



Health Matters E-Newsletter

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1. UTAH HEALTH EXCHANGE: What it will take to meet Federal Exchange Standards

The recently enacted Affordable Care Act (ACA) presents unique challenges to states like Utah that have health reforms already underway. Between now and 2014, when the most significant insurance laws and coverage expansions go into effect, these states must bring their reforms into alignment with ACA standards. This is a tall order for Utah, where elected officials' free market idealism and absolute faith in consumer-driven health care may be in conflict with the fundamental goals of federal health reform, in particular...

- the need to make coverage affordable;
- the role of government in facilitating a responsive health insurance marketplace;
- businesses' desire to share risk as a way to limit costs;
- a mandate to bring 'young immortals' into coverage systems—they're not goin' in on their own!
- minimum benefit standards.

The irony in state leaders' continued hostility to the ACA is that only 3 years ago, 130 of Utah's most prominent civic leaders and stakeholders expressed overwhelming support for the changes that are now at the heart of the ACA. More recently a [scientific survey of Utah small businesses](#) found strong support for reforms that will allow them to share risk with all small businesses. These and other stakeholders are generally pleased with the ACA, yet elected leaders are pushing back on federal requirements for Xs, while encouraging other states to follow their lead. This is a problem because the state's actions are based on false premises:

- that Utah's Exchange is a success;
- that state reform plans are headed in the right direction.

It is time for health reform stakeholders to step forward...

1. to look objectively at the results of state reforms to date: which of the original goals been met?
2. bring state reforms into alignment with ACA standards;

3. develop metrics and milestones to measure progress along the way;
4. create a mechanism to bring stakeholder expertise to bear on implementation of the ACA moving forward.

Read the full issue brief here:

http://www.healthpolicyproject.org/Publications_files/State/UtahExchangeAtCrossroads10-18-10.pdf

2. WORKGROUP PROPOSAL TO SHIFT PUBLIC EMPLOYEES TO HSAs MISSES COST CONTAINMENT TARGET

A new UHPP white paper looks at the pros and cons of moving all or most state employees into high-deductible health plans (HDHP) coupled with Health Savings Accounts or HSAs, as proposed by the Cost Containment Workgroup of the Health Reform Task Force. Since 2007, when state employees were first given the choice to enroll in an HDHP/HSA or stay with the default traditional plan, only 153 out of 22,000 (.7%) employees selected the HDHP option. Yet, the CC Workgroup is poised to recommend that *all or most* state employees enroll in HDHPs. This group has several factors to weigh in its decision; in the current budget environment, however, the primary consideration should be the cost to the state. Fortunately PEHP has the historical claims data for state employees to perform an objective analysis of the cost of shifting employees to HDHPs.

In summary, PEHP is not the best place to force greater use of HDHPs. As PEHP claims data will show, most of the cost is concentrated at the high-end of the claims distribution spectrum. Because people on this end of spectrum generally have a serious injury, illness, or disease that must be treated, there is little to no elasticity of demand for health care. Thus, depending on how the HDHP/HSA plan option is designed, the short-term cost could easily be greater than what the state is paying now for benefits. While difficult to calculate, the long term costs and consequences to the health of older and sicker employees may also be considerable. Read the new brief [here](#).

3. LOOKING BACK: Interim Highlights from September

[Health and Human Services Interim Committee](#)

Last month, the Health and Human Services Committee heard testimony on legislation proposed by Rep. Rhonda Menlove which would require Medicaid recipients to perform community service in order to receive their benefits. [Read UHPP's recent critique in the Salt Lake Tribune of the bill here](#).

This legislation repeats the tired, unfortunate myth that poverty is synonymous with laziness. Just because a family has insufficient income does not mean they are not working—and not working hard. To the contrary, the majority of Medicaid families have at least one household member who is working. Asking these families to ‘volunteer’ in exchange for health care benefits will make it impossible for them to work the second (or third) job they will need to move forward. We should not ask Medicaid families to do more than we ask any other family for their health care. It is unjust and counterproductive to punish a low-income working family just because they have fallen on hard times.

While some committee members were very supportive of what Rep. Menlove’s bill was trying to accomplish, after testimony from advocates, including UHPP, it appears that our concerns are beginning to be heard.

Unfortunately, however, only superficial changes have been made to the legislation thus far: Rep. Menlove has changed the title of her legislation from “Authentic Charity Care Medicaid Pilot Program” to “Community Service Medicaid Pilot Project” and replaced language referring to beneficiaries as “volunteering” to “performing community service” in order to more honestly describe what her bill requires of those who enroll in Medicaid. Minor tweaking cannot fix this legislation. Rather, Utahns (not to mention the dignity of our elected officials) are best served by abandoning Rep. Menlove’s bill entirely.

[Executive Appropriations Committee](#)

Last month the Executive Appropriations Committee received a report from the Governor’s Advisory Commission

to Optimize State Government. The report included a recommendation that Utah do a better job combating fraud within our Medicaid program. To address this concern UHPP has proposed that Utah empower everyday citizens to root out fraud by including a *qui tam* provision in Utah's Medicaid False Claims Act. A *qui tam* provision would financially reward citizens who witness, report, and sue to stop fraud in Medicaid. [Read UHPP's recent factsheet here.](#)

[Health System Reform Task Force Highlights](#)

All Payer Database: The Department of Health's Keely Cofrin-Allen presented the first All Payer Database report, "Antidepressant Use in Utah," and reviewed the timeline for release of future reports. The APD should be a useful tool for posing some of the harder questions about the way we pay for and deliver health care and coverage in Utah. UHPP and academic partners will re-work our queries to the APD in hopes that we will get answers to critical questions like the impact of increased cost sharing on access to medically necessary care. However, it has been over one year since we submitted our first set of queries: none have been answered.

One of the obstacles is Medicaid: the Medicaid claims data have yet to be integrated in the APD. **Please encourage the Utah Department of Health to expedite the inclusion of Medicaid data in the APD.** Also ask the APD staff to look for innovative ways to track payments related to the uninsured. This can be handled, for example, through dummy claims in collaboration with hospitals and community health centers. JOIN IN THE EXCITEMENT! To learn more about the wonderful capabilities of APDs, click [here](#).

Federal Health Care Reform: The Department of Health's Norman Thurston reported on the response it is preparing to a federal Department of Health and Human Services' request for comments on the exchange regulations under the Affordable Care Act. *These comments have since been submitted.* Read the state's full comments [here](#). See UHPP's new critique of these comments [here](#).

Utah Health Insurance Exchange

The Office of Consumer Health Services reported that 129 small employers representing 1,300 employees have registered for insurance coverage in the Utah Health Exchange beginning January 1, 2011. It expects 116 insurance plans to be available in the exchange at that time. The office also reported on its plan to use a \$1 million federal grant for health exchange planning (*Utah has since received the grant*). The Office of Consumer Health Services reported that 10 large employers, each representing 51 to several thousand employees, plan to participate in the exchange's large employer pilot project beginning January 1, 2011. The Utah Defined Contribution Risk Adjuster Board reported that four insurance carriers will each offer 6 different plans to large employers.

Health System Reform Task Force WORKGROUPS

- At its meeting last week, the **Implementation Oversight Workgroup** discussed the need to develop a blueprint addressing how Utah should implement the ACA (☺) and received an update on progress of Utah's Health Exchange.
- **The Cost Containment Workgroup** has invited UHPP to present data and research challenging some of the assumptions behind a committee proposal to shift public employees to high-deductible health plans. UHPP is working with the Utah Public Employee Association on alternative solutions for managing cost growth in PEHP. Read our new issue brief [here](#).

See full Interim Highlights [here](#).

4. LOOKING FORWARD: Interim & Health Reform Task Force Agendas for October 19-20

Health and Human Services Interim Committee: October 20, 2:00 PM, Room 250 State Capitol

HHS Interim will look at several Medicaid and private insurance issues this week. First, an update on HB 184, Medicaid Autism Waiver, which passed in the 2010 session. This legislation required the Department of Health to prepare a report outlining the options to expand Medicaid to provide coverage to people with autism. Second, the Department of Insurance will present on the issue of Medigap and Medicare supplemental plans. Partially regulated by the states, these private insurance plans provide coverage on top of the regular Medicare benefit. Over the last several years premiums for these plans have increase significantly.

Health System Reform Task Force: October 20 Wednesday 9:00 AM in Room 250 State Capitol.

The agenda includes the standard topics: Exchange report, payment reform report, etc. UHPP has asked to present a response to Utah's comments on Exchange regulations.

5. MONTHLY MEETING SURVEY: What about Medicaid concerns you?

Do you have concerns or questions that you would like to ask state officials about Medicaid? The Monthly Meeting is an opportunity to discuss topics and problem solve with Department of Health and Department of Workforce Services officials (and with the Department of Human Services coming soon to future meetings). The Utah Health Policy Project is providing staff support for the health portion of the meeting, and the Community Action Partnership of Utah staffing the DWS portion. To make sure that the topics reflect the concerns of the community, we have created this survey: <http://www.surveymonkey.com/s/2MQ5WGW>. By filling out the survey you will be entered to win a small prize. For more about the monthly meeting including agendas, minutes, and meeting materials please visit: <http://www.healthpolicyproject.org/MMeeting.html>.

6. UHPP IS HIRING: Civic Engagement Coordinator

The Civic Engagement Coordinator or CEC (full time) will orchestrate the agency's community engagement and educational activities pursuant to the implementation of federal and state health reform, including strengthening Medicaid and maximizing enrollment in coverage options. Sample activities include educational events and presentations, legislative summits, advocacy trainings, storybanking, coalition work, and media events. The CEC's role is to help key stakeholders; (primarily small business owners, health care providers, consumers impacted by reform, and seniors) understand the new reform law and what's in it for them; to engage them in helping Utah make the most of the coverage and wellness opportunities within reform; to build grassroots support for the reforms and enhancements. Read the full job announcement [here](#).

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