



Health Matters E-Newsletter

June 16, 2009

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1. National Health Reform Legislation Released!

Houston, we have lift-off! After months of hearings, “trial balloons,” private negotiations and political posturing, actual legislation has been released! Now the real work begins. With the details at hand, we can begin the final stretch of translating American (and Utah) values of choice, competition, and quality into meaningful health reforms that will extend high-quality, affordable health care coverage to all Americans.

The Senate HELP Committee released a version of the bill called the “Chairman’s Mark.” If you have problems sleeping at night, you can read the full 615-page bill [here](#). Or, you can check out this [comprehensive summary](#) from our friends at Community Catalyst.

In short, the bill would:

- Require all individuals to have health insurance if an affordable plan is available.
- Make sliding-scale subsidies available to low- and moderate-income people, and provide assistance for small businesses that offer coverage to their employees. This draft assumes the final bill will expand Medicaid to 150% of the Federal poverty level (FPL).
- Prohibit insurers from denying coverage or excluding for pre-existing conditions, and establish other comprehensive private insurance reforms.
- Create state and regional “Gateways” – insurance Exchanges that facilitate comparison and purchase of coverage.
- Build programs to improve the quality and value of health care, including several provisions aimed at reducing racial and ethnic disparities in care.

As drafted, the bill sidesteps certain contested issues, including the public health insurance plan option and a requirement that all employers offer coverage to their employees. The HELP committee will be meeting for mark-up sessions over the next two weeks.

The HELP bill is just the first of 3 bills being drafted by Congress. The Senate Finance Committee will release their draft legislation this Wednesday, with a committee mark-up scheduled for next week. The House may have its legislation ready to release by the end of this week at the earliest.

In the Weeds: An In-depth Look at Policy Details *(based on Community Catalyst's recent update)*

For those who want to join us 'in the weeds' of reform proposals, there have been interesting developments on two lightning rod issues that could potentially derail health reform at the national level: financing and the public health insurance plan.

Democrats and Republicans are committed to paying in full for health reform so as not to increase the national debt. However, where the two parties as well as the House and Senate part ways is on the actual source of payment. The House is considering a wider array of options, including limiting the tax rate applied to itemized deductions, which could raise as much as \$311 billion over 10 years. Another major source of funding could be derived from reductions in the overpayments for Medicare Advantage Plans, saving \$159 billion. The Senate is leaning towards changing the current tax treatment of health insurance. Right now, the value of employer-paid health insurance is not counted as income for tax purposes, costing Treasury an estimated \$132.7 billion last year. Senator McCain advocated for this during his campaign, but it has drawn sharp opposition from labor unions.

We could make our current government health insurance programs more cost-efficient by reducing payments for Medicare prescription drugs, disproportionate share hospitals, and limiting the growth rate of Medicare payments (all ideas mentioned in the Senate Financing Committee Financing Options paper) for a handsome \$300 billion. While these proposals would generate significant revenue, they could also push fence-sitting parts of the health care industry over the edge to the opposition.

Of course, the issue of financing could be the card that topples the whole house of cards. However, without adequate financing, it won't be possible to make health insurance affordable for most of the uninsured. And without affordable coverage, support for an individual mandate will collapse—that, in our view, is when you know it's over. But without that individual mandate, many critical insurance industry reforms (like [community rating](#)) will be jeopardized. Initial Congressional Budget Office projections on the overall cost of reform, expected this week, will put financing in the spotlight even more. While there is no easy, controversy-free financing option, we must help our lawmakers get to YES and make the necessary down payments to achieve the broader goals of reform.

In a bold gesture at bipartisan compromise, moderate Democrat Senator Conrad from North Dakota (and Chairman of the Budget Committee and a member of Senate Finance), put forth a fresh alternative to the public plan just last week: a non-profit, but federally chartered consumer cooperative. The idea is that the co-op model would offer supporters of a public insurance plan a consumer-oriented, mission-driven alternative to private insurance, allaying fears of government take-over of health care. This non-profit alternative would give consumers an affordable choice, model positive behavior, and stimulate competition in the private market place. We will probably see many more iterations of a compromise public health insurance plan as committee negotiations move forward.

2. STATEWIDE Discussion on National Health Reform and Utah—Not to be Missed! **June 23rd @ 7 sites across the state!**

UHPP is hosting the next in our series of conversations on national health reform and Utah. With actual bill language on the table, we can finally explore what the proposals will mean for patients, small businesses, providers and the health care system. Together we will learn how the reforms could help us reach the ultimate goal of quality, affordable coverage for all.

If you have not already, please RSVP to attend this timely discussion.

When: Tuesday June 23rd from 4:00 to 6:00 pm

Where: 7 locations across Utah connected by video, plus a statewide Webcast

Seating is first come, first served – To reserve a spot, click on the link of the location you'd like to attend below:

1. [Logan: Cache Valley Community Health Center](#)
2. [Ogden: Midtown Community Health Center](#)
3. [Farmington: Davis County Health Department](#)
4. [Salt Lake: University of Utah Health Sciences Building \(HSEB\)](#)
5. [Murray: Association for Utah Community Health or AUCH](#)
6. [Provo: Mountainlands Community Health Center](#)
7. [St. George: Community Health Center of St. George](#)
8. **[**Webstream**](#)** *If you just can't join us at one of the sites, participate online! You'll be able to hear and see the presentation and submit questions via email.*

Please include the following contact information in the body of the RSVP email:

Name
Organization (if any)
Address, City, State, Zip code
Telephone Number
Email Address

Once you RSVP, we'll send you the address and directions, or log-in instructions for the webcast. PLEASE TRY TO PARTICIPATE AT ONE OF THE PHYSICAL SITES: You will get more out of it and so will the media and congressional staffers. For more information please contact Stacey Earle at 801-433-2299.

3. Executive Appropriations and Interim Day

[Executive Appropriations](#) (Utah legislative leadership) will be meeting TODAY, Tuesday, June 16th, at 1pm in the Capitol (room 445). The committee's agenda is very business-like this month. However, given the state's fiscal challenges, the committee's state budget update should prove useful as we try to determine if, or how much, department budgets will need to be slashed in 2010. The committee's website with agenda, materials, and audio feed, if you cannot attend in person, can be found [here](#).

Advocacy Tip: no matter what the topic, 'Exec Approps' is very worthwhile, especially if you can get there early or stay after to visit with the legislative leaders who make up the committee's membership.

Interim day is all day **TOMORROW**, Wednesday, June 17th at the Capitol. Other than the legislature's Health System Reform Taskforce Workgroup meetings, most committees' agendas are relatively light on health topics, though a couple of items in the Health and Human Services Interim and Workforce and Economic Development Committee are worth mentioning.

[HHS Interim](#) is meeting from 9am to noon in room C225. The committee will receive an update from Executive Director of the Department of Health, Dr. David Sundwall, and local health department officials on the state's preparedness for a pandemic flu outbreak.

The committee will also provide guidance to Lisa-Michele Church, Executive Director of the Department of Human Services, about how to manage services provided by the Division of Services for People with Disabilities in light of significant budget reductions.

The HHS Interim Committee's agenda and meeting materials can be found [here](#).

[Workforce Services and Community and Economic Interim](#) will receive an update from Workforce Services Executive Director Kristen Cox regarding DWS's newly consolidated Eligibility Services Division and the implementation of E-REP, the state's new electronic public program eligibility computer system. The Workforce

Interim Committee's agenda and meeting materials can found [here](#).

4. Public Hearing: MCAC FY2011 Medicaid Budget Hearing, June 18th, 4 to 6 pm

The Medical Care Advisory Committee (MCAC) is holding its annual budget hearing this Thursday, June 18th, from 4 to 6pm at the Cannon Health Building (288 N. 1460 W.) in Room 114. This hearing provides the public an opportunity to help the MCAC develop Medicaid/PCN funding and budget recommendations to the Department. Historically, this meeting has been used to raise awareness about problems with provider reimbursement, the need to cover additional services (e.g., Dental, Vision, OT, PT, and Audiology), and any worthwhile Medicaid expansions. Medicaid/PCN beneficiaries, providers, and other concerned citizens are encouraged to attend and testify.

If you are unable to attend in person, you can still submit written comments to lincoln@healthpolicyproject.org

Given the tight state budget and enormous growth Medicaid has experienced over the last year, the Utah Health Policy Project strongly recommends that MCAC budget recommendations focused on improving the quality of Medicaid, removing barriers to enrollment, and ensuring provider participation in the program.

Specifically UHPP recommends the following budget priorities:

| Remove Enrollment Barriers | |
|--|--|
| 1. Remove the 5-year period that legal resident children and pregnant women must wait before enrolling in Medicaid | A provision of the Children's Health Insurance Program Reauthorization Act of 2009 (signed into law on February 4, 2009), the Immigrant Children's Health Improvement Act (ICHIA) gives states the option to lift the 5-year waiting period on Medicaid and CHIP eligibility for legal permanent resident children and pregnant women. |
| 2. Eliminate the Medicaid Asset Test | Medicaid is a means-based entitlement program. The state determines a family's means using two criteria: income and assets. The income standard is fairly straightforward: as long as household income falls under the limit for a given eligibility category, the standard is met. The second test, the <i>asset test</i> , however, is much less useful. It is expensive to administer, and it sends the wrong message to families: that they should <i>not</i> save for their future. The asset test thus creates a barrier that prevents low-income Utahns from breaking out of the cycle of poverty and staying healthy in the process. Because of this, 46 states have removed the Medicaid asset test for children. |
| Fund Needed Services | |
| 1. Physical (PT) and Occupational Therapy (OT) | Outpatient PT and OT services were restored using one-time money for FY2010. In order for Medicaid to maintain these services, new funds must be appropriated for FY2011. |
| 2. Audiology | Outpatient audiology was cut as a cost saving measure midway through FY2009. |
| 3. Vision Care | Eyeglasses were removed as a covered benefit midway through FY2010. |
| 4. Dental Services | Medicaid Dental services for all adults except pregnant women were eliminated in FY2010. Dental services are important not only for the health of beneficiaries, but also for helping them become self-sufficient. |
| Access to care | |
| 1. Dental Provider Reimbursement | Because of poor reimbursement rates, relatively few dentists are willing to accept Medicaid patients. |
| 2. Physician | Access to primary and wellness care is critical for managing |

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|-----------------------------------|--|
| Reimbursement | both the health of beneficiaries and the overall cost of the Medicaid program. Over the last decade, primary care reimbursement rates have been cut or have stagnated. |
| 3. Home Health Care Reimbursement | Fewer home health care providers are willing to see Medicaid patients. Home health helps beneficiaries avoid expensive institutional care. Increasing the number of home health providers participating in Medicaid will help make the program more sustainable. |
| 4. Hospital Reimbursement Rates | Medicaid hospital reimbursement rates took a 15% cut for FY2010 and hospitals are scheduled take an additional 10% cut for FY2011. |

[For talking points on any of the above, see the Publications page of UHPP's website.](#)

5. State Health System Reform Efforts

Though the full Health System Reform Task Force will not be meeting this month, there's still plenty of work to be done! The 3 working groups established by the Task Force – *Affordability and Access*, *Transparency/Quality/Infrastructure*, and *Oversight and Implementation* – have begun to formulate recommendations for the Task Force. For a comprehensive calendar of all the meetings [click here](#) and scroll down to the Action Calendar on the right side of the web page.

The Affordability and Access Working Group is the only working group that will have technical advisory groups (“TAG”): Administrative Simplification, Wellness and Healthy Behaviors, and Medicaid, CHIP and UPP (public programs). This working group and its TAGs will be the vehicle for ensuring that in a reformed health system...

- you understand your health insurance benefits,
- your doctor has more time to spend with you as opposed to filling out unnecessary paperwork,
- wellness programs are designed to encourage prevention with incentives for people to actively manage their health before they get sick
- public programs are strengthened or, where appropriate, *expanded* to ensure Utah's most vulnerable can access appropriate care.

Already providers, insurers, and brokers are over-represented in the work groups! DON'T LET YOUR SKEPTICISM ABOUT THE PROCESS AND ITS ultimate AIMS GET THE BEST OF YOU—this is too important. UHPP will do all we can to represent the consumer's interest in the process, but please make every effort to attend on your own!

Both the Transparency/Quality/Infrastructure Working Group and the Oversight and Implementation Working Groups will complete their work as a full committee. They will ask various stakeholders/experts to provide information to them as needed. The Transparency/Quality/Infrastructure Working Group is working on one of the most exciting developments to come out of this past legislative session: payment reform. Payment reform has the potential to completely realign some of the incentives within the health system. If done correctly, providers will finally be paid for providing quality care, not providing more care. For the first time you will know what a procedure costs when you go in for the procedure, not after you receive bills (or this-is-not-a-bill) that stack higher than your phone books! The group will also be looking at areas that must be transparent so that you can make better health care decisions, and how to modernize the system by means of health information technology. The main objective for UHPP is to ensure this group comes up with statewide implementable solutions that compliment the national reform efforts and that give you and your doctor tools to make better decisions about your care.

Lastly, the Oversight and Implementation Working Group will be where the rubber meets the road with insurance reform. This group is providing input and feedback on the creation of the new Utah Health Insurance Exchange and the defined contribution market. In the end, this group will impact the choices that we all have within the health insurance market. Issues this group needs to grapple with include whether it is OK to deny a person insurance because of a preexisting condition, whether insurers can continue their current business model of avoiding risk or if

they should upgrade their business model to keep people healthy; and how to ensure that consumers can compare apples to apples when shopping for health insurance.

While all of these Community Working Groups and TAGs are working on many key components of the health system, they will need to keep abreast of national reform proposals and how they will intersect with our state efforts. As we move forward as a state we want to make sure our efforts compliment national efforts so that we end up with solutions that build on Utah strengths and values.

To see a list of the tasks assigned to each work group [click here](#). While this document is now out of date due to recent developments with the TAGs, the overall tasks remain the same. *Your participation in these groups is encouraged! You can find out about meeting dates and times by meetings [click here](#) and scrolling down to the Action Calendar on the right side of the web page. If you have any questions please contact Elizabeth Garbe at Elizabeth@healthpolicyproject.org or 801-433-2299.*

6. Join U-SHARE, a growing coalition of businesses, providers, community groups, and individuals

It's time to put politics aside and solve the health care crisis! With the opportunity to make quality, affordable health care available for all at our fingertips, it is time to come together around bipartisan solutions! U-SHARE, Utahns for Sustainable Health Reform, is a growing coalition of business, community and provider organizations and individuals dedicated to finding sustainable solutions to the health care crisis. The coalition believes that reforms should find a balance between the private and public sectors to reflect the goals of expanding access, improving quality and containing costs. Our core principles are:

- Strengthen personal and shared responsibility
- Ensure affordability and access to care
- Align treatment and financing incentives with evidence-based medicine
- Focus on wellness and prevention

Join U-SHARE today as an organization or as an individual by endorsing these general principles. This year holds unprecedented opportunities at the national level to achieve quality affordable coverage for all and there is lots of work being done at the state level. This is *your* health care system and your policy makers need to be hearing from you to ensure that their decisions meet *your* needs! To get in on the action, join [U-SHARE](#) and get involved in education and policy efforts. To find out more about the coalition please visit its website at www.ushare-utah.org or call Elizabeth Garbe or Jessica Kendrick at 801-433-2299.

7. Senate Bill 81 (anti-immigrant bill) Should Not & Must Not Impact Access to Care & Coverage

Back in 2008 Gov. Huntsman signed a massive anti-immigrant bill, SB 81, into law. Scheduled to go into effect on July 1 of 2009, SB81 asks local law enforcement officers to enforce Federal immigration laws, forbids "sanctuary" policies, and requires employers to verify the legal status of workers. Another provision requires state agencies providing certain government benefits to verify that recipients are U.S. citizens or legal permanent residents. In separate statements, health department officials and Utah's attorney general have verified that the bill should not impact immigrants' access to basic public health services and safety net clinics. Nor are these provisions supposed to impact eligibility for medical assistance (like Medicaid) for those that qualify; in practice, however, such 'message' bills can end up discouraging immigrant families from applying for benefits for their citizen kids.

It is up to the communities that oppose SB81 and prefer a different way to deal with immigration issues to make sure this does not happen. With the right outreach strategies and educational messages to immigrant communities, we can protect eligible families' access to medical assistance while working to reverse SB81. Get [our new fact sheet here](#). Later this week visit our website to find sample messages to encourage families to apply for benefits for qualified citizen and legal permanent residents family members.

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