Utah Health Policy Project

Health *Matters* E-Newsletter

June 21, 2010

What's New on the Federal Front? Grandfathered Plans Regulations are out!

Remember when President Obama promised all Americans that "if you like your health plan, you can keep it"? That nothing in the new law that would force you to change plans or doctors? Last week the Feds made good on that promise by releasing the much anticipated new interim final rules pertaining to the definition of "grandfathered" health plans under the new health reform law.

These regulations will do 3 things:

- allow you (individuals and employers) to keep your current coverage if you like it *and still benefit from many of the new consumer protections in the Affordable Care Act*, such as the ban on insurance being terminated ("rescission") just because you get sick and had made an unintentional mistake on your forms
- provide important consumer protections that give consumers – rather than insurance companies – control over their own health care.

- Provide stability and flexibility to insurers and businesses that offer insurance coverage as the nation transitions to a more competitive marketplace in 2014 where businesses and consumers will have more affordable choices through the new Exchanges.

See the helpful FAQs here: http://www.healthreform.gov/forums/blog/grandfathered.html

Read the full rule here: http://www.federalregister.gov/OFRUpload/OFRData/2010-14488_PI.pdf

a) The Utah Legislature's Initial (May 19) Discussion of New Federal Health Reform Law

Last Interim Day all legislators were invited to learn all about the new federal health reform law. Most attended this helpful and unbiased overview presented by Leg Research and General Counsel staff at the crack of dawn. If you could not attend, you should make a point of listening to the audio and reviewing the materials (available with many helpful links here).

We were generally pleased with the tone of the discussion and the content provided, though we heard a few worrisome messages from members of leadership (listen to the audio!). But we already knew we have our work cut out for us.

b) Utah's Plans for the New Temporary High-Risk Pool Still Unknown

Talk about work cut out for us! Over the last month or so, we've presented the case for the state to operate the new temporary high-risk pool created by Federal health reform alongside its current pool—but so far to no avail. Utah is the last state to decide this issue, which is unfortunate given that the new pools were to be up and running by July 1.

If you agree with our points in favor of the state running the pool (below), please send email TODAY to rspendlove@utah.gov. There may be a small window of opportunity to influence the state's decision.

Advantages to running the pool alongside Utah's pool, particularly from the standpoint of the uninsurable consumers who stand to benefit:

- *Tomi Ossana (Director of HIP Utah) has done a wonderful job over these many years managing HIP Utah: we expect her commitment to excellence and compassionate customer service would carry over to the new pool;*
- *As enrollees in a Select Health insurance product ourselves, we have confidence also in Select Health and its ability to serve this vulnerable, medically fragile population well. We like that the private (in this case, nonprofit) sector would continue to be engaged in managing the benefits of this group;*
- *We have confidence in the state's ability to oversee this program; where there is an opportunity for more federalism and local control in health reform, we should grab it;*
- *We know from experience that the target population will appreciate having a one-stop shop. In our storybanking work over these many years, we have met several individuals who could not afford to participate in the existing risk pool due to cost. Some could possibly afford it, though at tremendous sacrifice; a few may be playing Russian roulette with their health, going without any insurance and praying they don't have a recurrence of their cancer, for example (click here for a concrete example). Clearly, this is a vulnerable group of individuals, and we think they will benefit from local, proven access to the new pool.*
- *The new pool goes on line on July 1: we have a strong, private sector-based administrative infrastructure already in place to ramp up and meet this admittedly crazy deadline.*
- *We can all agree that $5 billion ($40 million for Utah) is certainly not enough to meet the need: yet we don't see the harm in offering the additional subsidies for as long as they are available. If we ramp up more quickly, we could burn through our allotment more quickly and thus make a stronger case for increased funding when the Feds re-examine the allocations in 2 years.*

Thank you for taking action!

Interim Day Highlights for June 23rd

Health Reform Task Force, 9:00 AM in Room 250

http://www.le.utah.gov/asp/interim/Commit.asp?Year=2010&Com=TSKHSR

This meeting is not to be missed! Hot topics include:

- Tax Consequences of Federal Reform
- Federal Reform Update
- Workgroups (Implementation Oversight and Cost Containment) will be constituted!
- The All Payer Database: a key tool for all of our work moving forward (and points we've been trying to make, like reforms should actually cover the uninsured with decent, affordable benefits, etc.

Health reform advocates will gather in cafeteria to process and discuss next steps.

Revenue and Taxation Committee, 9am, Room 445
http://le.utah.gov/asp/interim/Commit.asp?Year=2010&Com=INTREV

With Utah Medicaid facing a $50 million dollar structural deficit (i.e., too much of the program is funded using one-time source of money vs. more stable ongoing sources of funding) and the need for $100 to $150 million in additional funds to cover increased enrollment related to health reform, the state's revenue situation and tax policy is going to be a key issue in the debate about health reform implementation for years to come.

The Revenue and Taxation Interim Committee studies the structure and administration of Utah's state and local tax systems, including a wide range of policy issues and potential legislation. Because of Medicaid's need for new and ongoing revenue sources, this committee's work will be important to the long-term future of the program.

This month the committee will hear a report on state's revenue outlook and economic trends.

Health and Human Services Interim Committee, 2:30pm, Room 250

http://le.utah.gov/asp/interim/Commit.asp?Year=2010&Com=INTHHS

The Health and Human Services Interim Committee provides oversight to many of the programs administered by the Department of Health and the Department of Human Services. In that capacity, it considers a wide range of issues related to public health, health care providers, healthcare facility licensing, health insurance, access to health care, mental health, services for seniors and persons with a disability, child abuse, and substance abuse.

This month the committee's agenda focuses on tamper resistant prescription forms; the new prescription drug controlled substance advisory committee; and look at policy around concussions in sports and whether a medical professional should be required to give approval before an athlete with a concussion returns to play.

***IT'S OUR TURN*: Utah's Legislature Seeks Input from Public on How to Improve Medicaid**

Senate President Michael Waddoups and House Speaker David Clark, have asked for ideas on how Utah's Medicaid program can be improved. This is an opportunity to bring the myriad needs facing Medicaid and solutions to the attention of legislative leaders. Please provide your ideas at http://survey.le.utah.gov/checkbox/UtahMedicaid.aspx by July 31, 2010. The original survey was intended only for providers and the legislature has not changed the language of the introduction and of some of the questions to reflect the now larger audience. But rest assured they do want to hear from everyone. If you are uncertain where to begin—understandable given the vastness and complexity of the program—the Utah Health Policy Project has a number of ideas you may wish to put forward:

Question 1. What areas of Medicaid could be improved?

While there are many areas that need improvement within Medicaid, arguably the most important place to start is with Medicaid's benefit package. Currently Medicaid does not provide dental, vision, or speech and hearing care to adults. While these services do have an upfront cost, ensuring Medicaid beneficiaries have access to critical primary and preventive care services benefits the state by helping Medicaid beneficiaries improve their health and become self-sufficient. Read UHPP's Optional Service factsheet here.

2. What are we doing now that is working well and should be expanded?
Utah Medicaid does many things well. However, two programs in recent years that have been particularly successful in containing costs and could be expanded are the preferred drug list and managed care risk based contracts.

Over the last several years, Utah has worked hard to make Medicaid work more efficiently by establishing a preferred drug list (PDL). Utah should expand the scope of the PDL to include additional drug classes.

In addition, last year Utah moved one of its Medicaid managed care organizations to a capitated risk based contract. Under this type of contract, the organization is paid a flat monthly premium for

each individual enrolled in their managed care plan. The organization is thereby incentivized to provide the most cost-effective care possible, because if expenditures exceed premiums, the organization, and not the state, is on the hook for those cost overruns.

3. What are we doing now that is** not **working well?

Utah's Medicaid program could be much more efficient in how it handles Medicaid eligibility. Utah continues to use eligibility barriers, like the asset test and requiring renewals too frequently, which have been shown to do little to weed ineligible individuals from the program. Instead, they cause churning (when eligible individuals come on and go off program repeatedly because they are unable to comply with the renewal process). By simplifying the eligibility process Utah can reduce administrative costs and allow Medicaid to better focus on its primary purpose: providing access to cost-effective health care.

4. How effectively are our current service models serving the needs of Medicaid clients?

Medicaid, like our health care system in general, needs to do a better job of managing an individual's care and promoting wellness and preventive services. For example, only 40% of children in Utah Medicaid see a dentist annually. The failure to utilize this important preventive benefit often leads to harmful and expensive health conditions.

5. What service models would better serve the needs of Medicaid clients?

A medical home or 'health home' model helps people navigate a complicated healthcare system. These models provide clients with comprehensive disease management and care coordination services that have been proven to improve health outcomes and reduce healthcare costs. Under such a model Medicaid clients will receive more timely, appropriate, and cost-effective care, ultimately saving the taxpayer money.

6. What improvements should be made to better deliver/administer Medicaid in the state?

This is another area of Medicaid that demands much improvement. Lack of access to care due to low provider reimbursement, antiquated delivery models, insufficient disease management, are all things that need to be addressed. However, one inexpensive thing the state can do immediately is adopt the Family Planning Service Medicaid State Plan Option. 26 states provide family planning services to low-income families. Everyone of these states have realized significant cost-savings to their Medicaid programs due to a reduction in unintended pregnancies and better health outcomes for mothers and babies that result from making these services more widely available. Further cost savings realized by provided from these services can be reinvested to bolster primary care provider reimbursement rates, thus improving access to care. *Read UHPP's Family Planning State Option factsheet here.*

7. How could the coordination of oversight responsibilities be improved?

Medicaid is housed in 3 different departments, the Department of Workforce Services, Department of Human Services, and the Department of Health. As a result, three different systems and processes may be operating at cross-purposes. At the very least the state should explore a streamlined interface across these departments.

8. How could we limit the administrative burden required?

When compared to private health insurance, Medicaid is an administratively lean program. One area in which it can improve, however, is by making the eligibility determination process simpler. And in terms of eligibility simplification, the best place to start is to eliminate the asset test. Unlike the majority of states, Utah looks at a family's assets when determining a family's eligibility for coverage. The asset test, however, is bad policy. It is expensive to administer, weeds out very few applicants, and sends the wrong message to families: that they should not save for their future. National health reform requires that all states eliminate the asset test beginning in 2014. Utah should remove the test earlier and capture the administrative cost-savings and efficiencies that will result. Read UHPP's Asset Test Removal factsheet here.

9. In your opinion which area of the Medicaid program is most abused?

Last year, the Legislative Auditor General found that provider reimbursement was the largest area of fraud and abuse within Medicaid by far. As a result, in order to save Medicaid the most money, the state should focus on provider fraud.

If you would like more ideas about how Utah can create a more cost-effective, higher quality Medicaid program please contact Lincoln Nehring, lincoln@healthpolicyproject.org or (801) 433-2299. Stay tuned for our forthcoming report around the survey questions.

Utah Medicaid Partnership

This year the Utah Medicaid Partnership has been working to help prepare the state for the significant changes in store for Medicaid due to federal health reform. To help the public and policy leaders understand the scope of these changes and challenges those changes present, UMP is planning a series of forums focused on three main issues:

- Medicaid and national health reform
- Paying for and containing costs within Medicaid
- The role of Medicaid in providing long-term care

If you are interested in learning more about the UMP and helping the coalition with its important work, please attend the next UMP meeting on **Thursday, July 8th, from noon to 1:30 at AUCH, 860 East 4500 South, Suite 206.**

For more information about UMP, including past agendas and minutes, please visit http://www.healthpolicyproject.org/UMP.html

Monthly Meeting with the Utah Departments of Health and Workforce Services

The Monthly Meeting provides the community with an opportunity to discuss issues and concerns with state officials. Given the monumental changes to be introduced by the federal health reforms, these dialogues will be critical in ensuring that health reform is implemented responsibly and effectively.

This year's Monthly Meetings have begun that important dialogue. However, given the scope of reforms and the political resistance to their implementation, the process has not been as transparent and constructive as it should be. If Utah does not get serious about planning how to best implement the major changes that national reform demands, we will squander the opportunities within reform to control costs and improve access to coverage.

You can help improve the implementation process and make it more transparent by attending the next **Monthly Meeting on Wednesday, July 7th, from 1 to 4pm** at the Utah Department of Health Cannon Office Building, 288 N 1460 W, Salt Lake City.

Past meeting agendas, minutes, and material can be found at: http://www.healthpolicyproject.org/MMeeting.html

Strengthening Utah's Infrastructure for Consumer Health Assistance/Navigation

This week UHPP will release a 24-page report (discussion draft) entitled, *Consumer Health Assistance & Navigation (CHAN) for the Age of Reform: Design Considerations & Recommendations for Utah*. Over the last year, we've had seed money from the Robert Wood Johnson Foundation (Community Health Leader Program) to complete both an assessment of the capacity for consumer health assistance and navigation in Utah and a review of promising practices around the nation. Watch your email for the announcement of the discussion draft. For more background, see our Executive Summary…

Executive Summary

Across the land Utah is known for its delivery of high-quality, cost-effective health care. Life is good for those with access to affordable health care coverage: They can sleep better at night knowing they will get good care when they need it. Yet, too many Utahns are not able to benefit from the state-of-the-art health care that we have available in our community. Some feel pretty healthy now, so why should they enroll in their employer's health plan? They have better things to spend their money on than their part of the premiums. Others may be one diagnosis or accident away from financial ruin, without even knowing it. Low-income families eligible for Medicaid may not be in a place in their lives where they can appreciate the benefits of coverage. They may have so much stress in their lives that they will risk going without.

The new federal health reform law changes all of this—and, we think, for the better. It assumes that everyone should actually be covered as long as they can afford it; that this is not only for their benefit, but for the benefit of all: to avoid the added cost, not to mention waste, of delaying care until folks show up in the emergency room. Last year CHIPRA (Children's Health Insurance Program Reauthorization Act) started us down this path by giving states every possible incentive to cover most of their kids.

Like CHIPRA which came before it, the federal reform law will bring just about everyone into the system by making decent coverage affordable on the private market; expanding Medicaid for those without a reasonable offer of coverage at work; and mandating a minimum level of coverage for those who can afford it. But implementation of the new expansions and mandate will be tricky in places like Utah, where so many are not enrolled in plans for which they already qualify now. An estimated one-third of our uninsured are eligible for public programs but not enrolled; another one-third are the so-called 'young immortals:' they could possibly afford insurance but they apparently choose to go without. How can we bring newly eligible Utahns into the system when we can't even cover those eligible now? And once they are in the system, how do we know they will get the care they need? The reforms will bring new consumers into a system riddled with difficulties, for example:

- *Denials of care, treatment, and services;*
- *Delays in getting care;*
- *Lack of access to specialty care or primary care providers;*
- *Inappropriate or inadequate care;*
- *Lack of understanding about how the health care system or coverage works.*

Now is the time for a coordinated effort around outreach, eligibility, consumer health assistance, and navigation in Utah. Right now this capacity is weak and disjointed. Fortunately, most of the coverage expansions do not happen until 2014; but before we kick back, we must consider that we stand a better chance of getting these new expansion groups covered if we puzzle out the enrollment and navigation challenges now, for those currently eligible.

This report proposes a public-private sector partnership dedicated to helping all Utahns make sense of and navigate their choices for coverage and care. What we need is a "no wrong door' approach: human service agencies currently serving the uninsured should have tools and incentives to help clients get and keep coverage. A specialized, independent Helpline is also needed to help consumers navigate choices or appeal denials of claims. Finally, Utah's CHAP must do more than assist individual consumers, a "bottomless task;" they must use trends and cases of consumers' problems to drive systemic change for all consumers. These and other recommendations are based on best practices around the nation and on an assessment of current capacity and strengths here in Utah.

What can you do now? TAKE OUR SURVEY ***(Assessment of Need for & Interest in Consumer Health Assistance & Navigation Systems in Utah),*** BUT ONLY If you are program staff of human service agencies, providers or provider groups, or advocacy groups serving the uninsured, under-insured, unhappily insured, or Medicaid/CHIP population. The responses will be used to help design a new public-private sector collaborative network dedicated to...

1. Streamlining and facilitating enrollment and retention in Medicaid, CHIP, private market health insurance plans, and premium subsidy programs.

2. Educating consumers about their rights and responsibilities within the reformed health care systems;

3. Patient “activation” and consumer engagement: how and why to make pro-active use of benefits, including preventive screenings and to take full advantage of wellness supports;

4. Assisting consumers with claim denials, complaints, or appeals processes.

5. 'CANARY IN THE COALMINE;' at the far end of the consumer engagement continuum, helping consumers get involved in efforts to improve upon health reform policies and healthcare delivery systems.

Click here to take the survey: http://www.surveymonkey.com/s/5RLMTSK