

# HEALTH MATTERS... ON THE HILL



## Health Matters –E-Newsletter Legislative Preview Edition

January 23, 2009

1. [Medicaid Budget Crisis: Where we stand and next steps](#) (Next UMP meeting: Jan 28<sup>th</sup> from 1:15 to 2:00, Utah State Capitol Olmstead Room)
2. [State Health System Reform: Where Are We?](#)
3. [UHPP Health Action Center](#)
4. [Tools and Tips to make the best of the '09 Legislative Session](#)
5. [Register Today for UHPP Health System Reform Conference: Feb 3<sup>rd</sup> from 9:00 to 2:30](#)

### 1. Medicaid Budget Crisis: Where we stand and next steps

#### Utah Medicaid Partnership meets Wednesday, January 28, 1:15pm to 2pm, State Capitol, Olmstead Room

The Utah Medicaid Partnership will meet again *this Wednesday Jan. 28th* to discuss next steps in addressing the Medicaid budget crisis. Please RSVP to [lincoln@healthpolicyproject.org](mailto:lincoln@healthpolicyproject.org) if you're able to attend.

This week the HHS Appropriations Committee made its 15% cut recommendation to Executive Appropriations. While the Committee recommendations improved greatly from their first draft proposal, Medicaid still takes an enormous hit.

The committee recommended the following harmful cuts in Medicaid and other vital health and human services, including:

1. Rolling back eligibility for Age, Blind, and Disabled from 100% to 75% of poverty;
2. Reducing Utah's Medically Needy or Spend Down eligibility from 100% of poverty to 44% of poverty;
3. Eliminating 45 day presumptive Medicaid eligibility to pregnant women;
4. Lowering the asset test for pregnant women from \$5,000 to \$3,000;
5. Large reductions in provider and hospital reimbursement rates.
6. Reduced funding for the State Primary Care Grants Program

7. Elimination of the Workforce Financial Assistance Program
8. Reduced funding for the Center for Multicultural Health

[Click here for detailed descriptions](#) of proposed cuts and for talking points to protect these programs.

There are many problems with these proposed cuts including:

- Given the bare-bones, minimalist nature of Utah's Medicaid program, cutting any deeper, even into provider reimbursement rates, will shift costs to other parts of the health care system. This cost is ultimately passed along to all of us in the form of higher premiums—making it even more challenging for employers to provide coverage to their employees.
- Cuts to eligibility and eligibility standards will disqualify Utah for federal economic recovery money designated for Medicaid. This could mean a loss of around \$300 million additional dollars to Utah
- The need for Medicaid is counter-cyclical. With unemployment in the state skyrocketing, now is the time for Medicaid to do its job by helping those in need stay healthy and bridge this economic downturn.
- Many of the cuts proposed would undermine the goals of health system reform.

### Next Steps!

#### 1. Contact Executive Appropriations Members!

The Executive Appropriations Committee will be meeting next week to decide whether to adopt HHS Appropriations' recommendations and what programs to restore using one-time money realized from bonding or dipping into the state's rainy day fund. ***It is important to contact members of Executive Appropriations THIS WEEKEND and tell them how vital Medicaid is to the physical and economic health of Utah!*** A list of Executive Appropriations members and their contact information can be [found here](#).

#### 2. Endorse the Utah Medicaid Principles and use them as talking points!

UMP has developed a set of principles to help legislators manage decisions around Medicaid. The principles can be [found here](#). Please endorse as an organization or as an individual ASAP by emailing [lincoln@healthpolicyproject.org](mailto:lincoln@healthpolicyproject.org) or calling 433-2299.

#### 3. Attend UMP Meetings at the Capitol, every Wednesday!

The UMP will meet weekly beginning this Wednesday from 1:15-2:00 pm at the Capitol in the Senate (East) Building's Olmstead room (Just West of the Cafeteria, facing the fountain).

Thank you for all your help thus far. UMP has already made a tremendous difference. Here are links to the coverage from last Tuesday's well-attended press event. Great Work and big thanks to all who attended and helped us find stories!

- [Polls show where Utahns think budget cuts should be made](#) (KSL.com 1/22/09)
- [Families to Lawmakers: Don't cut quality of life](#) (Salt Lake Tribune 1/22/09)
- [Budget cuts put Medicaid funding at risk](#) (myfoxutah.com 1/21/09)
- [Utahns speak to Legislature about need for health assistance](#) (KSL.com 1/21/09)
- [Legislative Preview: State lawmakers face budget shortfalls](#) (Daily Herald 1/21/09)
- [Impact of cuts to be targeted](#) (Davis County Clipper 1/21/09)

## 2. **State Health Reform: *Where Are We?***

As you know, the 2009 Legislative Session begins on Monday Jan 26<sup>th</sup>. In the works and yet to be numbered are 3 Health System Reform Task Force bills (*Insurance Market Reform, Administrative Simplification and Health Insurance Coverage in State Contracts*). Two weeks ago the [Utah Health Policy Project submitted our proposed amendments](#). These are now being considered alongside the other stakeholders' many amendments. The top priority now is to sit down with stakeholders to find common ground on the amendments and to work together to strengthen the bills. While these bills are a good start, they purposely do not attempt comprehensive reforms. As the session gets underway we expect to see other bills with positive or negative implications for health reform.

At the moment UHPP is focused on teasing out the implications of proposed budget cuts for health system reforms. For example, most of the Medicaid cuts (including reduced provider rates, elimination of eligibility for aged/blind/disabled with income between 75 and 100% of poverty, slashing of outreach initiatives, and more) would actively undermine the goals of health system reform. This, we believe, is one of the main reasons why Gov. Huntsman's budget proposal minimizes harm to health and human services.

In the minds of many policymakers health system reforms should be on hold until the budget situation improves. Insofar as this sentiment reflects an understanding that real health system reforms call for significant upfront investments, the point is well taken. However, this sentiment is also at odds with the Obama administration's and Congress' growing commitment to undertake comprehensive reforms at the national level in 2009—*despite the recession*. We will be working with our national partners and state leaders to address this discrepancy.

Beyond the taskforce bills, Representative David Litvack is drafting legislation that will create a commission on basic health care coverage. This type of commission will be essential for understanding the impacts of the proposal to allow insurers to offer limited benefits and 'mandate-lite' packages. Health system reforms must be designed very carefully, or they can actually make matters worse! One goal of reform is to cover more people, but having insurance does not mean people can actually get the care they need, at the right time and place. Stakeholders and policymakers are in consensus that reforms should 1) improve the health of all Utahns, and 2) curb the wasteful cost shifting that occurs. The health benefits commission will ensure over time that we meet these and other worthy reform goals by seeking to align treatment and financing decisions with evidence-based medicine.

There are valid and specific reasons why most state-based health system reforms are typically presented in an omnibus (comprehensive) format. Health system reform can be likened to a house of cards: if you take one card or key component out, the whole edifice comes crashing down. For example, most stakeholders are ready to embrace *modified community rating* (wherein insurers can no longer charge higher premiums based on health status). But this will only work if the 'young immortals' are brought into the system. But young immortals will not come in (and should not be mandated to do so...) unless coverage is truly affordable.

The Health System Reform Task Force officially expired at the beginning of the year. However, given that there is no political appetite for or consensus around the omnibus approach, a new entity—either a taskforce or an interim committee—must be created. Ideally, this new entity would include policymakers *and* experts and stakeholders to move the process forward and help Utah take full advantage of fresh opportunities from the national level.

All leadership—from Governor Huntsman to Speaker Clark to Senate Majority Leader Killpack—has identified health system reform as a top priority for this legislative session. UHPP will continue to keep you apprised of all bills and amendments related to health system reform throughout the session. In the meantime be sure to visit our [bill tracker](#) for up-to-date information on the status of health reform legislation.

### **3. UHPP Health Action Center**

Throughout the session, UHPP will be developing tools to help you in your advocacy efforts. For the best resources during the Legislative Session, make sure to regularly visit the [Action Center on our website](#). Here are a few highlights of what you will find there:

#### **A. UHPP Health Bill Tracker**

The team at UHPP will do our best to track many of the health-related bills this legislative session. Our Health Bill Tracker is a quick and easy, one-stop-shop to find out where bills stand. [Click here for our pre-session edition](#). We will update our bill tracker weekly, so be sure to check back often.

#### **B. Legislator List**

Check out our handy 2009 spreadsheet of legislators and their contact information. Use it to track your conversations with legislators, find out who sits on the committees that oversee health issues, or mail merge to contact legislators individually! [To download in Excel, click here](#).

#### **C. Fact Sheets**

UHPP is continually preparing materials to give you the latest information. You'll find one-page factsheets to help you with your advocacy, as well as in-depth issue briefings to give you a thorough explanation of the issues. [Check here for our latest publications](#).

#### **D. Advocacy Tool Kit**

The State Capitol has also been named the People's House. So, to live up to its

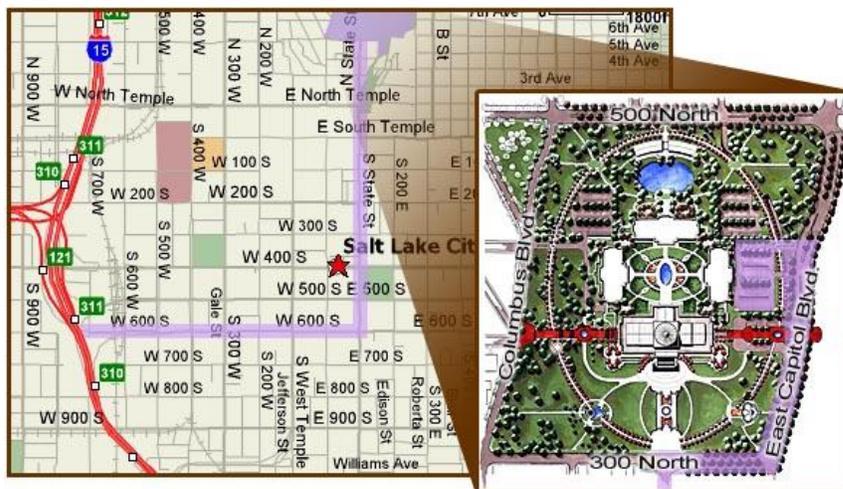
name, Utahns must feel welcome in their house. If you want to get more involved, but are new to Capitol Hill, we have gathered all the tools you need to learn the basics of citizen advocacy. [Check out our Advocacy Tool kit.](#)

#### 4. Tips and tools to make the best of the '09 Legislative Session

##### A. Getting to the State Capitol

If you are downtown, the UTA bus is a great option to get up to the Hill. Route 500 will take you right to the East Building's front door! The Capitol is in the Downtown Free Zone (!) and buses run every 15 minutes. [Click here for the schedule to the Capitol.](#) [Click here for the route map.](#) [Click here to plan your trip through UTA.](#)

Driving from outside of Salt Lake: If coming from northbound I-15, take the 600 South exit, or if coming southbound, take the 400 S exit. Head east to State Street. Turn left on State Street and head up the hill to the State Capitol. See map below. Be sure to allow plenty of time to drive from the freeway through the city.



##### Where to park?

Two parking lots are available to the public. The largest is on the NE Corner of the Capitol Complex. The second lot is right next to East Building (Also known as the Senate Building). There is also plenty of street parking on the east side of the Capitol. If parking in the neighborhoods to the west, make sure to check the signs for parking time limits. If you must drive, your best bet is to carpool and arrive early (and often!).

##### B. Overview of key issues for the 2009 Legislative Session

No matter what issues you care about, it's always helpful to know what key general issues the legislators will be considering this Legislative Session. The Office of Legislative Research and General Council has summarized from Interim Committee discussions over the year in 3 pages. [Click here for the report](#)

#### 5. Register NOW for UHPP's 1<sup>st</sup> Annual Health Policy Conference...

## ***Health System Reform: The Key to Economic Recovery***

February 3, 2008

9:00 am to 2:30 pm

State Office Building Auditorium, Utah State Capitol Complex, Salt Lake City, Utah

**Space is limited/1<sup>st</sup> come, 1<sup>st</sup> served! To register, click [here](#) (use the automatic email provided including the subject line).**

**IMPORTANT:** Please provide your 1<sup>st</sup> & last name, complete address with zip code, email address, and phone number in the body of your automatic email registration.

Even in these difficult economic times, we are confident about the prospects for health system reform at the national and state level. Why? Because health care is the key to economic recovery. Reforms that expand access, contain costs, and improve the quality of care will result in a more efficient and responsive health care system for all.

National health reforms will focus on two fronts: the private market and Medicaid/CHIP. Keynote speaker [John Holahan](#) of the Urban Institute is known for his expertise in *both* areas: he is at the center of emerging efforts to reform health care at the national level and has studied how to make our public programs more efficient and cost-effective as a part of overall reform. He will bring expertise and inspiration to the growing community of Utahns who are ready for bold health system reforms that meet the needs of all Utahns, starting with the most vulnerable among us.

Change is coming for the *entire health care system!* Find out what these changes mean for Utah and our prospects for economic recovery!

### **Program**

9:00 am	Registration and Breakfast
9:30 am	State Reform Lessons from Massachusetts (Brian Rosman, Research Director at MA's Health Care for All, one of the leaders in MA-based reforms)
10:40 am	Break
10:45	<b><u>Breakout Sessions</u></b> Where Utah stands on: Medicaid/CHIP ( <i>Keynote speaker Holahan will be on hand to advise</i> ) Private Insurance Market Reforms ( <i>Health Care for All MA will be on hand</i> )
11:55 am	Break
12:00 pm	Lunch/Keynote Speaker/Q & A: John Holahan, Ph. D., The Urban Institute Health System Reform on the National Front: What's in it for Utah?
1:30 pm	Advocacy Training ( <i>optional</i> )

### **Cost**

There is no cost to attend. HOWEVER, we are asking for a \$15-100 sliding scale contribution to offset the costs of lunch, travel for presenters, honoraria, etc.



**John F. Holahan, Ph.D.** is Director of the Health Policy Research Center at The Urban Institute. Much of his research has focused on state health policy, including Medicaid and issues of federalism and health. These include analyses of the recent growth in Medicaid expenditures and the implications of block grants and changes in

matching formulas on states. He has also published on strategies for Medicaid reform. He has developed proposals for health system reform, most recently in Massachusetts. He has also published research on the reasons for the growth in the uninsured over the past decade and on the effects of proposals to expand coverage on the number of uninsured and the cost to federal and state governments.

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