

UTAH HEALTH POLICY PROJECT

HEALTH MATTERS



Health Matters E-Newsletter

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MEDICAID BUDGET DECISIONS & MEDICAID REFORMS

BRIGHT REVENUE FORECAST MAKES ROOM FOR WISE MEDICAID INVESTMENTS

This is the year to fully fund Medicaid and CHIP! Utah has almost \$300 million annually in new revenue. Policy makers have the chance not only to fully fund Medicaid and CHIP, but to take advantage of new opportunities to improve health outcomes while reducing cost.

The Budget Bottom Line: The Governor's Recommendations

Governor Herbert has recommended \$124 million for Medicaid and CHIP caseloads in 2012 and 2013. He also recommends provider payment rates in line with inflation, fulfillment of existing contract obligations, and strengthening state oversight of Medicaid expenditures. Together with federal matching funds, these investments will generate \$235.3 million in new salaries and wages for the Utah economy and \$33.6 million in new revenue for the state's General Fund. Click [here](#) for UHPP's new 2012 Budget Scorecard.

The Medicaid Bottom Line: UHPP's Recommendations

UHPP agrees with the Governor's recommendation to fill the gap in Medicaid and CHIP funding. We also agree that the state must live up to its contractual obligations to Medicaid health plans, ensure that provider rates keep pace with inflation, and give the Department of Health (DOH) the new tools it needs to oversee Medicaid spending as Utah starts rewarding doctors for good health outcomes instead of paying for each individual service. At 2% of services costs, Utah Medicaid's administrative overhead is among the lowest not only in the nation, but compared to the private market as well. Giving DOH the new management tools it needs is just plain smart. "Lean and smart" should be Utah's goal in managing Medicaid.

During the 2012 Session Utah policy makers will have several other opportunities to control growth in Medicaid spending and generate better health outcomes...

- integrating mental and physical health care services
- reporting on healthcare associated infections and
- strengthening fraud prevention through the False Claims Act (*qui tam*).

But when it comes to the budget, the Legislature should also set aside \$3 million to restore dental services for adult Medicaid enrollees. Dental and medical health care professionals agree – there are clear links between good oral health and good physical health. Hospitals know that they see too many people in their emergency rooms who need dental care and who should get that care in less expensive dentists' offices. And none of us needs a doctor or dentist to tell us what dental problems mean: pain, infection, difficulty eating, and concern that a problem tooth could affect our appearance at work and at home.

Most Utahns who have health insurance through their jobs either have dental coverage or buy dental care on the open market, paying out of pocket. But Utah Medicaid doesn't cover dental care. That means Utahns with disabilities or very low incomes (less than \$820 a month for a family of four) who have Medicaid have to make choices between going to the dentist or buying food and paying rent — chances are food and shelter will win.

Restoring dental services for Medicaid adults helps to avoid medical costs and keeps Utahns out of expensive emergency rooms. It's a perfect example of an ounce of prevention being worth a pound of cure for the Medicaid budget. See our new position paper [here](#).

ON THE FEDERAL FRONT

ESSENTIAL HEALTH BENEFITS: BIG DECISIONS FOR UTAH

When federal health reform (Affordable Care Act or ACA) goes into full effect in 2014, people who don't get insurance through their job will be able to buy it in a new one-stop shop, the "American Health Benefit Exchange." Small businesses will be able to shop for insurance on the new Small Business Health Option Program (SHOP) Exchanges. But what exactly will they be buying? People will likely find plans they can afford, but will those plans meet their needs—not just now, but later, if they get sick? How will they know? The ACA has an answer to these questions: Essential Health Benefits (EHB), the basic benefit package that all plans must offer in order to be sold on the new Exchanges.

The decision about what to include in the Essential Health Benefits package is not a slam dunk! If the package is extra fancy, the cost will be too high; but if the benefit package has a lot of holes in it, people may miss out on care they need or delay care until it becomes more expensive—or too late. To find the sweet spot, Health and Human Services (HHS) held hearings across the country. Utah leaders, like Rep. Jim Dunnigan, argued for a minimal, less costly benefit package so as not to disrupt the new insurance exchange markets (details at [Different Takes, Kaiser Health News](#)). UHPP argued that the EHB package should include the things that promote health and good management of chronic conditions because over the long run, healthier people cost less. The bottom line when it comes to cost and quality: *evidence-based benefit design*.

Last month HHS Secretary Kathleen Sebelius released new guidelines for the Essential Health Benefits Standards. States will have flexibility about what to include in the EHB package—within limits. *Learn how this will work and what comes next at [Stateline Explainer](#)*.

Next steps for Utah: Most state insurance commissioners are pleased with the new guidance, but what about Utah's Commissioner Neal Gooch? UHPP will be meeting with him before deciding on the best course of action for Utah. Stay tuned.

THE YEAR 2012 AND THE FUTURE OF FEDERAL HEALTH REFORM

The New Year fills us with hope, yes, but also anxiety about the future of health reform. The ACA faces decisive challenges in 2012: is the requirement to carry insurance constitutional? If you take the *mandate* out of the ACA, will the rest of it fall apart? The Supreme Court will begin hearing these cases in March and issue their decisions in June. If the Supremes stay consistent with similar decisions in the past, there's actually a decent chance that the mandate and its connection with the rest of reforms will survive. If you're looking for something to worry about, it's the Medicaid expansion that is on shaky ground (learn more [here](#)). Twenty six states, including Utah, are asking the Supreme Court to overturn the mandatory Medicaid expansion because they claim states cannot afford their portion of the cost. But we say we can't afford *not* to bring the uninsured into coverage. States should take advantage of the many tools and options in the ACA to manage Medicaid spending over the long term (see UHPP's [recent paper](#)).

What can you do? Be part of the growing campaign to fully implement the law, and explain how it works to your neighbors and friends. This will help the law stick through the challenges of 2012 (follow the Supreme Court challenges [here](#)). Happy New Year!

ON THE STATE FRONT

KEY DECISION POINTS FOR 2012 [New Publication!](#)

The big question for Utah during the 2012 legislative session is: “*Is Utah’s health reform working?*” Utah began a reform of the health system in 2008, but the percent of Utahns without insurance has increased since then, and Utah’s exchange has brought only about 22 small businesses (20% of the 225 businesses who buy through the exchange) into health insurance that didn’t already offer it to their employees—barely a drop in the bucket. What’s the biggest problem? *Affordability*. Health insurance is too expensive for Utah’s small businesses and for Utahns who buy on the individual market (including the 140,000 self-employed Utah entrepreneurs)!

Utah’s leaders need to decide how they will bring people into the private insurance market. If they don’t want to require everyone to buy insurance then they have to make it affordable. One way to do this is to help people pay their premiums. Utah has a premium subsidy program (Utah Premium Partnership) for low income workers, and it has room for more people. Decision Point:

- Increase the eligibility for adults for UPP to 200% of the federal poverty level so more people can apply.

Utah’s Health Exchange could use some improvements and a first step is a strong consumer voice. Consumers should be added back into the advisory groups of the Exchange—they were pushed out in July and replaced by high level executives (see our [October Health Matters article](#) for more information). Every month the Utah Health Exchange director meets with the insurance companies in an Insurer Roundtable. Every month the Utah Health Exchange director meets with the Brokers that sell on the exchange in a Broker Roundtable. Where’s the Consumer Roundtable?! Our bottom line: Utah’s Health Exchange should have a governance board that includes a majority of members that don’t have a conflict of interest with the health care industry.

Decision Points: Include consumers!

- Put real consumers on the Executive Steering Committee of the Utah Health Exchange.
- Create a Consumer Roundtable that meets monthly.
- Require a governance board that includes a majority of members without a conflict of interest.

For more information on what’s coming in 2012 see our new position paper: [The State of Utah Health Reform: Key Decision Points](#)

ON THE QUALITY/EQUALITY FRONT

WHY YOUR VOICE MATTERS

Follow what your legislators are up to and let them know where you stand! You can find out who your legislator is and how you can contact them online at <http://le.utah.gov/GIS/findDistrict.jsp>. All

you have to do is enter your address and zip code and both your House and Senate Representative will appear. Or, you can call 1-888-vote-smart (1-888-868-3762).

It only takes a couple minutes to make a call, and every call makes a difference. Legislators do appreciate your opinion. You are the one who votes for them (or against them!). Just remember to clearly explain your view and to be polite. People and minds do change. The 2012 Utah State Legislative Session starts on *Monday, January 23rd*.

ANNOUNCEMENTS

UTAH'S 2012 LEGISLATIVE SESSION STARTS ON MONDAY, JANUARY 23, 2012

Visit the legislature's website to see the legislative schedule, and find bills and representatives and senators.

www.le.utah.gov

JOINT UTAH MEDICAID PARTNERSHIP AND UTAHNS FOR SUSTAINABLE HEALTH CARE MEETING

Join us at the Capitol for a joint UMP/U-SHARE meeting

Wednesday, January 18

10:00AM to Noon

In the Olmstead room. [Olmsted Room at the Capitol- Senate Building](#)

Representatives Jim Dunnigan, Jack Draxler, and Dean Sanpei will be joining us to talk about legislative priorities for the 2012 session. Rep. Bill Wright, the new co-chair of Social Services Appropriations will also be joining us.

GETTING TO THE UTAH STATE CAPITOL

Public Transportation: 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. You will find the bus and Trax schedules, routes, and trip planner at their website: <http://www.rideuta.com/>

Driving from outside of Salt Lake: take I-15 (either north or south) to the 600 South exit and head east on 600 South. Turn left on State Street and head up the hill to the State Capitol.

Maps of the buildings are posted [here](#).