



Health Matters –E-Newsletter

November 18, 2008

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1. Medicaid enrollment skyrocketing and program faces \$20 million budget shortfall— Stories, full court press needed to preserve program services and eligibility

The economic downturn has finally hit Utah. Its impact can be seen in the declining tax revenues for the state. But the impact can also be felt in increased utilization of safety-net programs like Medicaid. Last month saw the largest increase in Medicaid enrollment, nearly 3,000 individuals, since March of 2004 and the program has seen over 9% growth, over 13,000 individuals, since the beginning of the year. Thus Medicaid finds itself in a familiar counter-cyclical bind: as the economy continues its downward spiral, the state is left with diminished revenues to pay for the increase in Medicaid eligibility. The Department of Health estimates that a \$20 million supplemental building block will be required to handle Medicaid enrollment growth for the rest of fiscal year—never mind what it might cost to restore services or reimburse providers to levels that will ensure timely access to care.

Utah Medicaid was severely underfunded going into this economic downturn and ill-prepared to handle the increased need for the program. Exasperating the situation has been the Legislature view of Medicaid as a place to cut to balance the state budget. While enrollment in Medicaid has increased, the state has trimmed \$33 million from the program's budget and eliminated critical services for adults like physical therapy, occupational therapy, and eyeglasses. Unfortunately, the Legislature will be looking towards Medicaid for additional cuts during the session—unless we step in to help them understand the critical role Medicaid plays in helping families weather the economic storm.

The Utah Health Policy Project is preparing a number of policy proposals that will make Medicaid more cost efficient and yield savings that can be reinvested to preserve services and eligibility. But we cannot do it alone.

In order to ensure that Medicaid remains viable and can continue to meet the needs of Utahns currently on the program and future Utah families who become eligible due to the slowing economy, we need you to get involved. There are several ways to do so:

1. Share Medicaid and health care stories. We need Utahns to tell their legislators and members of Congress that Medicaid is not a black hole of money; Medicaid is about the Utahns who rely on it to meet their medical needs and, in many cases, to stay alive. Providers and individuals willing to share their story about the need for vision care, physical therapy, dental care, and trouble accessing primary care are of particular importance. If you have story, send email to: jessica@healthpolicyproject.org
2. Sign up for our free “Ten-Minute Advocacy Training.” Advocacy is already part of your life. Most of us do it everyday. Our advocacy training will give you the tools you need to be a more effective advocate for the needs of Utah’s families.
3. Join the Utah Medicaid Policy Partnership (UMPP). The UMPP is a group of health care providers, advocates, research analysts, and professionals working on cost containment ideas to help the state strengthen the state’s Medicaid program.

Please contact Lincoln at lincoln@healthpolicyproject.org or Jessica at jessica@healthpolicyproject.org

2. UHPP Tapped for Leadership Role in National Health Reform Effort

The Robert Wood Johnson Foundation (RWJF) and Community Catalyst recently announced that Utah and 5 other states – Iowa, North Carolina, South Carolina, Tennessee, Texas – will join their Consumer Voices for Coverage (CVC) initiative. CVC provides concentrated technical assistance and funding to support the crucial role of state-level consumer advocates’ in expanding innovative and comprehensive health care.

Utah Health Policy Project (UHPP) has been selected to lead the effort in Utah and will engage the state’s community and business leaders in the push for reform at the national level. According to UHPP and its coalition partners, the agency’s work on the national front will complement and enrich reform efforts underway at the state level. “The timing of this opportunity is just right. Utah has started down the path of health system reform; but to move forward we will need significant leadership and resources from the national level. True reforms call for significant upfront investments—yet the state is looking at deficits as far as the eye can see,” said UHPP Executive Director Judi Hilman, “Federal laws must also be modernized to give states the latitude to equalize the burden of coverage among employers. Finally and most importantly, the CVC program will help us build the broad coalition that is needed to create the political will for lasting reforms.”

As co-convener of the Community Workgroup of the state legislature’s Health Reform Task

Force, UHPP held satellite meetings in 13 different cities and towns around Utah, engaging hundreds of individuals and organizations. Participants reached strong consensus around the need for bold reforms designed to expand access, control costs, and improve quality.

“The CVC grant is timely in another respect,” says UHPP Coverage Initiatives Director Elizabeth Garbe. “The current economic downturn should not be an obstacle to reform; rather, it underscores the need to make significant changes to our health care system. As families lose their jobs or employers find they have to drop benefits, individuals and families will need help in accessing health care and coverage. Health care is essential to the financial stability of Utah families and therefore cannot wait to be fixed until better times.”

The program was initiated by the Robert Wood Johnson Foundation and Community Catalyst, a national non-profit consumer health advocacy organization headquartered in Boston, coordinates the effort nationwide. The 2-year grant includes technical assistance and close collaboration with other states that are at the forefront of health system reforms. The six states will be joining the original 12 CVC states: California; Colorado; Illinois; Maine; Maryland; Minnesota; New Jersey; New York, Ohio, Oregon; Pennsylvania and Washington.

Comprehensive health care reform has received a lot of attention in recent months. What remains to be seen is whether the new Congress will be committed to bi-partisanship in the reforms. UHPP plans to encourage bi-partisanship in health reform and to engage Utah’s congressional delegation to create reforms that resonate with Utah values and build on the state’s strengths as the highest quality, most efficient, and cost-effective health care system in the country. “If we’ve learned anything from the failures of past reform efforts, it is that reforms must be truly bi-partisan to succeed,” says Hilman. “CHIP, for instance, is a resounding success, and largely because of the substantive input and buy-in from both sides of the aisle.”

3. Health Reform Task Force Proposed Policy Recommendations

Last week the Health Reform Task Force met to discuss possible legislation for the 2009 legislative session. Whether due to the budget deficit or to the lack of political will, the proposed legislation is not the comprehensive package the Community Workgroup or others hoped to see. Ideas on the table include:

- Allowing insurers to sell insurance products that are free from state mandates, otherwise known as patient protection laws.
- Moving to a defined contribution system where employers give employees a set amount of money to purchase their own health insurance. This is different from a defined benefit package where the employer decides what type of coverage to provide the employee.
- Increasing transparency in the market so that consumers know where their money is going and can be better purchasers.
- Creating a new market through the states new internet portal.
- Simplifying administration on the part of insurers, providers and hospitals.
- Facilitating payment reform to realign incentives in the system.
- Requiring state contractors to provide health insurance to their employees.
- Amending and reviewing current medical malpractice laws.

To see a full list of the proposed legislation [click here](#) and go to the Related Materials from the November 11 meeting. The package of bills may be a step forward, yet there are many questions and risks that need to be weighed:

- Patient protection laws or mandate-lite insurance products may bring costs down initially, but is the trade-off worth it? There are a variety of patient protection laws that have been enacted at both the state and federal level. Utah has very few patient protection laws that go beyond the federal laws. These laws typically address:
 - Size and scope of provider networks,
 - Range of covered benefits,
 - Procedures essential to access covered benefits, and
 - Financial incentives used by managed care plans to affect provider behavior.Ultimately, patient protection laws aim to improve care and protect consumers. In Utah the laws are specific to ensuring people have access to necessary benefits and providers, which in turn reduces cost shifting.
- A defined contribution system in theory sounds good, but there is a risk that employees will not be able to afford the coverage and care they need. Also, depending on how the risk rating system is set up, some people may become uninsurable.
- National researchers also caution against implementing markets with different rules. If the portal market has different rules than the individual and small group markets adverse selection can occur, which will cause one of the markets to fail.

These and other concerns need to be weighed as we move forward with reforming Utah's health system. UHPP will be analyzing the proposed policy solutions to ensure well meaning bills do not ultimately harm individuals and families and will continue to advocate for more comprehensive reforms. The Task Force will meet once more to review proposed legislation. This meeting will be on [December 16 at 8am in the Capitol room C250](#)

4. Affordability Study Recommendations

Before we can envision a health care system that includes all Utahns, we must determine what is reasonable to expect an individual or family to spend on health care. Research shows that if costs are unaffordable, families will go without otherwise cost-effective care.

Health care costs have escalated to unmanageable levels, for individuals, families, and employers. Many Utahns now can no longer afford health coverage and are having to go without. In an effort to explain the factors that affect families' ability to afford health insurance, UHPP has prepared [recommendations for conducting an affordability study](#).

This report includes statistics about the number and make-up of uninsured Utahns, the effect of increased costs on businesses, and the increased demand for public assistance programs. Community members have asked for such a study to help determine what *affordability* actually means to an individual and family in Utah. Many states have already done an affordability study, so there are many resources Utah can utilize. This [report](#) outlines available resources and recommends parameters for a Utah study.

5. Call for Health Care Stories!



*Are you an adult on Medicaid who lost your physical/occupational therapy or vision coverage?
Do you struggle as a small business owner to provide health insurance?
Are you uninsured or are being priced out of the private health insurance market?
Do you find that having health insurance doesn't guarantee timely access to the care you
actually need, or are you underinsured? Has the economic downturn caused your employer to
drop coverage or to pass on more of the cost of coverage to you and your family?*

Everyone either has a health care coverage story or knows someone with a story. We need your help to collect enough stories to give one to every legislator every day during the upcoming legislative session. Your story will show policymakers the faces behind Utah's health care crisis and help them understand the urgent need for reform.

We want to hear your story! There is hope, but only if YOU take action now!
To share your health care coverage story with UHPP, contact Jessica Kendrick at 801-433-2299
or Jessica@healthpolicyproject.org

[Click here to read some of the other stories we have collected](#)

6. HHS Interim, Wednesday, Nov. 19th at 2pm in room C250 (Capitol)

HHS Interim is trying to wrap up its work before the beginning of the General Session and has an enormous agenda. [The full agenda can be read here](#). Not to be lost in the long list of business are a number of items of particular importance to health reform and public health coverage programs.

1. Health Underwriters will present on a internet based effort to promote Utah's public health programs to individuals who do not qualify for private coverage
2. The committee will look at medical malpractice arbitration agreements. Medical malpractice reform is a primary first-year goal of the Health System Reform Taskforce.

7. Workforce Services and Community Economic Development Interim, Nov. 19th at 9am in

room C250 (Capitol)

Workforce Services will receive a report from Immigration Interim Committee and a report from UCAPA on community based services block grants. Health issues are on the list of issues under consideration by the Immigration Interim Committee.

[The committee's full agenda can be read here.](#)

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