

Understanding the Child Health Plan Plus Budget: Matching Funds Overview

May 2020

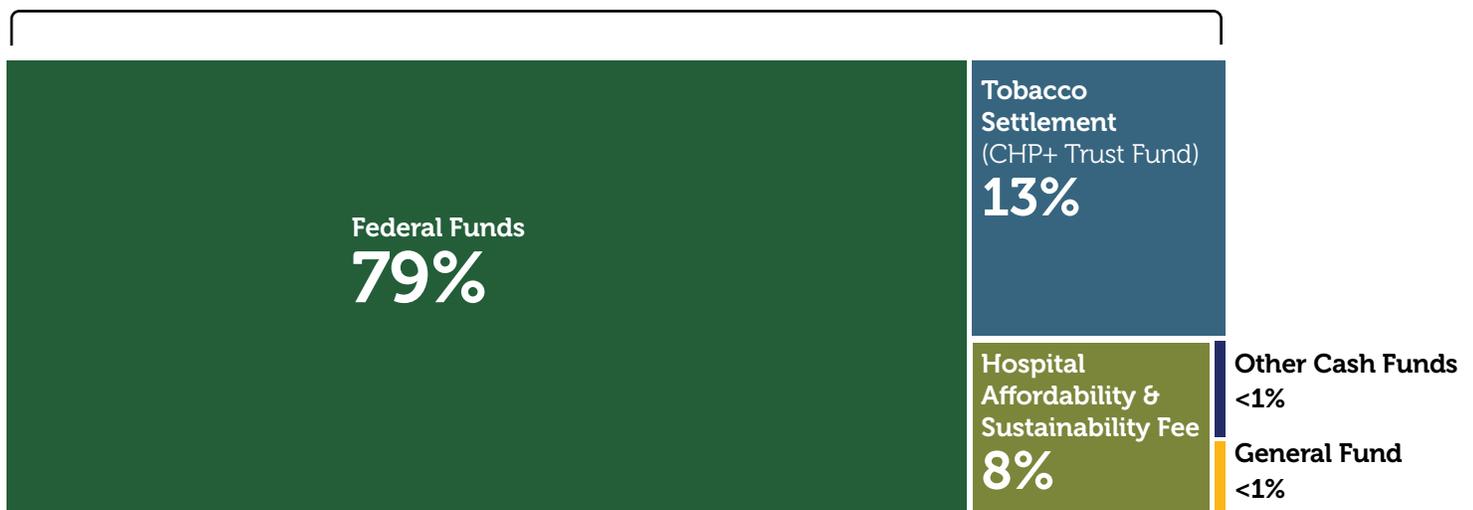
Child Health Plan *Plus* (CHP+) is public low-cost health insurance for kids and pregnant women whose families earn too much to qualify for Health First Colorado (Colorado’s Medicaid Program), but not enough to pay for private insurance.

In recent years, the Colorado General Assembly enacted laws that allow hospital provider fees and tobacco settlement money to pay the State’s share for certain populations in order to reduce the burden on the General Fund. Currently, less than 1% of the Department’s budget appropriation for CHP+ is from the General Fund. As the federal match rate goes down, the Department will need General Fund to support the program, projected at about 10% of total costs in fiscal year 2020-21.

Department Budget Forecast by Fund

Fiscal year 2019-20

Total funds \$183 million*



*Based on February 2020 forecast of expenditure for services delivered through the CHP+ program

Temporary COVID-19 Funding

As a result of the novel coronavirus disease (COVID-19) public health emergency, the federal government is providing states a temporary 4.34% increase to its matching rates, temporarily reducing the amount of State General Fund required to fund these programs.

For more information, visit [Colorado.gov/hcpf](https://colorado.gov/hcpf).

Federally Funded

Through the Affordable Care Act (ACA), the federal match rate for the CHP+ program in Colorado increased from 65% to 88%. This enhanced rate will revert to 65% gradually by federal 2021 fiscal year, in fiscal year 2019-20 the federal matching rate is approximately 80%. Federal funding for CHP+ is guaranteed through the federal 2027 fiscal year.

Funding Overview

An overview of populations covered by Child Health Plan *Plus* and their General Fund impact is below. More detailed information about the Department's budget is available at [Colorado.gov/hcpf/budget-1](https://colorado.gov/hcpf/budget-1).

Annual average enrollment of 75,865

Children Ages 18 & Younger



Total Cost:
\$173,607,049

STATE About 20% of the funding to cover children whose parents make 143% to 260% of the Federal Poverty Limit (FPL) is paid for by the State General Fund, primarily cash funds; which is about \$36,783,783.

FEDERAL Federal funds pay 80%, about \$136,823,266.

Temporary
COVID-19 Enhanced
Federal Matching*

INCREASES
BY 4.34% TO
80.84% of the
total cost of
coverage.

Annual average enrollment of 876

Pregnant Women Up to 60 days post-partum



Total Cost:
\$9,606,472

STATE About 20% of the funding to cover pregnant women who make 200% to 260% FPL is paid from state funds, primarily cash funds; \$1,980,855.

FEDERAL Federal funds pay 80%, about \$7,625,617.

INCREASES
BY 4.34% TO
80.84% of the
total cost of
coverage.

*The timing and duration of the temporary increase will be determined by the federal government