



Health Matters E-Newsletter

February 20, 2009

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1. UHPP Health Bill Tracker

We have officially passed the half-way mark of the legislative session! Check out the latest edition of our Health Bill Tracker. There you will see that so many of the issues you care about are coming to a head. The Tracker is posted on our website [here](#).

2. Federal Economic Recovery Package Brings Relief to Medicaid, sets stage for national reform

This week has brought both new economic hurdles and opportunities for the state and Utah Medicaid. Nearly at the same time the state received new revenue projections that would necessitate an additional \$171 million in cuts for FY2009 and \$235 million for FY2010, President Obama signed the *American Recovery and Reinvestment Act* (ARRA), a federal economic recovery package containing \$1.4 billion in new money to Utah, including an estimated \$320 million for Utah's Medicaid program. This funding should be sufficient to restore the cuts to Medicaid eligibility, provider rates, and services that have occurred over the last year.

However, to maximize the Medicaid portion of these funds, Utah policymakers must do 3 things:

- Maintain Medicaid eligibility and eligibility standards as they stood in July 2008, the maintenance of effort requirement or MOE
- Maintain current state funding contribution to Medicaid
- Demonstrate prompt payment to providers

IMPORTANT: Failure to satisfy the MOE will disqualify Utah for all of the Medicaid recovery money available. Unfortunately, Utah has made a number of base budget reductions for FY 2010 that will cause the state to fail this basic test. To satisfy the MOE requirement, the Legislature must do these things:

1. Restore eligibility for the Medically Needy Program to 100% (from 44%) of the poverty level (FPL);
2. Restore Age, Blind, Disabled eligibility to 100% from 75% FPL;
3. Restore presumptive eligibility for pregnant women;
4. Restore the Foster Care Independent Living Program (HB 288, by Rep. Hogue in 2006);

5. Lower the asset limit for pregnant women back to \$3,000 (from \$5000).

Second, the state must maintain its current state funding contribution to Medicaid. The Medicaid economic recovery money is delivered to the state through a temporary increase in the Federal Medical Assistance Percentage (FMAP) rate lasting nine fiscal quarters (October 1, 2008 through December 31, 2010). This means that Utah's FMAP will increase by 7.12% to 77.83% for FY 2009. For FY2010 and FY2011, Utah's FMAP increase will be even higher, depending on state's unemployment rate..

Third, the state must demonstrate prompt payment to providers.

All told, for every dollar the state cuts from Medicaid, Utah will now be giving up nearly \$4 in Federal match! These losses are magnified even further if we consider the full economic impact of Medicaid spending. For example, \$56 million in proposed state Medicaid spending supports 3,123 Utah jobs paying 116,840,755 in wages. These jobs and wages are associated in turn with an estimated \$324,874,293 in economic activity. Thus, for the sake of our economic recovery, we cannot afford to turn away a dime of fiscal relief.

For an overview of the American Recovery and Reinvestment Act (ARRA) and its implications for Utah's Medicaid crisis and a helpful tool for maximizing ARRA, check out these 2 new publications:

- [Intro to Medicaid Cost Management and Economic Stimulus Navigator \(2/17/09\)](#)
- [Medicaid Cost Containment and Economic Stimulus Navigator \(2/17/09\)](#)

What you can do...

Please talk with your legislators and members of leadership and encourage them to make the best possible use of the ARRA for Medicaid. Use talking points above. You might also mention the role that Medicaid plays as a foundation for affordability in the context of the broader health system reforms.

For a summary of all the health provisions in ARRA (published by Community Catalyst) [click here](#)

This week's passage of the ARRA represents an important milestone in the national health reform debate. From a Utah perspective, the final bill contains several important first steps for reform, including:

- an increase in the Federal Medical Assistance Percentage (described above),
- COBRA assistance in the form of a 60% premium subsidy,
- support for community health centers!
- investments in health information technology.

If you have a few minutes, you might take a look at this [recent National Journal blog](#) on the ARRA and its implications for national health system reform. In this blog health policy leaders from across the political spectrum (from left of center: Health Care for America Now and Families USA; the center: **Len Nichols of the New America Foundation**; right of center to far right: U.S. Chamber and Heritage Foundation) weigh in on the ARRA and contentious issues in the national reform debate like the proposal to create a public insurance plan that would compete with private plans.

3. Health Reform Taskforce Bills Pass the Utah House

The three Health Reform Task Force bills passed on third reading today. Most of the floor debate was focused on HB188, Health System Reform – Insurance Market. While the majority of the body supports the bill (it passed 64-4) a number of legislators rose to share concerns and a few hopes for the future. Most of the concerns mirror UHPP's concerns regarding mandate-lite and limited benefit plans and the details of the risk adjuster created in the bill. You can listen to today's debates on each bill by clicking on the links below:

- [HB165, Health Reform – Administrative Simplification](#)
- [HB188, Health System Reform – Insurance Market](#)
- [HB331, Health Reform – Health Insurance Coverage in State Contracts](#)

The three bills should be heard soon in the Senate. No dates have been set and we are not sure what committee the bills will be heard in, but UHPP will send out any information we have regarding the time and date prior to the hearings.

While HB188 *is not* comprehensive reform, UHPP supports the bill as a *foundation* for broader reforms. The bill contains a number of items that may take our state down the path of comprehensive reform. As with any change of this magnitude, it will take time to implement and monitor the results.

Keep your eyes on the prize...

To reach the goals of true reform – containing costs, improving quality and expanding access – what necessary steps must be taken?

- Establish an ongoing council consisting of legislators, health experts and other stakeholders to *collectively* analyze and recommend administrative and policy changes.
- Utilize evidence based medicine to promote quality and contain costs over time.
- Change the way we share and manage risk as a community.
- Ensure all Utahns participate appropriately in the health system.

Are there any advantages to waiting before attempting comprehensive reforms in Utah?

Perhaps. National health system reforms will likely be introduced this year. There is growing support for a federalist approach, wherein states will have the option to design reforms on their terms but within certain, positive parameters. Thus if the political will to tackle some of the major paradigm shifts does not yet exist in Utah, it may not matter.

4. Please welcome Young Han (Quality Initiatives Coordinator) to the UHPP team!

A little bit about Young...

Young Han grew up in the suburbs north of Seattle, Washington. In the last six years, however, he has lived in upstate New York; Washington, DC; rural Ohio and Vancouver, British Columbia. This experience has given him a great respect for regional differences, as well as some perspective on the availability and quality of health care in different parts of the North America. In New York State, Young attended Hamilton College and graduated with a BA degree in Economics. Prior to joining UHPP, Young worked in various capacities supporting cooperative enterprise, conducting policy research, and working as a civic educator in DC. Outside of work, he enjoys running, cycling and staying abreast of current events.

Young's work at UHPP

Young will be coordinating our quality initiatives, including:

- a new project to explore and improve the quality of care in Medicaid and CHIP;
- a new collaboration with 2-1-1 and similar entities to improve or design effective a consumer assistance resources and tools to serve enrollees in Medicaid and CHIP and the under-insured and uninsured.
- UHPP's collaborative efforts to eliminate health disparities.

5. **Multicultural Health Network Bills move towards finish line**

Medical Interpreter Standards

Rep. Chavez-Houck's HB 144, which creates a *voluntary* certification process for medical interpreting and passed the House with unanimous support (71 to 0)! Yet, it could have trouble in the Senate, starting with the first hurdle: getting it out of the Rules Committee. Please, please, please take a few minutes to call these members of the Senate Rules Committee:

Chris	Buttars	Senator	R	10	West Jordan	561-0535	dcbuttars@utahsenate.org	
Margaret	Dayton	Senator	R	15	Orem	801-221-0623	mdayton@utahsenate.org	
Scott	McCoy	Senator	D	2	Salt Lake	801-359-2544	smccoy@utahsenate.org	801-538-1406
Gene	Davis	Senator	D	3	Salt Lake	801-484-9428	gdavis@utahsenate.org	801-263-7108
Mark	Madsen	Senator	R	13	Lehi	801-361-4787	mmadsen@utahsenate.org	
Curt	Bramble	Senator	R	16	Provo	801-226-3663	cbramble@utahsenate.org	
Peter	Knudson	Senator	R	17	Brigham City	435-723-2035	pknudson@utahsenate.org	435-723-6366

For talking points from the Multicultural Health Network, click [here](#).

Feel free to mention that any bill with unanimous support in 1 body deserves to be heard in the other body.

Why wait to bring health care coverage to legal immigrant children?

Sen. Robles and Rep. Holdaway are carrying virtually identical bills to implement ICHIA (Immigrant Children's Health Improvement Act), a new option for states created earlier this month when Congress re-authorized the Children's Health Insurance Program. ICHIA removes the 5 year waiting period for legal immigrant children so they can qualify for Medicaid or CHIP on the same basis as full U.S. citizens. Given the price tags and possible political challenges, these bills will need heavy lifting from the entire community. Normally we would hesitate to ask for any new initiative or "expansion" because of the lack of revenues. But we have decided to move ahead on this one because the population in question is 70% uninsured and therefore a major contributor to the cost shifting that occurs in our health care system. Covering this population in the most expedient way possible, through ICHIA, will thus give our state a jump start on health system reforms. For additional talking points, click [here](#):

What you can do now: Please call members of the Rules Committees and urge them to assign these bills to committee.

6. **New Hotline To Call Legislators About Supporting Tobacco Tax Increase**

AARP Utah has created a toll-free hotline to help you contact your representative about supporting HB 219, which increases the tobacco tax. **The Number is 866-456-8834.** You'll be given a short explanation about why the increase is needed (to help incentivize Utahns to stop smoking while providing key funding for health programs), and then you'll be automatically connected to your representative by keying in your zip-code. This is a great tool and makes contacting your representative about SB 219 really easy!

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