holder) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Lawfully present for under 5 years | No, unless in an exempt category (see below) | No, unless exempt | Yes, subsidies available for income starting at 0 percent of FPL to 400 percent FPL | Yes | Yes | Yes | Yes | Yes |

[15] Sources: National Immigration Law Center, Colorado Center on Law and Policy, Health Management Associates HMA Community Strategies, Colorado Department of Health Care Policy and Financing

| Immigration status | Medicaid | CHP+ | Connect for Health Colorado and Premium Assistance through Advanced Premium Tax Credits | Private – individual | Private – employer sponsored | Colorado Indigent Care Program (CICP) | Federally Qualified Health Center (FQHC) | Colorado Care |
|---|---|---|---|---|---|---|---|---|
| Exempt from the 5-year waiting period (e.g. refugees, asylees, trafficking victims, domestic violence survivors) and lawfully present pregnant women and lawfully present children | Yes | Yes | Yes, subsidies available starting at 0 percent of FPL | Yes | Yes | Yes | Yes | Yes |
| Deferred Action for Childhood Arrivals (DACA) and Deferred Action for Parents of Americans and Lawful Permanent Residents (DAPA)* | No | No | No | Yes, if purchased through a private broker or directly from the plan – not Connect for Health Colorado | Yes, if offered by employer | No | Yes | Yes |
| Immigrant without docu-mentation | No | No | No | Yes, in some cases, if purchased through a private broker or through a plan itself. This is a very limited option. Very few companies will sell a plan without a Social Security number. | Yes, if offered by an employer | No | Yes | Yes |

## Current health care coverage and cost for Latino immigrants

Much of what we know about health care use, access and cost in America comes from information collected in large-scale surveys, like MEPS. These surveys, which are most often conducted at the national and state levels using representative samples, provide a glance at how the American population uses health care as a whole. Unfortunately, surveys often fail to examine the experiences of the immigrant population in isolation. The surveys serve us well when examining the Hispanic or Latino population as whole but are not effective in analyzing the experience of smaller groups such as the undocumented immigrant population.

In an effort to gain a more nuanced sense of how subsects of Latinos in Colorado use health care and what they spend for health care services, the Colorado Fiscal Institute distributed a survey across the state with the help of local community organizations. These organizations conducted surveys in person and online during regular meetings, regional trainings and conferences. While the data collected through the survey is anecdotal and is not representative of Colorado's population as a whole or of the Latino or Hispanic population as a whole, it shines a light on the health care usage, costs and gaps to access for immigrant populations. In particular, the methodology employed in the survey allowed for collection of responses from undocumented immigrants, providing data points for a community that contributes but is never formally counted in large-scale surveys.

Through our survey, CFI found gaps in Colorado's current health care delivery and financing systems that make it more difficult for immigrants, particularly undocumented immigrants, to access and pay for health care. We find that the undocumented population is far less likely to have any heath care coverage at all and spends more out of pocket on medical needs.

We also find that the health care literacy rate among Colorado's Latino and Hispanic population is low, especially among the noncitizen cohort. This could be due in part to confusion associated with how to navigate the American health care system. Many of these immigrants come from countries with less complex access to care. While more pronounced with immigrants, citizens also reported confusion on how to access necessary care and low basic health care literacy.

The results of this survey also highlight important cultural competency issues that must be kept in mind for future survey design. For example, many immigrants noted leaving the country to access care in their home country when asked where they go for their care and advice regarding their health or if they were able to access the care they needed. There is also confusion around how federally qualified health centers (FQHC) provide care, despite the fact that this is the main source of health care and information for the noncitizen cohort. For instance, some noncitizens reported having "insurance" or "Medicaid" if they received a fee-for-service discount through an FQHC.

## Survey methodology

The data was collected in the Colorado Latino Health Care Access and Cost Survey. This survey was modeled on two existing surveys: the Medical Expenditure Panel Survey and the Colorado Health Access Survey. The questions in the survey were modified for cultural competency by the Colorado Fiscal Institute and the Colorado Latino Leadership, Advocacy and Research Organization (CLLARO) and additional questions were added to determine the citizenship and residency status of those surveyed. Paper and online versions of the survey were available in Spanish and English.

Nearly 600 surveys were distributed on paper and via Survey Monkey to community partners.

Approximately two-thirds of completed surveys were collected on paper by canvassers and organizers along the Front Range from as far south as Trinidad and as far north as Brighton. An additional third were collected by CLLARO online. These partners were selected since they are trusted organizations in the Latino community or in immigrant communities. In addition, many of these organizations interface with the community on a regular basis allowing for a broad reach across the state. Participating organizations were given a stipend of $1,000 for staff time and expenses. Researchers also provided a $20 incentive to all respondents who completed the survey.

The surveys that were conducted on paper were collected by 9to5 Colorado, Community Enterprise, the Colorado Immigrant Rights Coalition (CIRC), El Centro Humanitario and Re:Vision. The majority of paper surveys were completed in Spanish.

Online surveys were collected by CLLARO. Participants were solicited through email invitations, media outlet advertisements (e.g., Facebook), and canvassing. Initial outreach included local canvassing in the far northeast and central Denver metro areas, and continued through social media outreach. CLLARO staff solicited survey responses at local businesses, libraries, and health centers. All surveys were completed electronically, either on a computer or touchscreen tablet. Participants gave implicit consent by reading the debrief statement at the beginning of the survey. Participants were also given the option to complete the survey either in English or Spanish. The majority of the online respondents completed the English version of the survey. The researchers offered $20 incentives (Amazon credit delivered to the participant's email address) for participation.

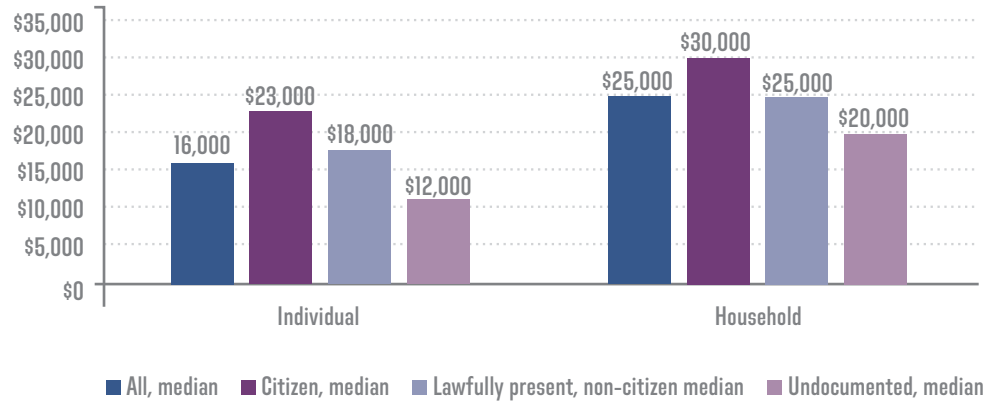
The Colorado Latino Health Care Access and Cost Survey was distributed to 578 individuals and fully completed by 366 Hispanic and Latino adults. Of the 366 surveyed, 35 percent were citizens, 18 percent were lawfully present, noncitizens and 47 percent were undocumented immigrants.

The median age of all respondents was 37 and the median age for undocumented immigrants was 38. Of the households surveyed, 255 had at least one child under 18 and 50 households had at least one member who was over 65. Nine of the households with respondents over 65 were headed by an individual 65 or older.

## Labor force participation and income

Median income for these participants varied based on citizenship and residency status. Not surprisingly, the median income for citizens was higher than that of lawfully present immigrants, noncitizens and the undocumented population. In addition, these results indicate that those surveyed are more likely to be lower income in comparison to the Hispanic or Latino population as a whole. In 2014, the Census Bureau estimated that the median income in Hispanic and Latino households was $41,982. That is nearly $15,000 more than the median household income of the households surveyed in the Colorado Latino Health Care Access and Cost Survey (Figure 4).

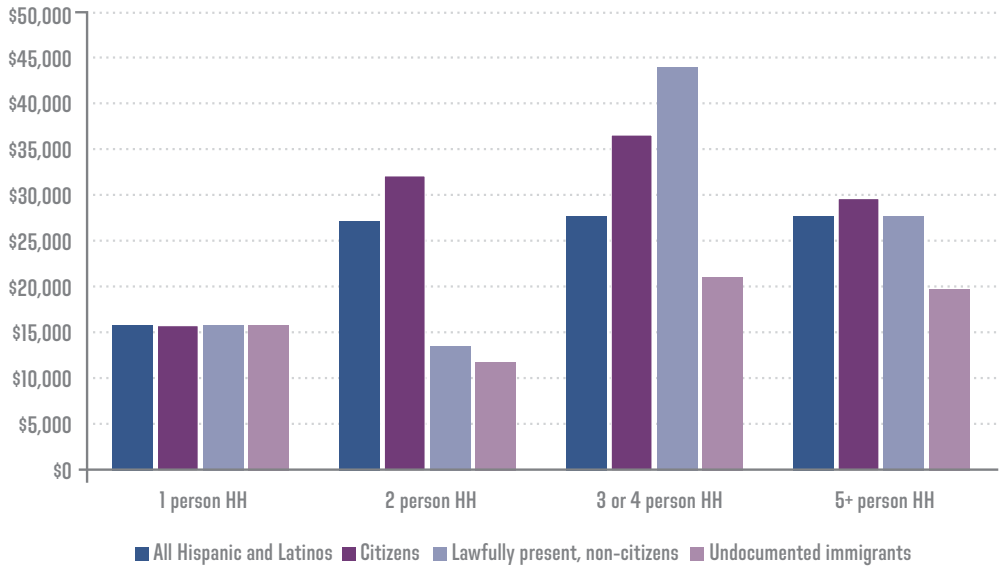
### Figure 4: Median income by citizenship and residency status




Source: CFI Health Care Survey 2016

Furthermore, a close look at household income by family size and status presents an interesting pattern (See Figure 5). Not surprisingly, citizens and lawfully present immigrants tend to have higher median incomes than undocumented immigrants. Citizens and lawfully present, noncitizen households tend to have the highest median income in households with three or four people. This could be due to the fact that there might be an additional earner in those households. These households also reported having children or elderly individuals in the household at lower rates, indicating a reduced need for caretaking and non-wage earning time spent at home. Conversely, families with five or more people typically had multiple young children or adults older than 65 in the household, populations that typically do not work and need care. This could explain the drop in the median income for families with five or more people.

## Figure 5: Median Household Income by Citizenship and Residency Status and Household Size




Source: CFI Health Care Survey 2016

When asked about employment status, 47 percent of those surveyed reported being employed by someone else, and 15.8 percent reported being self-employed. This means that a total of 62.8 percent of those surveyed were employed. The highest rate of employment was among the citizens surveyed and the highest rate of self-employment was among immigrants, both lawfully present and undocumented. Approximately 11.2 percent of those surveyed were in the job market looking for work, meaning a total of 74 percent of those surveyed participate in the labor force (Table 14).

This labor force participation rate is slightly higher than the rate reported in the American Community Survey by the Census Bureau. The ACS estimate for labor force participation in 2014 was 68.8 percent for the Hispanic and Latino population. This could indicate higher labor force participation from the population surveyed in the Colorado Latino Health Care Access and Cost Survey or an increase in labor force participation in the Hispanic and Latino population since 2014. The latter is possible since the state's unemployment rate as a whole has dropped and the labor force participation rate has increased in this same time, though the extent to which it has impacted the Hispanic and Latino community is unclear.

In addition, the ACS takes into consideration all individuals over the age of 16 when compiling employment statistics. The Colorado Latino Health Care Access and Cost Survey only surveyed individuals 18 and older. The labor force participation rate tends to be lower for those under the age of 18.

## Table 14: Employment by residency and citizenship status

| | All Hispanic | Citizens | Lawfully present, noncitizen | Undocumented |
|---|---|---|---|---|
| **Unable to work due to disability** | 3.8% | 6.3% | 4.5% | 1.7% |
| **Self employed** | 15.8% | 8.6% | 19.7% | 19.8% |
| **Employed by someone else** | 47.0% | 58.6% | 40.9% | 40.7% |
| **Unpaid worker for a family business or family farm** | 1.4% | 0.8% | 0.0% | 2.3% |
| **Retired** | 1.4% | 2.3% | 3.0% | 0.0% |
| **Unemployed and looking** | 11.2% | 5.5% | 13.6% | 14.5% |
| **Unemployed and not looking** | 10.7% | 10.2% | 9.1% | 11.6% |

Source: CFI Health Care Survey 2016

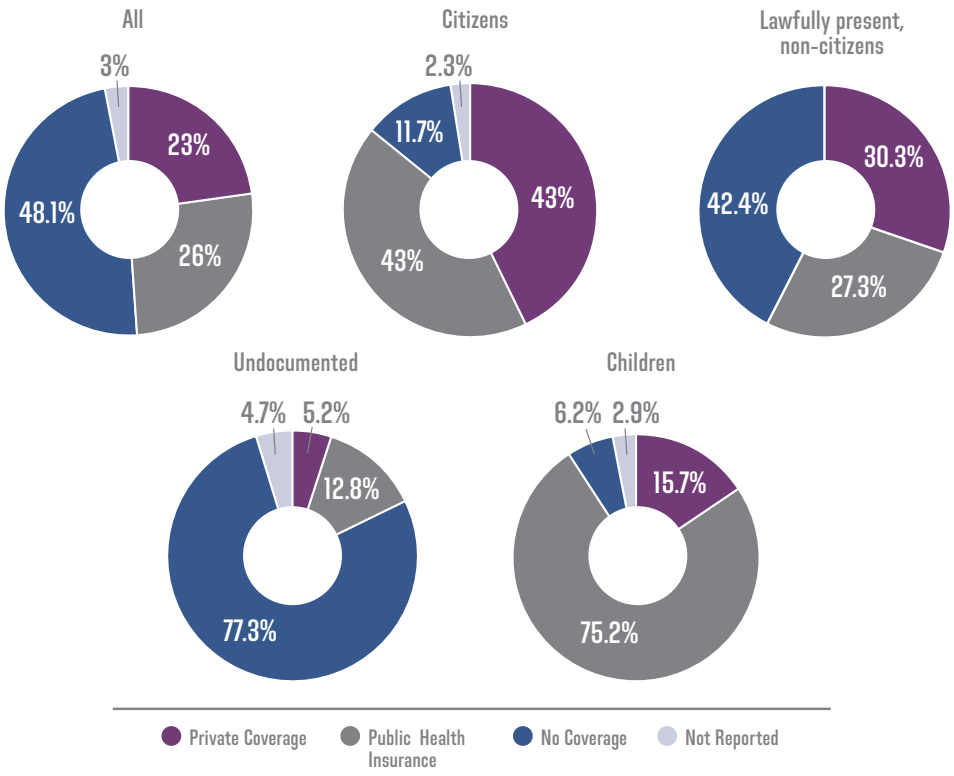
## What kind of health care coverage did respondents have?

Of those surveyed, citizens in the Hispanic and Latino community experienced the lowest uninsured rate and reported the highest rate of public health care coverage among adults. This is likely the case because citizens face fewer restrictions when accessing Medicaid and other public health care due to the residency requirements of these programs. The reporting from citizens for coverage is very similar to the data collected by the Colorado Health Access Survey (CHAS) for Latinos and Hispanics overall (see Figure 1).

As expected, the noncitizen Hispanics and Latinos surveyed had the highest levels of uninsured rates. Four out of every five undocumented immigrants and two out of every five lawfully present, noncitizens surveyed reported not having any coverage. Another 12.8 percent of the undocumented immigrant population reported receiving public health care. While the undocumented population does not have access to most public health programs or services, they do have access to emergency Medicaid services and federally qualified health centers. Some of these responses could be in reference to those services or confusion on answers for citizen children within the home.

Reported public health care coverage was the highest among children. Households that had dependent children typically received coverage for those children through a public health program such as CHP+ or Medicaid, with 15.7 percent receiving coverage through private insurance and 6.2 percent not receiving any coverage at all. This reflects the mixed immigration and citizenship status in many homes with young children (Figure 6).

## Figure 6: Health care coverage by status




Source: CFI Health Care Survey 2016

## Barriers to access

One of the first barriers to accessing health care in the existing system is not having health insurance. Merely having health insurance makes it easier for individuals to access care. When asked why they did not have insurance, expense, eligibility and not knowing where to go were listed as the main barriers to acquiring coverage. Among noncitizens eligibility ranked highly, most likely due to residency requirements for public health coverage. Among citizens not knowing where to begin was often a barrier to access. In all three groups of respondents, expense was the main reason individuals lacked access (Table 15).

## Table 15: Why the uninsured or underinsured lack coverage

| | Total Hispanic and Latino | Citizen | Lawfully present, noncitizen | Undocumented |
|---|---|---|---|---|
| Do not need or want health insurance | 5.7% | 20.0% | 10.7% | 3.0% |
| Rarely sick/"I take care of myself" | 8.0% | 20.0% | 10.7% | 6.0% |
| Too much hassle/ paperwork | 5.7% | 13.3% | 3.6% | 5.3% |
| Too expensive/could not afford | 50.0% | 60.0% | 53.6% | 48.1% |
| Don't like benefits package | 0.6% | 0.0% | 3.6% | 0.0% |
| Not eligible, other | 40.3% | 6.7% | 21.4% | 48.1% |
| Will get health insurance soon | 4.5% | 6.7% | 10.7% | 3.0% |
| Don't know where to begin/where to go | 14.8% | 20.0% | 10.7% | 15.0% |
| Already have/covered by other health insurance | 0.6% | 0.0% | 0.0% | 0.8% |
| Received tax credits through Connect for Health Colorado | 0.6% | 0.0% | 3.6% | 0.0% |

Source: CFI Health Care Survey 2016

## What are people paying for coverage?

Premium costs for private insurance reflect some of the concerns surrounding affordability. A one person household spent on average $253 per month and a median of $250 a month on premiums alone. That is equivalent to over 10 percent of the median household income of a one-person household.

Households that have three or four people paid less on average than other households, and households with two people paid more. The lower average and median premiums could reflect the small number of three- or four-person households surveyed that have private insurance. It could also be a result of purchasing choices in the health insurance marketplace.

The higher average and median premium payments in the two-person household could also be due to different purchasing habits as well as the greater propensity to have private insurance. This is supported by the greater number of individuals that are covered by private insurance and the number of individuals who might be choosing more expensive plans.

Families with children pay on average $233 per child, per month in premiums for private insurance (Table 16).

## Table 16: Premiums by household size, all Latino and Hispanic households

| | 1 person household | 2 person household | 3 or 4 person | 5+ | Children |
|---|---|---|---|---|---|
| **Average** | $253 | $393 | $221 | $233 | $201 |
| **Median** | $250 | $350 | $150 | $143 | $121 |
| **Share of households with Private insurance** | 25% | 35% | 24% | 15% | n/a |

Source: CFI Health Care Survey 2016

Another driver of affordability is the amount individuals pay out-of-pocket for dental visits, prescription drugs and doctor's visits. These out-of-pocket costs include over the counter medications, copayments and deductibles paid. Those surveyed reported relatively high out-of-pocket expenditures.

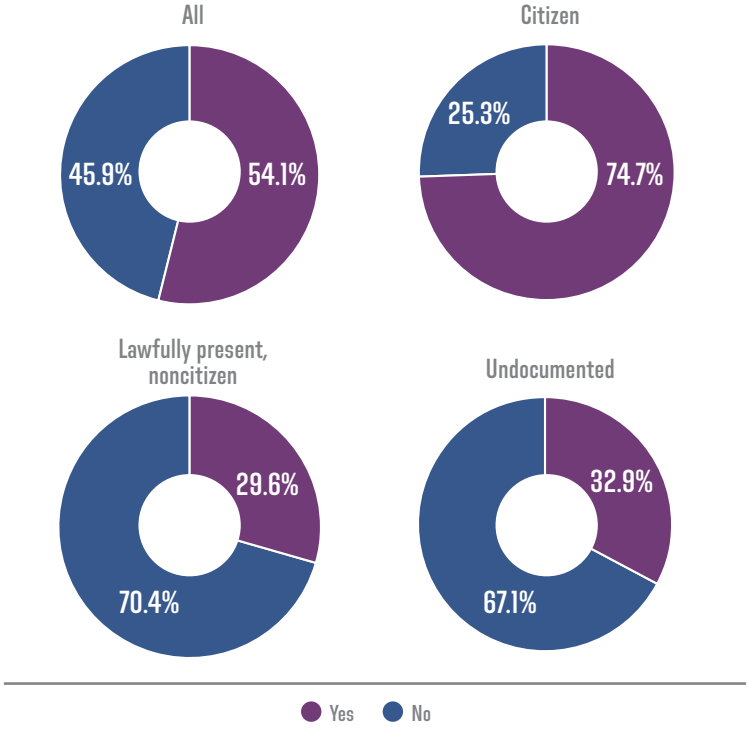
## Table 17: Out-of-pocket Costs in the Last 12 months by Insurance Type and Immigration Status

| All Hispanic | | Citizens | | Lawfully present, noncitizens | | Undocumented | | Children | |
|---|---|---|---|---|---|---|---|---|---|
| **Average** | **Median** | **Average** | **Median** | **Average** | **Median** | **Average** | **Median** | **Average** | **Median** |
| **Private Insurance** | | | | | | | | | |
| $866 | $450 | $883 | $500 | $947 | $300 | $578 | $350 | $431 | $150 |
| **Public Insurance** | | | | | | | | | |
| $428 | $50 | $227 | $45 | $330 | $86 | $1,010 | $175 | $124 | $0 |
| **Uninsured** | | | | | | | | | |
| $973 | $200 | $137 | $0 | $335 | $75 | $1,202 | $250 | $1,579 | $400 |

Source: CFI Health Care Survey 2016

Those surveyed were also asked whether or not their employers provided health care. The majority of respondents did not have access to employer-sponsored care. Citizens were more likely to have access to these benefits and undocumented immigrants were least likely to have access to employer sponsored health care (see Figure 7). When offered the employer-sponsored benefit, 49 percent of all respondents said they took advantage of the benefit while 50 percent said they did not. Citizens and lawfully present, noncitizens were slightly more likely to accept employer-sponsored health care, while most of the undocumented immigrants did not. When asked why they did not accept a health care benefits package, all three groups overwhelmingly listed affordability as the primary reason. Undocumented immigrants reported not being eligible as a main reason, while citizens listed having access to health care from another source, such as another family member or spouse, as the primary reason.

## Figure 7: Does your employer provide a health care option?




Source: CFI Health Care Survey 2016

## ColoradoCare and access for immigrants

Access and cost rise to the top time and again as the main reasons individuals don't have health insurance or receive the health care they need. In an effort to better understand how that manifests for different populations survey takers were asked several access related questions.

On average, survey respondents visited a doctor's office four times and the emergency room once in the last 12 months. Some respondents went to the doctor ten or more times while some reported not seeing a doctor at all. When asked why they had gone to the doctor, 81.8 percent of citizens, 80.6 percent of lawfully present noncitizens and 84.5 percent of undocumented immigrants responded that it was for preventative care. That being said, only 60 percent of undocumented immigrants went to a doctor at all in the last 12 months. In other words, when they are able to, undocumented immigrants were the most likely to visit a doctor for preventive care. Unfortunately, 40 percent of individuals did not seek any care in the past 12 months.

Survey takers were also asked where they go when they are ill or need advice about their health. Two-thirds of all Latinos and Hispanics said they do have a place they frequent for this reason. The majority of lawfully present noncitizens and citizens cited a doctor's office or private clinic as their main source of advice and care. However, the majority of undocumented individuals said they go to a community health center that offers a discounted fee. These federally qualified health centers are able to provide care to all individuals regardless of residency status and on a sliding scale. This seems appropriate, as most undocumented individuals are not covered by either private or public health insurance and have few other affordable or accessible options.

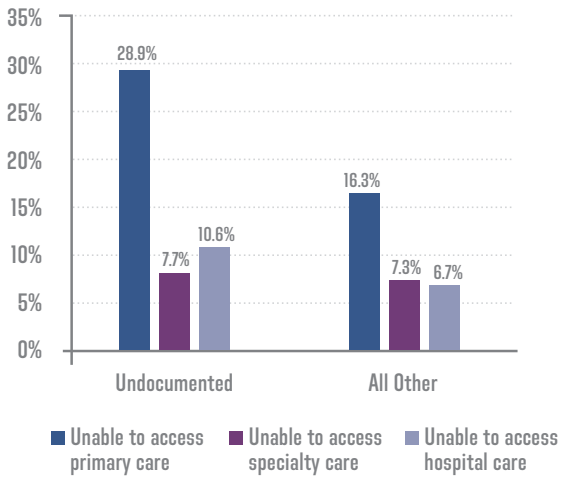
## Table 18: Where do go for health care advice when you are ill?

| | All Hispanic | Citizens | Resident | Undocumented |
|---|---|---|---|---|
| **Respondents who said they had a place they usually go for health care advice or when they are sick** | 76.2% | 77.3 % | 77.3% | 75% |
| **Type of place:** | | | | |
| **A doctor's office or private clinic** | 32.4% | 60.6% | 44.0% | 6.2% |
| **A community health center that offers a discounted fee** | 50.0% | 17.2% | 40.0% | 79.1% |
| **A retail clinic like WalMart** | 2.5% | 3.0% | 0.0% | 3.1% |
| **A hospital emergency room** | 7.6% | 11.1% | 8.0% | 4.7% |
| **An urgent care center** | 2.9% | 3.0% | 2.0% | 3.1% |
| **Or, some other place** | 4.0% | 4.0% | 4.0% | 3.9% |
| **Don't go to one place most often** | 0.7% | 1.0% | 2.0% | 0.0% |

Source: CFI Health Care Survey 2016

When asked if an individual was able to access care that they needed, most people said they were able to access care. However, only half the undocumented immigrants surveyed said they were able to access the care they needed in the last 12 months. Another 28.9 percent of the undocumented population said they were unable to access primary care, 7.7 percent said they were unable to access specialty care and 10.6 percent said they were unable to access hospital care. In other words, 47.2 percent of the undocumented population was unable to access the care they needed. For all other Hispanics and Latinos surveyed, care appeared to be more accessible. A third of all other respondents reported having trouble accessing care.

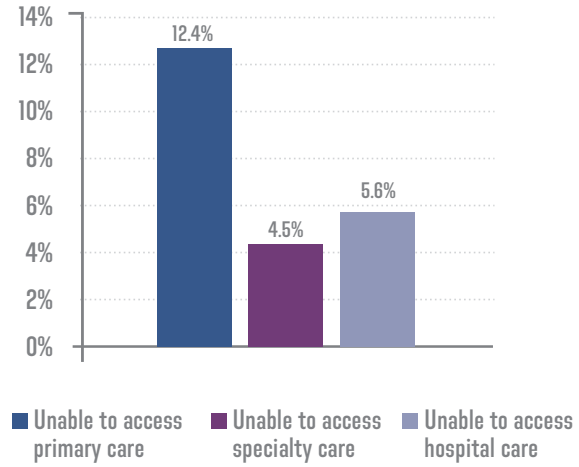
## Figure 8: Were you able to access the care you needed?




Source: CFI Health Care Survey 2016

When individuals have insurance, they are able to access care at even greater rates. Of those with public or private coverage, 22.5 percent of individuals could not access some form of primary, specialty or hospital care.

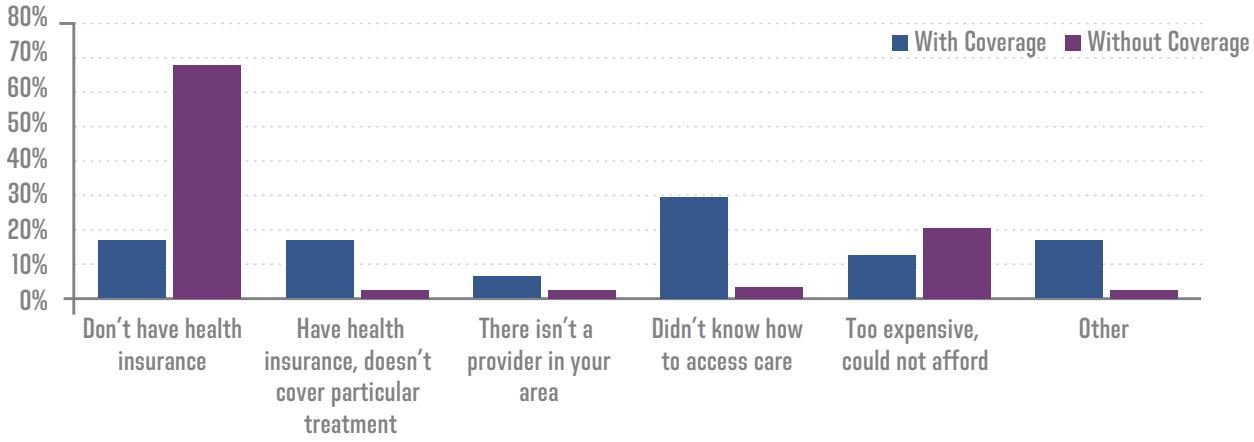
## Figure 9: Were you able to access the care you needed? Individuals with public or private coverage




Source: CFI Health Care Survey 2016

Individuals were also asked why they were unable to access care. Of those with coverage, not knowing how to access care and health insurance not covering the care they needed were the main barriers to getting the care one needed. When the question was asked of those without coverage, not having insurance was obviously the major reason for not accessing care. Another significant reason was cost.

## Figure 10: Why were you unable to access necessary health care?




Source: CFI Health Care Survey 2016

Other indicators point to a general lack of understanding of the health care system. When asked if they knew basic health care system-related terms, very few undocumented immigrants knew what the basic terms such as premium, deductible, copayment or co-insurance meant. Only 17 percent of undocumented immigrants were confident they knew what a co-insurance was and only 40 percent were confident they knew what a copayment was. Many lawfully present immigrants and citizens were also unsure about basic terms.

## Table 18: Do you know what this term means?

| | All | Citizen | Lawfully present, noncitizen | Undocumented immigrant |
|---|---|---|---|---|
| **Premium** | 42.1% | 60.2% | 42.4% | 28.5% |
| **Deductible** | 45.6% | 58.6% | 51.5% | 33.7% |
| **Copayment** | 53.8% | 69.5% | 59.1% | 40.1% |
| **Coinsurance** | 31.4% | 48.4% | 36.4% | 17.4% |

Source: CFI Health Care Survey 2016

However, this lack of basic literacy manifested in many other ways. Canvassers and organizers reported some difficulty in answering basic questions about monthly premiums and coverage type. This was especially true of those who are more familiar with a universal health care system.

In addition, it is possible that some who took the survey marked care they received at a federally qualified health centers as Medicaid when in reality they merely paid a reduced amount. Part of that confusion stems from the fact that all federally qualified health centers offer services to both Medicaid patients and to those who do not qualify for Medicaid but are low-income enough to quality for discounted services.

The data about access tells a story of a current health care system that is complicated and difficult to navigate. Individuals are not sure what basic coverage terms mean and where to go for access. This results in three out of every 10 Latinos and Hispanics, even with coverage, not accessing the care they need.

Canvassers also heard, anecdotally, from many respondents that they leave the country and go back to their home country for care because they know how to access it there and therefore feel more comfortable with that option. This is an important note for future survey design when looking at immigrants and health care.

CFI's survey indicates that ColoradoCare would likely expand access and coverage for immigrants, especially undocumented Coloradans.

## Would immigrants pay more or less under ColoradoCare?

ColoradoCare, as mentioned earlier, will rely on payroll contributions from employers and employees, regardless of residency status. Many undocumented Latinos and Hispanics immigrants do not have any coverage. Although none of these individuals are paying insurance premiums, they still pay out-of-pocket costs when they seek health care. The average out-of-pocket cost reported by the undocumented population in our survey was $1,147 a year and the median was $300. The median income for a single undocumented worker is $17,000, which means 3.33 percent of that income would be $566 paid to ColoradoCare. Table 20 shows the incomes of the surveyed undocumented population. Given their incomes, most undocumented immigrants would qualify for Medicaid but are not permitted under state or federal law.

### Table 20: Income of the undocumented population in Colorado

| | Median Income | Average Income | 138% FPL |
|---|---|---|---|
| 1 person household | $17,000 | $15,764 | $16,394 |
| 2 person household | $10,000 | $13,450 | $22,107 |
| 3 or 4 person household | $21,300 | $22,394 | $27,820 |
| 5 person or more household | $18,000 | $19,112 | $39,247 |

Source: CFI Health Care Survey 2016

Table 21 shows what the undocumented population would pay to ColoradoCare. For example, the typical single undocumented worker would pay around $556 annually. Our survey data indicates that the typical undocumented worker pays $300 in out-of-pocket medical costs. It is likely that the undocumented population will end up paying slightly more by paying 3.33 percent of their income, but will have greater access to medical care, including preventive care. The survey shows that lack of health insurance is a large barrier for the undocumented population in seeking necessary medical services. The undocumented population is also twice as likely to have difficulty accessing primary care: 28.9 percent of undocumented survey takers said they were unable to access primary care compared to only 16.3 percent of the rest of the survey takers.

So while the undocumented population could pay a bit more under ColoradoCare, they will gain access to much better health care where they have none now.

### Table 21: What would the Undocumented Population in Colorado Pay to ColoradoCare

| | Median Income | 3.33% of Income |
|---|---|---|
| 1 person household | $17,000 | $566 |
| 2 person household | $10,000 | $333 |
| 3 or 4 person household | $21,300 | $709 |
| 5 person or more household | $18,000 | $599 |

Source: CFI Health Care Survey 2016

However, like all those covered by public health insurance, it is unclear how ColoradoCare will affect them if the Health Care Premium tax and other copays are not waived or rebated for financial need.

## Will ColoradoCare draw more immigrants to Colorado?

Many have asked whether the universal access to health care, such as that proposed under ColoradoCare, will draw even more immigrants, including undocumented immigrants, to Colorado. CFI reviewed the literature on migration patterns and found that the coverage offered under ColoradoCare would not alone change immigration patterns.

## Immigrants move for jobs and community, not for health care

Prevailing research finds that immigrants, regardless of status, do not make locational choices based on the generosity of health care services. While immigrants might interact with these services to varying degrees, they are actually more likely to base their decisions about where to move on variables such as labor force opportunities, where the greatest number of immigrants already live, and even where the weather is better. However, the literature gives no indication that health care, or public benefits at large, functions as a "magnet," attracting an inordinate amount of individuals who are just looking to make use of social services.

## Labor force opportunities

One of the greatest pull factors for an individual leaving their country of origin is the opportunity for greater labor force participation. An individual is most likely to migrate when the new location has better opportunities for work than their country of origin. In particular, immigrants look for labor markets where they can earn higher wages, where there are a greater number of jobs and where there is a greater wage differential (Chiswick 2000; Frey, Liaw, Xie and Carlson 1996; Kerr and Kerr 2011). Immigrants are most likely to choose metropolitan areas, areas close to agricultural opportunities, or places with high unemployment where there might be a greater number of low-skill jobs (Zavondy 1997).

Schulzek (2012) also found that the existence of strong social programs such as sick pay and generous unemployment benefits might actually deter migrants from moving to a place, especially those who are looking for low-skill and low-wage work. Stronger social programs typically result in higher wages, less turnover and lower unemployment rates. Immigrants are less likely to seek out these types of environments when they are less likely to be able to carve out a niche for themselves in the labor market.

## Ethnic ties and immigrant communities

In addition to work, the search for community is also another determinant of location choice. Zavondy (1999) found that there is no correlation between the public assistance in a state and the number of immigrants who live there. Instead, they are attracted to areas with large immigrant populations. Zavondy also found that immigrants do not respond to changes in welfare benefits within states over time and are likely to stay where they already have a community. They also found that historical evidence should give researchers and policy makers little reason to be concerned about whether or not more generous access to public services will result in more immigrants moving to that state.

A similar study by Sanders, Nee and Semau (2002) found that new immigrants seek to strengthen social ties by seeking out ethnic communities that are the same or similar to their own. Immigrants perceive and actually experience a competitive advantage by seeking "social solidarity" by moving to these communities. Ethnic ties establish trust that supports long-term economic incorporation in a new country, allowing immigrants to rely on personal connections as a way to achieve social closure. This closure allows for an increase in social capital which makes it easier for an immigrant to settle, find work and access resources in a community.

Frey, Liaw, Xie and Carlson (1996) find that these social ties are often the reason there appears to be a significant interaction between poor migrants and social services. Immigrants aren't actually moving to places with better social services, but find out about existing programs at a faster rate when they share social ties with those who already live there. Like the other researchers, the authors find that there is little correlation between the generosity of publicly funded programs and where immigrants choose to live and that there is a highly significant and positive effect on destination choices and where other minority and ethnic groups live. The interaction between immigration and public services actually comes from the fact that stronger social ties means that there is greater dissemination of information regarding work, education and services that will allow for economic success. If you share ties with and trust the community you live in, you are more likely to learn about opportunities available to your community, including opportunities to interact with publicly funded programs. This gives the impression that people make certain locational choices based on social benefits. However, the overall contribution of these benefits in explaining the locational choices of poor immigrants is minimal.

In fact, Frey et al. found that public programs have an even smaller impact than weather when people make choices about where to move. They found that the coldness of a destination had a highly significant negative effect on where poor migrants choose, while public benefits had no significant effect.

## People do not move for health care coverage

Health care-specific studies find that the way immigrants make locational choices doesn't change when more generous health care services are available. Work and community are still the primary reasons behind locational choices.

For one, immigrants tend to be healthier than their U.S.-born counterparts when they first move here, meaning they require fewer health care services to begin with and are leaving their country of origin for better economic opportunities (see Derose, Escarce and Lurie 2007). In fact, many immigrants are making conscious choices to move to places and work in jobs where they have a higher likelihood of being underinsured or uninsured because those are the positions that are

most readily available for undocumented immigrants and low-skill immigrants. This indicated that they are less likely to actively seek health care when they move and are even less likely to make economic decisions based on the availability of health care.

King (2007) found that federal incentives or health care coverage don't attract immigrants to the United States. Instead, job opportunities are going to always be the main driver. They found that immigrants are more likely to be employed in industries where they do not receive any health insurance, such as agriculture, construction, food processing, restaurants and hotel services, or come to the country through programs where they have limited to no access to health care.

Often times, these workers participate in two of the most dangerous industries – agriculture and forestry. Event then, those on guest worker programs and other visas that grant lawful status still do not have access to proper or adequate health care coverage.

Berk et al. (2000) also found that immigrants do not make choices based on the availability of health care services. When they surveyed 972 undocumented immigrants in El Paso, Houston, Fresno and Los Angeles, they found that half of the respondents cited work as the main reason for immigrating. They also found that adult undocumented immigrants hardly ever used any public programs and occasionally sought out public programs for their children. The study conducted by Berk et al. is one of the few existing studies with reliable survey data specifically about the undocumented population.

In addition to the research, there have been several states that have been moving towards making health care more accessible to all. Yang and Wallace (2007) studies the expansion of health insurance in California and found that it was unlikely to act as a magnet for undocumented immigration. Gray and van Ginneken (2012) came to a similar conclusion in a paper regarding health care for undocumented immigrants in Europe. Both studies found that employment opportunities and family reunification were the primary motivator for legal and undocumented immigration. They find that there is little empirical evidence to support the argument that health care is a "welfare magnet" and that moving away from this framework is best as it has prevailed for many years and has never been a sufficient argument for immigration when held alone.

A Kaiser Family study supports these claims. They found that approximately 83 percent of noncitizen immigrants live in working families. Many of these immigrants work in low-wage jobs that do not offer health care or they do not meet citizenship or residency qualifications to access existing public health care options. As a result, immigrants have significantly lower per capita health care expenditures than citizens due to these barriers to care. The study found that in 2005, the average annual per capita health care expenditure for a noncitizens was $1,797 versus $3,702 for citizens. In other words, immigrants spend less on health care because they have less access to health care

As these final studies find, the existing research does not support the claim that "welfare programs" or generous health care services serve as a magnet for immigrants. Immigrants are going to make locational choices based on where they will have the best access to jobs and are more likely to have a social network. In fact, most immigrants are likely to take a job even if they are not going to get any benefits, especially health care.

# Conclusion

In this report, we compare the current health care coverage and costs in Colorado to what Hispanic families would pay under ColoradoCare into which all workers would pay 3.33 percent of their income. This requires calculating what Hispanics, including Hispanic immigrants, families, currently pay in out-of-pocket costs as well as annual premiums for health insurance. For many Coloradans, paying 3.33 percent of income will be less than they currently pay in monthly health insurance premiums and out-of-pockets costs (deductibles, copays, etc.) when they use medical services. The savings from ColoradoCare are even more pronounced for Hispanic households in Colorado given the unique income distribution of the population. Approximately 87 percent of Hispanic households will pay less under ColoradoCare than they do today.

However, current data sets do not collect information from undocumented populations. To learn more about this population, CFI distributed a survey to community partners and was able to also determine costs and answer questions regarding access. According to the survey, many Latinos and Hispanics do not have great access to health care. For citizens, lawfully present noncitizens and undocumented immigrants, there is a great lack of access due to lack of coverage and concerns regarding affordability. In addition, many undocumented immigrants currently do not qualify for any public health coverage and cannot afford private health coverage. Many were also confused about how to access care and where to go.

In regard to cost, undocumented immigrants and some of those covered under public health insurance could pay more under ColoradoCare than they do currently. However, for many of those who are uninsured, the increase in cost is going to result in coverage, which is very important in ensuring that people get the care they need when they need it.

Whether ColoradoCare passes muster at the ballot in 2016 or not, this research shows that many Hispanic and Latino Coloradans, including immigrants, will pay less under ColoradoCare than they do under the current system. Even Coloradans currently without insurance who pay nothing in health insurance premiums would pay less under ColoradoCare than they do today in out-of-pocket costs. Coloradans with public health coverage, like Medicaid, could end up paying more under ColoradoCare if a process is not developed to rebate or exempt low-income people from the Health Care Premium tax on payroll. Finally, while undocumented Coloradans could pay more under ColoradoCare than they do today for the limited health care services that they seek today, they would likely have expanded access in the new system.

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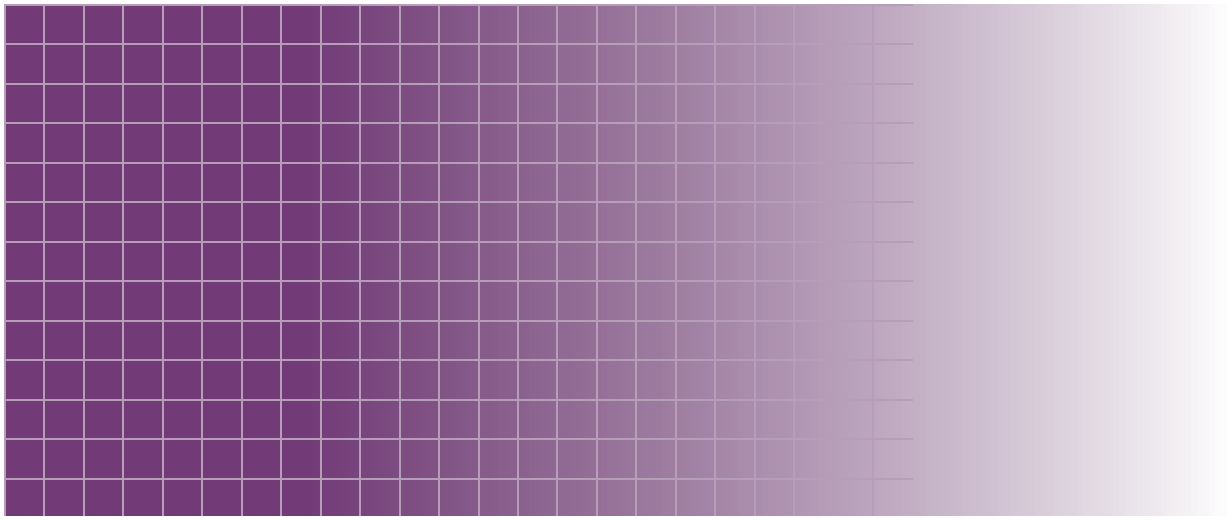

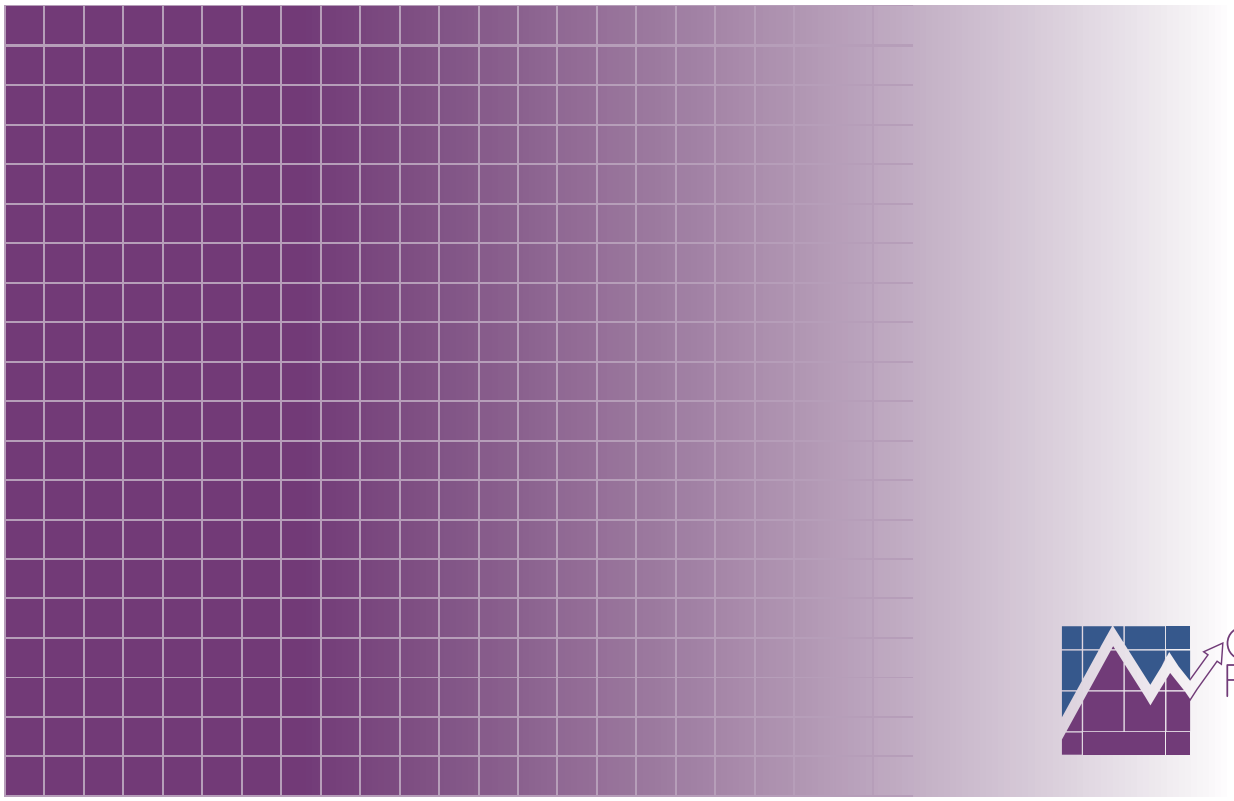

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