



## Health Matters E-Newsletter

September 14, 2010

### HOW TO CELEBRATE 6-MONTH ANNIVERSARY OF FEDERAL HEALTH REFORM: **KNOW YOUR RIGHTS**

In just 10 days we will reach a huge milestone in federal health reform: the 6-month anniversary of the Affordable Care Act (ACA). While there is much to celebrate on September 23, there is also lots of work to do to prepare for the many changes that will go into effect on that day. Click [here](#) for a new summary table of those changes along with comments on the status of each in Utah.

From the introduction...

*The Affordable Care Act (ACA) makes many changes to the insurance industry that will benefit consumers. What is not yet clear is how consumers can ensure their insurance company is in compliance with the new rules. While we wait for regulations, enforcement of the new law will fall heavily on existing state regulatory and enforcement authority, specifically the insurance commissioner. All insurers are required by law to notify consumers of changes in their rights. If you have any problems taking advantage of any ACA changes, please contact the Utah Office of Consumer Health Assistance (OCHA) as a first step. Toll free: 866-350-6242; Salt Lake Valley (801) 538-3077; or e-mail [OCHA.uid@utah.gov](mailto:OCHA.uid@utah.gov). If OCHA can't answer your questions in a timely fashion, please contact UHPP: 801-433-2299.*

Health reform will bring affordable, quality health care to most Americans, while slowing down growth in health care costs. But for all of this to work, states must be fully engaged. New state laws are needed to bring the insurance market into conformity with federal law. These laws should support better mechanisms for transparency and accountability to consumers. The process starts with you: now is the time to understand *your* rights in the reformed health care marketplace. Click [here](#) to get started.

WE WANT TO KNOW how reform is working for you, you family, or your clients. Please share your personal story, whether positive or negative, so that we can defend and help fine tune the ACA moving forward. To share your story, contact: [wendy@healthpolicyproject.org](mailto:wendy@healthpolicyproject.org) or call (801) 433-2299.

### STATE LEADERS REJECT 1<sup>ST</sup> CRITICAL FEDERAL REFORM OPPORTUNITY: THE CHAP

Last week Utah Governor Gary Herbert rejected the [Consumer Assistance Program Grant opportunity](#) available through the Affordable Care Act (ACA), turning away \$260,000 in resources set aside to develop the infrastructure for consumer health assistance and navigation. This is devastating news for Utah consumers, advocates, and others who appreciate the importance of engaging consumers in health care and coverage decision making. Utah agencies are ill equipped to meet the current and future demand for consumer navigation services, which will become even more important as our health care landscape undergoes dramatic change now and in the coming years. UHPP and partners in the emerging CHAIN (Consumer Health Assistance and Information Network) offered to serve as the sub-contractor for the grant—no deal. When asked why the Governor rejected the CHAP grant opportunity, the Office of the Lieutenant Governor said they did not like the strings attached, and even less the requirement to help consumers appeal claim denials.

The one-time funding offered through this grant would have allowed us to train frontline staff within community-based organizations to address private and public health insurance inquiries. For example, agencies which have traditionally interacted with public programs like Medicaid could be re-oriented to help consumers understand the full range of coverage choices available to them, including private market options, the high risk pool, charity programs, or coverage through an exchange. Case managers, advocates, and helpline staff would have improved their capacity to triage a wider range of consumer inquiries and to direct them to appropriate resources. Monies could have been used to build a specialized health helpline that would work in concert with 2-1-1, so that these key points of entry are equipped to assist consumers and patients with a host of health and health insurance issues. All of this will have to wait—until we find alternative sources of funding.

### Where do we go from here?

Both the Governor's Office and officials at the Utah Health Exchange have said that they want to work closely with the CHAIN. We will take them up on their offer. To learn more about the CHAIN and its purpose, with or without the CHAP Grant, click [here](#). Stay tuned for information about next steps for the Utah CHAIN.

## **UHPP APPLIES TO JOIN THE UTAH HEALTH EXCHANGE (Exchange Learning Network Journal Entry #2)**

by UHPP Operations & HR Manager Stacey Earle

### Background

*On September 1, after a very informative meeting with our broker, Davis Pacific Insurance, the Utah Health Policy Project decided to sign up for the re-launch of Utah's Health Insurance Exchange. Davis Pacific Benefits was able to answer our questions and provide assurance around this initial stage of the application process. We learned there's no risk to employers and employees from filling out the initial application. But note: Employers have until September 15 to take this first step on the Exchange website: <http://www.exchange.utah.gov/>. The health questionnaire will be reviewed by 1-2 randomly assigned underwriters from one of the carriers participating in the Exchange. If UHPP can accept the new rates and terms, staff will be able to make their selection of plans starting on November 1.*

As the person who manages UHPP's money, I can't say that I'm entirely at peace with the whole exchange idea. I operate with the mindset, "if it ain't broke, don't fix it." Since UHPP started offering health insurance in 2006, our broker has been able to score us good premiums and a decent benefit package. It probably helps that our average age is 35 and that we're all in reasonably good health. Over the past 3 years our premium increases have been minimal, but that's not to say the entire staff has been entirely happy with the 1-size-fits-all benefits available...

Since Exchanges are here to stay, we figured, why not join? We want to see if the program really does provide employees with better choices at a reasonable cost. So here is our experience, from day one, enrolling in the Exchange...

### Step 1: Employer Application Process

I found to the Exchange site [here](#): a simple page that breaks down the basics of enrolling. I found clear information about the application process, defined contribution, working with a "producer," (a fancy term for broker), etc. I like how this page lists the participating carriers: [SelectHealth](#), [United Healthcare](#), [Regence](#), and [Humana](#). To start the application, I clicked on a link that brought me to the [login page](#) for employees. Since the UHPP has yet to enroll, I had to click on another [link](#) to register as an employer. Quite a few clicks to get to the right place, but not too bad.

Due to the paperwork requirement, I must have re-started the registration process at least 3 times! The Exchange site provides a list of everything you need to complete the registration, and while I am a reasonably organized individual when it comes to paperwork, the enrollment page does not offer the opportunity to save for a later time...

**Lesson #1: You need to have everything ready to go, before you start.** Get all your information scanned and in one place—before you apply! Information I did not have on hand and wished I did: Our broker's license # and their Health Equity ID #. I also had to

download a form from the site to my desktop, fill it out, and upload it again. This, too, timed out my registration, so I had to start all over again!

Aside from the paperwork, the employer application was a piece of cake. Not long after clicking the SUBMIT button, I received an email from a United Healthcare underwriter, who kindly asked for the wage statement that I failed to upload the first time around.

When the application was completed, I wasn't really informed about when employees can shop around for insurance, other than it can take up to 2 weeks to see our new rates and find out whether we qualify to join the Exchange.

So now we wait... are you waiting too?

*What was your experience like? If you are an employer, broker or "producer" considering the Exchange for your employees or clients, please consider joining the Exchange Learning Network (ELN). The ELN is an [interactive blog discussion group](#) (click to check it out) for employers like UHPP who want to give their employees more choice of plans and decent benefits—but only if the price is right, for employers and employees. ELN participants will have the opportunity to share their experiences (positive or negative) and pose questions to UHPP, Exchange administrators, and brokers. To join the ELN, send email to [wendy@healthpolicyproject.org](mailto:wendy@healthpolicyproject.org). Participants will be given instructions and ground rules from there.*

## HEALTH REFORM TASK FORCE AND WORKGROUPS MEET THIS WEEK

This is a busy week for state health reform and the workgroups charged with oversight of federal reform implementation. Both work groups are meeting TODAY, September 14...

- **Implementation Oversight Workgroup** will meet 10:00 AM to 12:00 noon in room 341 State Capitol. Get the agenda [here](#). Lots of federal reform content here—not to be missed.
- The Cost Containment Workgroup will meet from 4:00-6:00 PM in room 341 State Capitol. Get this agenda [here](#). Keep an eye on this group: it's not balanced at all politically, **yet it is contemplating a drastic and potentially harmful shift to high-deductible health plans for public employees**. UHPP has been asked to help the Utah Public Employee Association respond to these proposals—stay tuned.

The Health Reform Task Force meets again on Wednesday 9:00 AM in Room 250 State Capitol. See the agenda [here](#).

## HIGHLIGHTS FROM AUGUST INTERIM SESSION: EXECUTIVE APPROPRIATIONS

Executive Appropriations heard a number of health and Medicaid related reports last month. First, a report about the feasibility of privatizing the Utah State Hospital and the Utah State Development Center. The [report](#), prepared by the independent Private Consulting Group, found that privatization would bring insignificant cost-savings and great risk for patients and the quality of care they receive. Therefore, the report recommended against privatization.

Second, the committee received a report from the Department of Health about replacing its Medicaid Management and Information System (MMIS). The committee was very interested in the development of this new \$331 million MMIS system to help combat fraud and abuse within Medicaid. There are many good reasons to explore replacing Utah's 30-year old system. However, with payment reform upon us and health care moving from a fee-for-service model to capitated reimbursement payments, the potential for MMIS to combat fraud is significantly reduced. [Read UHPP's recent issue brief on combating Medicaid fraud here.](#)

Executive Appropriations also received an update on the Medicaid enhanced FMAP extension that the federal government passed in August. This will give states an additional 6 months of enhanced federal Medicaid payments. Depending on the state's unemployment rate, Utah could receive an additional \$40 million in federal funds for FY2011. Utah would be wise to invest some of

this additional funding in the Medicaid family planning services state plan option. Read [UHPP's fact sheet here](#). With an initial \$800,000 investment, Utah Medicaid could realize ongoing savings of \$800,000+ per-year. UHPP cannot think of a more fiscally responsible way for the state to spend this one-time federal money.

## HIGHLIGHTS FROM AUGUST INTERIM SESSION: HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

HHS Interim looked at how the state collects data on infectious diseases acquired in health care settings. These data will be important as the state looks to reduce these costly and preventable conditions.

## LOOKING FORWARD TO SEPTEMBER INTERIM

### 1. [Executive Appropriations Committee \(Tuesday, 3pm, Room 450\)](#)

Executive Appropriations will hear a report from the Utah Advisory Committee to Optimize State Government. The committee's report can be read [here](#). Governor Hebert formed this committee earlier this year to help identify waste and areas where government can operate more efficiently. In the Medicaid arena, the committee identified provider fraud and abuse as an area of concern and recommended using 3<sup>rd</sup> party audits as a way to recover state funds.

Committee members showed interest in replicating a partnership that the state of North Carolina formed with IBM to analyze the state's Medicaid payments for overbilling and fraud and take a cut of what it found as payment. [An article on this partnership can be found here](#).

Another tool to help combat fraud in Medicaid is to strengthen the Medicaid False Claims Act by including a *qui tam* provision. The 2005 Deficit Reduction Act gives states incentives to support this provision, for example states can keep a larger share of Medicaid dollars recovered under *qui tam suits* (encourages private whistleblowers to file suits and entitles them to a share of the recovery—a powerful financial incentive for people to come forward and share knowledge of the waste of taxpayer dollars with investigators).. To learn more, read UHPP's fact sheet about strengthening [Medicaid fraud prevention here](#).

### 2. [Health and Human Services Interim Committee \(Wednesday, 2:00 PM, Room 250\)](#)

Representative Ronda Menlove will present legislation entitled, "Authentic Charity Care Medicaid Pilot Program." This bill requires Medicaid beneficiaries to perform voluntary service in exchange for their Medicaid benefit. While we believe Rep. Menlove's heart may be in the right place, unfortunately, the bill does not mesh with the realities faced by families living at or near the poverty level. Those who can access Medicaid are not likely to find themselves with much free time for voluntary activities.

First, Rep. Menlove's proposal reflects 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 get ahead. 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.

Second, the bill shows a lack of understanding of who is on Medicaid. Of the 220,000 Medicaid clients in Utah, the majority are children (150,000), followed by people with disabilities and seniors. Requiring children, people with disabilities and seniors to labor in exchange health benefits is inhumane, if not altogether preposterous.

Third, Rep. Menlove's takes us even further from the elusive goal of authentic charity care. Forcing someone to "volunteer" in exchange for health care is not charity: it is akin to indentured servitude. There is no altruism involved. Under this scenario

policymakers will be exploiting Utahns in their greatest time of need: when they are sick and without resources to pay for the medical care they need.

Lastly, this proposal runs counter to federal Medicaid statute and rule. There is no way that the federal government would approve a program like this. Such ideas distract us from finding real solutions to help Utahns become self-sufficient. Our leaders do better looking at ways to provide Medicaid benefits like eyeglasses and dental services which can truly help families find better paying work and greater financial stability.

Authentic charity care is a nice idea, but it has failed Utah in every respect. Utah health care providers have been displeased with Medicaid reimbursement rates for years—and with good reason. Many are already serving the uninsured and thus find it difficult to add to their charity care burden. Authentic charity care is a non-starter because it's already had a chance to work, and it's failed. It has failed uninsured and under-insured patients. It's failed employers and privately insured individuals, who pay 14% more than they should in premiums to reflect the cost of uncompensated care. Enough is enough. It's time to deep-six this deeply offensive and distracting concept.

**Please send an email to Rep. Menlove asking her to abandon her authentic charity care proposal as soon as possible: [rmenlone@utah.gov](mailto:rmenlone@utah.gov). You can also call her at home: 435-458-9115 or at work: 435-797-3728.**

3. [Workforce Services and Community and Economic Development Interim Committee](#) (10 am, Room 450)

The Workforce Services Interim Committee will take up the fallout from the “list” of supposed undocumented immigrants that was released by two former employees earlier this summer. For background, see our [recent issue brief](#). Kirsten Cox, Executive Director of DWS, will clarify how DWS shares information with other government agencies. Federal Medicaid, Food Stamp, and TANF laws are very restrictive in terms of what information it allows eligibility offices to share with other agencies.

DWS is working to mitigate the harm from the lists by publicly clarifying how the department handles personal information that is collected from families from for public benefits. We hope to begin see these new policies beginning in the fall.

See all interim session highlights here: <http://www.le.utah.gov/interim/2010/news/august10.pdf>

Highlights from Executive Appropriations can be found here: <http://www.le.utah.gov/interim/2010/pdf/00001142.pdf>

*You are receiving this email because you are on our Health Action mailing list. To subscribe or unsubscribe, email [stacey@healthpolicyproject.org](mailto:stacey@healthpolicyproject.org). We will always keep your email address confidential.*



*Internet services generously donated by XMission*