The Colorado Health Foundation™



Don’t Terminate Health Care for Coloradans

Medicaid: A Cornerstone of Health and Economic Security

Since its establishment in 1965 as part of President Johnson’s Great Society programs, Medicaid has served as the nation’s largest source of funding for health care for individuals living on low-income. Designed as part of Johnson’s 'War on Poverty,’ these programs aimed to leverage the power of the federal government to address economic inequality. Today in Colorado, more than 1.3 million people —22% of the state’s population—receive their health coverage through Health First Colorado (Colorado’s Medicaid program), the Child Health Plan Plus (CHP+) and other health care programs.

Medicaid is more than just health coverage. It’s a lifeline for millions of people. It ensures care for seniors in nursing homes, children, veterans, individuals with disabilities and those battling serious illnesses. Medicaid covers 61% of Coloradans in nursing homes, 39% of Colorado children and funds 44% of all births in the state. Medicaid helps 1 in 3 kids get early screening and detection services so that developmental delays and health challenges like asthma can be managed. It allows people to access regular check-ups, see a doctor when they’re sick, visit the emergency room, receive mental health care and get necessary prescriptions.

Despite its profound impact, Medicaid is under threat. Proposals in Congress to slash funding by at least $880 billion would strip millions of Americans of coverage—and Colorado would be one of the hardest-hit states. According to the Robert Wood Johnson Foundation, our state stands to lose over $1 billion in federal funds. This would be catastrophic, not only for those directly impacted but for Colorado’s economy and health care system as a whole.

The Medicaid Unwind and Economic Ripple Effects

Following the end of the COVID-19 Public Health Emergency, Medicaid enrollees were required to go through a redetermination process. This process resulted in hundreds of thousands of Coloradans losing their health coverage, often for procedural reasons like missed deadlines or paperwork errors.

The Colorado Health Foundation, in partnership with the Colorado Futures Center at Colorado State University, assessed the economic consequences of these disenrollments. The analysis found that disenrollments of eligible individuals lead to a shrinking state economy, reduced household earnings and fewer jobs. Any change in federal funding or to the structure of Medicaid would have far-reaching and profound implications for the state's economy. The bottom line is that reductions in Medicaid coverage don't just impact individuals—it affects all of us.

Data from the 2024 Pulse Poll reinforces this concern. Forty-three percent of Coloradans reported postponing necessary medical or dental care in the past year, primarily due to cost and access barriers. The situation is even more dire for uninsured residents and those covered by Health First Colorado, who experience significantly higher rates of food and housing insecurity. Alarmingly, 70% of these individuals report financial hardship, compared to 37% of the general population.

Cuts Would Undermine the Entire Health Care System

Medicaid funding is vital to the proper functioning of the entire health care system. In many communities, particularly rural areas, Medicaid reimbursements are vital to keeping clinics and hospitals open. These payments allow providers to offer care not just to Medicaid members, but to the broader public. When funding is cut, providers are forced to reduce services, lay off staff or shut down altogether. A hospital closure in a rural community isn't just a health care crisis—it's an economic one, with ripple effects harming small businesses, families and local economies.

Health care is a major economic driver in Colorado, accounting for more than 5% of our total economic activity and 9% of statewide employment. Its economic multiplier is among the highest of any industry, meaning health care dollars recirculate through the economy and generate additional economic activity. When we invest in health care, we strengthen our state's economic foundation.

We Must Protect What We've Built

The Colorado Health Foundation is committed to improving the health of all Coloradans through community engagement, research, grantmaking and investment. Ensuring access to affordable, high-quality health care and consistent health insurance coverage is central to this mission.

We cannot allow decades of progress to be undone by shortsighted budget cuts. The stakes are too high—not just for the millions of people who rely on Medicaid, but for the health, stability, and future of Colorado itself.

Additional Resources:

- Letter to Colorado's Congressional Delegation
- Report: The Economic Impact of Medicaid Disenrollment in Colorado
- Medicaid Messaging Brief

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