



Colorado Health Policy Coalition

Senator Michael Bennet
Senator John Hickenlooper
Representative Diana DeGette
Representative Joe Neguse
Representative Jeff Hurd
Representative Lauren Boebert
Representative Jeff Crank
Representative Jason Crow
Representative Brittany Petterson
Representative Gabe Evans

Honorable Members of Colorado's Congressional Delegation:

The Colorado Health Policy Coalition, a cross-sector coalition of 80+ organizations, strongly urges Colorado's congressional delegation to **oppose cuts to our Medicaid program**. You can't get \$880 billion in cuts without taking health care away from seniors, children, and people with disabilities. Make no mistake, the proposed Medicaid cuts will terminate health care for hundreds of thousands of Coloradans, close Colorado hospitals and clinics, and eliminate thousands of jobs in communities across the state. These Medicaid cuts are unpopular¹ among voters on both sides of the aisle and will devastate your constituents.

Medicaid Cuts Hurt Colorado's Economy and Trigger Job Losses in Your Legislative Districts

At the state level, Medicaid spending generates economic activity, including jobs, income, and tax revenues. Federal Medicaid matching dollars support jobs and generate income within the health care sector and throughout other sectors of the economy due to the multiplier effect. Decreases in funding reduce the flow of dollars to hospitals, nursing homes, community health centers, home health agencies, and pharmacies, and reduce the amount of money circulating through the economy, affecting employment, income, state tax revenue, and economic output.

- The proposed Medicaid cuts would **eliminate at least \$27.2 billion in federal funding** from Colorado over the next five years² and threaten the state's financial stability at a time when Colorado is facing a \$1.2 billion shortfall.

¹Cutting Medicaid is widely unpopular and has a political impact. Two surveys found a majority of voters say they would be less favorable toward their member of Congress if they voted to cut \$880 billion from Medicaid. Each survey reached a total of 800 likely voters in 2026 nationwide.

Another survey conducted in February 2025 of 1,201 voters found that over 66 percent of Americans, including 55 percent of Republicans, have a favorable opinion of Medicaid. Voters agree that it is important to prevent harmful cuts to Medicaid that would reduce health care access.

²<https://cha.com/wp-content/uploads/2025/02/CO-Impact-of-Cuts.pdf>

- For every \$1 million in federal funding cut from Medicaid, Colorado loses \$2.25 million in economic activity, 13,000 jobs, and \$825,000 in household earnings.³
- If proposed cuts to Medicaid are enacted, Colorado could lose 12,000 jobs in 2026. The state's gross domestic product could shrink by nearly \$1.3 billion. The loss of state and local taxes could be \$82 million next year.⁴

District	Avg. Medicaid Enrollments Based on Counties	Percent of Population Enrolled in Medicaid	Amount of Medicaid Funding/ Investment	Total Hospital Fee (CHASE) Supplemental Payments*	Medicaid Fact Sheets by Colorado District (CD)
1	211,721	29%	\$2.2B	\$327M	Impact of Medicaid Cuts: CD 1
2	115,634	16%	\$680M	\$148M	Impact of Medicaid Cuts: CD 2
3	228,019	31%	\$1.7B	\$274M	Impact of Medicaid Cuts: CD 3
4	119,814	16%	\$731M	\$150M	Impact of Medicaid Cuts: CD 4
5	178,644	24%	\$1.8B	\$196M	Impact of Medicaid Cuts: CD 5
6	176,847	24%	\$2.8B	\$427M	Impact of Medicaid Cuts: CD 6
7	128,990	18%	\$969M	\$103M	Impact of Medicaid Cuts: CD 7
8	214,218	29%	\$881M	\$128M	Impact of Medicaid Cuts: CD 8

* Under the CHASE program, the Department of Health Care Policy and Financing (HCPF), Colorado's Medicaid agency, assesses a hospital provider fee to increase hospital reimbursement for care provided to Medicaid members and uninsured Coloradans and to increase the number of Coloradans with health coverage through Health First Colorado (Colorado's Medicaid program) and the Child Health Plan Plus (CHP+). These payments are in addition to the amount paid to providers for services provided to members. More details can be found in the [Medicaid by Congressional District](#) fact sheets.

Source: [CO Medicaid Insights & Potential Federal Medicaid Reduction Impact Estimates](#)

³<https://coloradohealth.org/sites/default/files/documents/2025-02/The%20Economic%20Impact%20of%20Medicaid%20Disenrollment%20in%20Colorado%202025.pdf>

⁴<https://www.commonwealthfund.org/publications/issue-briefs/2025/mar/how-cuts-medicaid-snap-could-trigger-job-loss-state-revenue>

Medicaid Cuts Will Close Hospitals & Clinics in Your Communities

Colorado's health care sector generates \$148 billion of economic output and supports 744,000 jobs—nearly 1 in 5 jobs—statewide.⁵ Health care providers are top employers and economic drivers in our communities. Terminating health coverage drives up uncompensated care to unsustainable levels and eliminates health care providers as economic drivers for the state and local communities.

At the height of the Medicaid unwind, 675,000 Coloradans were disenrolled from Medicaid, rates of uncompensated care skyrocketed, and our health care safety net plunged into crisis.⁶ Colorado hospitals experienced a 50% increase in patients without insurance seeking care in the emergency department. Colorado's safety net primary care and dental clinics reported a 25-50% growth in uninsured patients, and community mental health centers saw a 50% increase in the uninsured rate.

Colorado's safety net providers already operate on razor-thin margins. The Medicaid unwind led to a significant increase in uncompensated care costs, resulting in service reductions, layoffs, and clinic closures. Additional cuts to Medicaid only add fuel to the fire. **All of the proposed federal cuts to Medicaid will terminate coverage for Coloradans**, further increasing uncompensated care costs, causing an already frayed safety net to dissolve completely, and leaving Coloradans with no place to go for care and devastating our local economies.

Rural Communities Will Be Hit the Hardest

Medicaid is vital for our rural communities, providing coverage for over 30% of Coloradans in some rural counties. One rural physician creates about 26 additional jobs, worth nearly \$1.4 million in income.⁷ Rural providers and hospitals need Medicaid to keep their doors open; cutting Medicaid will put our safety net providers at risk of closure, leaving many without care.

37.4% of rural Colorado kids get health coverage through Medicaid, aka Health First Colorado.⁸ Proposals to cut or cap Medicaid spending in Colorado would leave thousands of kids in our lowest-income families – in rural areas and across the state – without health coverage.

“Cuts to Medicaid will ensure that more hospitals close down or don't provide maternity care. Real people will die.”

-Dr. Mandy Swanson, a family physician who works in La Junta on Colorado's Eastern Plains

Rural hospitals, many of which operate on tight margins, could be at risk of closing their doors if deep cuts are made. [Twenty-one hospitals in rural Colorado](#) are currently operating at a loss. Rural counties with hospital closures saw meaningfully lower annual growth in employment and aggregate wages three years after the closure than counties without hospital closures.⁹

⁵ [Diagnosis of Colorado's Healthcare Industry: Impact and Competitiveness Are Significant, but Warning Signs on the Rise](#), Common Sense Institute, January 2025

⁶ <https://www.saveoursafetynet.org/>

⁷ [Snapshot of Rural Health | Colorado Rural Health Center \(coruralhealth.org\)](#)

⁸ https://www.datawrapper.de/_/QHCze/

⁹ [Economic Bulletin, Federal Reserve Bank of Kansas City, July 2019](#)

Regardless of how the proposed cuts are framed, **all of the Medicaid cuts will terminate coverage for Coloradans** fighting cancer, seniors in nursing homes, pregnant women, children, veterans, and people with disabilities.

✗ Cutting Provider Fees Means Gutting Coverage

The federal and state governments jointly finance the Medicaid program. Colorado's "provider fee," aka the Colorado Health Care Affordability and Sustainability Enterprise (CHASE), helps Colorado finance the non-federal share of our Medicaid program, funds our Medicaid Buy-In program for Working Adults with Disabilities, and keeps the doors open at our rural hospitals.

- Terminating hospital provider fees will **terminate health care for as many as 377,019 Coloradans**.
- Lowering the provider fee threshold to 4% would **cut Colorado by \$11 billion over 10 years**.¹⁰
- The economy would feel the costs, families would go bankrupt, and hospitals and other providers would be left with increased uncompensated care costs.

✗ FMAP Changes Disproportionately Slash Colorado (~\$900M to \$2.5B)

The Federal Medical Assistance Percentages (FMAP) determines the federal matching rate paid to states.

- With the elimination of the FMAP floor, Colorado's share of Medicaid FMAP would be reduced from 50% (the current floor) to an estimated 36.63%. Eliminating the FMAP floor would cost Colorado **~\$900 million in fiscal year (FY) 25-26 and ~\$1.5 billion in FY 26-27**.
- Reducing the current 90% match for the expansion population to Colorado's 50% matching rate would take **\$1B in federal funds away from Colorado** and cause **377,019 Coloradans to lose health care**.¹¹

✗ Medicaid Per Capita Cap Forces Deep Cuts and Shifts Costs to States

Per capita caps on federal Medicaid funding and Medicaid block grants dramatically change Medicaid's funding structure, deeply cutting federal funding, and shifting costs and financial risks to states. The [Congressional Budget Office \(CBO\) estimates](#) that federal funding reductions of this magnitude would cause states to slash Medicaid coverage and benefits and cut provider payments. Implementation of per capita caps would reduce **federal Medicaid funding in Colorado by \$1.34 - 1.51 billion annually**.¹²

¹⁰<https://cha.com/wp-content/uploads/2025/02/CO-Impact-of-Cuts.pdf>

¹¹<https://hcpf.colorado.gov/sites/hcpf/files/HCPF%20CO%20Medicaid%20Insights%20and%20Potential%20Federal%20Reduction%20Impacts%204.3.25.pdf>

¹²Ibid.

✗ Work Reporting Requirements Increase Wasteful Spending in Government

92% of people on Medicaid are working, going to school, have a disability, or provide ongoing care for a family member.¹³ Evidence has consistently demonstrated that requiring Medicaid enrollees to prove they are working or to report hours worked does nothing to increase work.¹⁴ Instead, such requirements kick hardworking individuals off of the Medicaid assistance for which they are eligible. Medicaid “work requirements” require every state to develop an entirely new administrative system to identify, track, and document those who must meet work requirements and those who are exempt, and track them monthly. **The states that have tried implementing work requirements have spent tens of millions on administrative red tape.**¹⁵

- In Arkansas, [nearly half](#) of the population targeted by work requirements reported never hearing of the policy or were not sure it applied to them. [In Georgia](#), an average of \$13,000 was spent on each enrollee, primarily on implementing the eligibility and enrollment system “Gateway.”¹⁶ This resulted in **administrative costs being five times greater than healthcare spending**. Work requirements bureaucracy spends millions of dollars on tracking that could instead pay for health services that help people get and stay employed.
- Assuming similar administrative costs as Arkansas of \$152/enrollee, **Colorado’s administrative costs could be more than \$57 million.**¹⁷
- An estimated 377,000 Coloradans could lose Medicaid coverage.
- Counties could require 3,700 new case managers dedicated to Medicaid work requirements, nearly double the number of county workers who currently process Medicaid eligibility.

Colorado’s Economy Can’t Afford These Cuts

Proposed Medicaid cuts would only cut federal spending. Those costs will become the responsibility of state governments. This would bust state budgets, leaving them with fewer resources for other priorities like K-12 schools and public safety. Colorado’s constitutional Taxpayer Bill of Rights (known as TABOR) constrains state spending growth and eliminates our ability to fill the gap caused by federal cuts to Medicaid. **With a \$1.2 billion deficit in 2025-26, Colorado cannot fill the gap that federal Medicaid cuts will create in our state budget.**

Terminating Health Coverage Creates Economic Instability for Coloradans

Medicaid, also known as Health First Colorado, provides coverage for over 1.1 million Coloradans, including those with disabilities, older adults, individuals requiring nursing and in-home care, children, veterans, small business owners and entrepreneurs, and middle- and low-income working families.

¹³ <https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work-an-update/>

¹⁴ <https://www.brookings.edu/articles/congress-is-debating-stricter-snap-and-medicaid-work-requirements-but-research-shows-they-dont-work/>

¹⁵ <https://kffhealthnews.org/news/article/georgia-medicaid-work-requirement-red-tape/>

¹⁶ <https://healthlaw.org/resource/top-10-reasons-why-work-requirements-should-not-be-added-to-medicaid/>

¹⁷ https://hcpf.colorado.gov/sites/hcpf/files/Work_Requirements_Fact_Sheet.pdf

These are individuals who do not receive insurance through their job and cannot afford to pay for medical care out of pocket or purchase insurance. They are mothers with young children, caregivers, Uber drivers, delivery personnel, and wait staff. Even some health care workers have coverage through Medicaid.

61% of people receiving nursing home care in Colorado are covered through Medicaid. Many middle-class individuals rely on Medicaid, particularly to cover the costs of long-term care for their loved ones. Long-term care is cost-prohibitive, and there is no private market equivalent. Most Coloradans will need Medicaid for long-term care, especially if the need extends beyond a couple of years.

- Cutting Medicaid means abandoning seniors and bankrupting families.
- Many adults with Medicaid are very low income - making less than around \$30,000 a year for a family of 3.
- Over 30% of children are covered through Medicaid in 60 out of 64 Colorado counties, and over 40% of children are covered in 14 counties.
- The proposed Medicaid cuts would leave your constituents uninsured, living sicker, dying younger, and one emergency from financial ruin.
- Coloradans will face significant increases in medical debt and bankruptcies, struggle to pay for other life necessities like housing and food, and, without health care, may be too sick to work.

In Closing

We understand there are difficult budget decisions, but making rushed cuts to health care programs that cover 1 in 5 Coloradans is a bad idea. Medicaid keeps Colorado healthy. Medicaid fuels the economic well-being of communities and businesses statewide. Any cuts to Medicaid will eliminate jobs, create bad health that leads to job loss, and drain money out of our communities and local economies. These cuts don't reduce costs or improve care; they terminate health coverage for seniors, children, and people with disabilities.

We urge you to oppose *all* proposed cuts to Colorado's Medicaid program.

Instead, leverage the deep expertise and collaborative spirit of the Colorado Health Policy Coalition to identify meaningful opportunities for reforming health care in Colorado. We have ideas! We stand ready to help you consider the consumer, provider, and economic impacts of changes to health care. Our organizations have a long track record of working with lawmakers to make iterative yet transformative changes to our health system. We look forward to speaking with you soon!

Respectfully,

All Families Deserve a Chance Coalition
American Academy of Pediatrics, Colorado Chapter

American Lung Association in Colorado
Arkansas Valley Regional Medical Center
Bayaud Enterprises
Bell Policy Center
Boulder County
Carin' Clinic
Caring for Colorado
Center for Health Progress
Center for Improving Value in Health Care
Children's Hospital Colorado
Christian Healing Network DBA Mission Medical Center
Chronic Care Collaborative
Clinica Colorado
Cobalt Advocates
Colorado Academy of Family Physicians
Colorado Access
Colorado Alliance for Health Equity and Practice
Colorado Association of Family Medicine Residencies
Colorado Association of Local Public Health Officials
Colorado Behavioral Healthcare Council
Colorado Center on Law and Policy
Colorado Chapter, American College of Physicians
Colorado Children's Campaign
Colorado Coalition for the Homeless
Colorado Community Health Network
Colorado Consumer Health Initiative
Colorado Cross-Disability Coalition
Colorado Fiscal Institute
Colorado Hospital Association
Colorado Immigrant Rights Coalition
Colorado Latino Leadership, Advocacy & Research Organization (CLLARO)
Colorado Medical Society
Colorado Melanoma Foundation
Colorado Organization for Latina Opportunity and Reproductive Rights (COLOR)
Colorado Rural Health Center
Colorado Safety Net Collaborative
Colorado Social Legislation Committee
Colorado Village Collaborative
Community Dental Health
Community Economic Defense Project (CEDP)

Counties & Commissioners Acting Together (CCAT)
Denver Health and Hospital Authority
Denver Indian Health and Family Services, Inc. (DIHFS)
Doctors Care
Ebert Family Clinic
Every Child Pediatrics
Family Voices CO
Front Range Pediatric Therapies
Good Samaritan Free Clinic of Western Colorado
Grand Avenue Dental
Health Colorado, Inc.
Healthier Colorado
Human Services Network of Colorado
Hunger Free Colorado
Immunize Colorado
Jefferson Center for Mental Health
Jura Health
Kids First Health Care
La Clinica del Pueblo/The People's Clinic
Lakewood Connects
Lupus Colorado
Mental Health Colorado
Mutual Aid Monday
Northeast Health Partners
Paragon Behavioral Health Connections
Planned Parenthood of the Rocky Mountains
Rocky Mountain Multiple Sclerosis Center
Rose Community Foundation
SEIU Local 105
Small Business Majority
Southeast Colorado Hospital District
St. Benedict Health & Healing Ministry
St. Francis Center
The Delores Project
The Kempe Foundation
Tri-County Health Network
Youth Healthcare Alliance
Young Invincibles