

# THE UTAH HEALTH POLICY PROJECT

# HEALTH MATTERS

*On the Hill...*



## Utah Health Matters E-Newsletter

March 1, 2007

Greetings Health Advocates,

The 2007 Utah legislative session has come to a close with good news for Health and Human Service programs. Medicaid received substantial funding increases that will help both beneficiaries and the providers who serve them. Medicaid vision and dental services were funded for another year—though with 1-time monies. Through some final day heroic efforts, CHIP received the full \$4 million request, opening the program to 10,000 of the state's estimated 70,000 uninsured children. While there were a few set backs—the Disability Waiting List and measures to further long term systemic solutions to the health care crisis—all-in-all, 2007 was a banner session. Thousands of Utahns will benefit from the work we helped accomplish. **Thank you!**

In the weeks ahead, please take the time to thank your legislators for their tremendous support of critical health and human needs.

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## 1. Strong Results on Most Critical Health & Human Needs

### Victories

Program	Funding
Medicaid Dental	\$2 million (one-time \$)
Medicaid Vision	\$174,000 (one-time \$)
CHIP	\$4 million (combo of ongoing, one-time and tobacco fund \$)
Mental Health Funding	\$2.7 million (ongoing \$)
State Primary Care Grants Program	\$500,000 (ongoing \$)
Hospital/Dental/Physician Rate Increases	\$1.5 mil/\$1.8 mil/\$900,000
Aging Services Waiver	\$340,000
Baby Watch/ Early Intervention	\$1.6 million & \$621,000 (ongoing)
Birth Defects Network	\$533,000 (ongoing and one-time)

- **Victory on the PDL!** SB42 Opens Door to Ambitious Cost Management Approaches, Sets Precedent to Re-invest Savings in Access to Care

The passage of SB42 means Utah is finally on the path to better management of Medicaid cost growth. The UMPP's argument to re-invest the savings in Medicaid (in this case, provider rates) is also making headway, for the first time.

Over the next year our challenge will be to implement additional cost management tools and to make sure the PDL is fully engaged to improve quality and safety in prescribing, to limit costs, and to educate consumers and providers about the prudent use of pharmaceuticals. We promise this will be a fascinating and worthwhile journey!

- **HB358 1st substitute** Cervical Cancer Prevention
- **SB26** Utah Commission on Aging. This from good friend and Commission Director Maureen Henry:

"the bill to renew the Commission on Aging for two years, passed yesterday. Thanks to everyone who helped with this bill, particularly Senator Pat Jones, who was relentless in making sure the bill was funded, in addition to the House sponsor, Representative Eric Hutchings, plus Senator Allen Christensen and the other organizations who helped encourage passage, including Salt Lake County Aging Services, AARP, Department of Health, Department of Human Services, Governor Huntsman and his staff, and the Utah Health Policy Project (my apologies if I left anyone off). The funding is one-time, so we will need to return to the legislature next year for one more round of one-time money."

THANK YOU, MAUREEN, FOR YOUR EXEMPLARY LEADERSHIP & VISION!!

- **SJR3** Resolution Encouraging Congressional Funding for State Children's Health Insurance Program (Sen. Knudsen).

**Losses:**

- **The Disability Waiting List**

Home and community-based services are about the only part of the Medicaid agenda that did not fare as well as hoped. Legislators reduced the governor's recommendation for the Division of Services for Persons with Disabilities waiting list by half; only 200 new individuals and families on the Division of Services for Persons with Disabilities waiting lists will get the support they require. However, the Legislature did fully fund the request for additional waiver services and another 100-200 individuals and families will be able to take advantage of the short-term assistance offered by Representative Menlove's pilot programs targeting supported employment and family preservation. Unfortunately, neither Senator Mayne's bill to fund portability, nor Representative Hutchings' effort to prioritize funding for community-based care passed. Oh well, I guess we have to have something to do next year, don't we?

## **2. Medicaid Cost Management Opens door to More Ambitious Approaches**

Even though our success restoring benefits and increasing provider rates will garner the most headlines, these may not be the accomplishments which have the greatest impact on Utahns who depend on Medicaid over the long run.

From improving health outcomes and controlling drug costs through the preferred drug list... to improving access by reinvesting the savings in provider rates...to pointing out that we were already close to achieving the 5% cost growth target set by the Medicaid interim committee, our core messages linking safety/quality of care and fiscal responsibility appeared to resonate with legislators. They were also extremely receptive to the idea of the public-private partnership, exemplified by the Standard Optical proposal to provide glasses as part of the vision benefit.

Given our experience this year, there are three lessons we can build on for next year:

1. Cost management is the right frame. Our focus on disease and care management will again highlight the crucial link between improved health and cost management. Our task will be to find a way to sell legislators on the value of prevention when they are bombarded with so many immediate and critical needs. Trying to convince them to make a substantial up-front investment for hypothetically reduced costs in the future will also be a formidable challenge.
2. The idea of the public-private partnership met with success in the case of the vision benefit restoration. For this reason alone, it would be extremely worthwhile to seek out additional opportunities to serve Medicaid clients through similar arrangements. The most obvious to many is, of course, dental services. Additionally, the concept of the public-private partnership is an easy sell in Utah's conservative environment because conservatives believe that the private sector can do a better job of meeting the needs of individuals and families than government. Therefore, they are more likely to support initiatives that involve

less government not more.

3. Most conservatives believe that government is inefficient and bloated. They do not think that it will ever become smaller unless forced to do so. Therefore, it is probably not effective to claim that our prevention and cost control measures will reduce costs, but rather to say that they will enable us to serve more individuals with limited resources.

### 3. Lessons from Small Business Initiatives on the Hill & Next Steps

This was a 'learning year' for the small business initiatives, and the teachings of George Lakoff (*Don't Think of an Elephant!*) can help us understand why. Our main problem is we (small business owners and nonprofit directors) are not framing the debate. Many policymakers are on channel 2 (blind faith in private market solutions) and we are on channel 3 (a first hand understanding that financing of coverage and management of risk needs an overhaul). To switch metaphors, each group is playing with a different set of cards—or assumptions about what's wrong and what changes are needed.

If you operate a small business or nonprofit, you already know the health care status quo is unsustainable and increasingly social Darwinist; the actuarial gamesmanship somehow forces you to hire young and healthy workers, never mind who might be best for the job. But somehow this awareness eludes key decisionmakers. So what's a hard-working, well meaning small business owner to do?

Based on our experience on the Hill and feedback from legislative allies, we submit the following *Lessons Learned* for discussion at the next meeting of the Utah Business Group on Health.

- The first step is to re-frame the issues and redefine the terms of debate: we need to characterize the current problems of affordability, quality, and sustainability in more compelling ways.
- We need to demonstrate the groundswell of small business leaders who are ready for bold solutions. We understand that small business owners and employees are very busy running their business; nonetheless we must find ways for them to actively engage in conversation with legislative leaders.
- We need to be a vocal and active presence at the table of the many task forces and blue ribbon panels that are popping up around the issue.
- The UHPP needs to have staff and resources dedicated to the Utah Business Group on Health. Having launched the UHPP last April, it has taken us longer than we would have liked to 'staff up.' Luckily, funding and community support is coming together nicely. Please join us in welcoming Lincoln Nehring, our new Small Business and Civic Engagement Director. He will be making the rounds and reconvening the Utah Business Group on Health sometime this month.
- We must raise the funds to cover the actuarial analysis needed to determine the cost and viability of several proposed options, including the small business buy-in to PEHP.
- We should acknowledge our common ground with the fiscal conservatives who comprise the leadership of our legislature. They share our belief that we do not need to spend more taxpayer dollars on health care and that we don't need mandates. If we really care about Utah's economy, these eminently correct assumptions can only lead to one—okay, three—conclusion: we must go after the high administrative overhead costs, we must share risk more efficiently, we must maximize economies of scale. Quality health care coverage is too important, too worthwhile to leave room for profit-taking, actuarial gamesmanship, and the vain hope that free-market competition will solve the problem.
- Health care is an enormous and complex issue. We should embrace big picture solutions like Dr. Joseph Q. Jarvis' proposal for the Utah Health Cooperative, if we hope to solve its

problems. Read on for details on how we plan to roll out this bold and innovative solution to rising health care costs and more ways you can get involved...

#### **4. No Steps Forward, No Steps Back: Defensive Victories, but Still No Systemic Health Care Reform this Session (and what are we going to do about it).**

Utah's uninsured rate continues to skyrocket, health care costs continue to rise at triple the core inflation rate. Sustainable and affordable solutions to our health care crisis become more and more pressing every day. Unfortunately, Utah's legislature failed to take any concrete steps this session to address the crisis. Fortunately, few 'bad' bills passed to take us backward either.

UHPP developed two pieces of legislation this session, **HB152: *Small Business Health Plan Task Force*** (Rep. Mascaro) and **SCR 6, 1<sup>st</sup> Subst:** (Sen. Bell) *Resolution Urging Congress to Sponsor the Health Partnership Act or Creative Federalism*, in attempt to start Utah down the road to sustainable and affordable health care. Unfortunately we were unable to move either bill through the legislature this year. At least SCR 6 passed unanimously in the Senate, which suggests policymakers could entertain bolder solutions.

UHPP remains committed to its belief that we are already spending enough money (though not in Medicaid or CHIP) to cover everyone with high-quality care: it's just that we're not spending our dollars in an efficient or sustainable manner. Thus when it comes to health policy for the uninsured we are like most Utah policymakers, fiscal conservatives. If there is a place where we can "get it right the first time," from which we might leap toward fiscally sustainable solutions, we *still* think Utah is the place.

Where we did have success this session, it was in keeping Utah from succumbing to temptation or being led off the path to sustainable solutions. In discussions on bills such as HB141 (Health Insurance and Health Care Payment Amendments (Rep. Daw) we heard how easy it is to blame (or criminalize) the uninsured themselves for their plight. Faith in the 'free market' continues to distort plain facts about what's causing double digit inflation in health care costs.

We look forward to working with all of you (and the Governor's Office of Economic Development) to create affordable, comprehensive, quality coverage for all Utahans.

This year we will work for passage of the Health Partnership Act (HPA) in Congress. Details at [www.health-partnership.org](http://www.health-partnership.org). Rationale: we need an opening in the federal government to facilitate comprehensive state-based health reform, along the lines of the Utah Health Cooperative.

The UHPP is the proud home of the **Utah Health Cooperative**. This foundational initiative will study how Utah stands to benefit economically by creating a state health plan based upon our **six principles of health reform**:

- Financing for medically necessary care for all;
- Unrestricted patient choice of physician;
- No increase in per capita funding for health care—eventually;
- Reduced overhead and prices;
- Cooperation not competition; and
- Public financing for private health care delivery.

We plan to introduce the **Utah Health Cooperative (UHC) Act** in the 2008 legislative session. Rationale: This is the fundamental goal of the UHPP, to bring about sustainable comprehensive, universal health system reform. We recognize that it may take a few years to bring the UHC to fruition, but the proposal itself will set the right framework for addressing Utah's health care crisis.

#### **How do we get there?**

Dr. Jarvis and the UHPP have begun work on a documentary film examining how health care systems affect Utah businesses, the economy, and residents now and into the future. The film will explore who the uninsured are and what challenges they face as they try to provide for their families, contribute to Utah's economy, and pursue a sense of security. In addition, the film will explore why Americans pay the highest health care costs in the world and yet rank only 37th by the World Health Organization in terms of health care quality. The film's message cuts across political parties, religious affiliations, and socioeconomic standing, because everyone needs health care.

**PLEASE HELP US FIND PEOPLE WILLING TO SHARE THEIR STORY ABOUT WHAT IT'S LIKE TO BE UNINSURED. Send email to [joanna@healthpolicyproject.org](mailto:joanna@healthpolicyproject.org).**

#### **5. Final Health Bill Tracker**

To see how health-related bills fared in the 2007 session click on Health Bill Tracker for 3-1-2007.

#### **6. FEDERAL FRONT: Next Steps for SCHIP Reauthorization**

Now that the state has stepped up and put forth 4 million towards CHIP, allowing us to enroll 10,000 new children, our focus shifts to ensuring that Congress fully reauthorizes SCHIP. Why is SCHIP important and what needs to be done:

- Today, SCHIP provides high quality, comprehensive, affordable health coverage to more than 4 million children who would otherwise be uninsured. These children get access to vital health care services they would not otherwise be able to afford.
- Congress must ensure that there is enough money to at least get the children who are already eligible for Medicaid or SCHIP enrolled. To do this, states will need approximately \$50-\$60 billion in new federal funds over the next five years.

- No child should lose health coverage because of a shortage of federal funds. The \$50-60 billion includes funding to ensure that no child who is enrolled in SCHIP today—and who continues to be eligible—will lose coverage because of a shortfall in federal funds.

Action Steps for this week:

1. We are joining with Families USA and asking YOU to call your Senators and Representatives on March 6-8, 2007, to let them know that we need at least \$60 billion in new money for the program over the next five years. Use our Talking Points for Federal SCHIP Re-authorization if you need them.

**Call Congress, toll-free: 1-800-828-0498 and ask for:**

- Senator Orrin Hatch
- Senator Bob Bennett
- Representative Cannon
- Representative Bishop
- Representative Matheson

2. Help us find families who have been helped by CHIP (or who have uninsured kids). Call (801) 433-2299 or send an email to [lincoln@healthpolicyproject.org](mailto:lincoln@healthpolicyproject.org) to share your story and help with CHIP advocacy at the state and Federal level.

## **7. Crack those Books: What's Worth Studying in the Master Study Resolution?**

The Legislature's Master Study Resolution (HJR14) is a list of items for possible study during the Interim Session, April-November. Towards the end of the Session, legislators can submit any number of items for study. **This year there are no less than 26 topics related to health care and coverage!** We think this may be a record. Some of these will be combined, others will simply be dropped. These very political decisions about what to study and where (in which committee) rest with the Legislative Management Committee (LMC). **IMPORTANT:** The LMC is comprised of the members of legislative leadership. This means that we're back to the importance of ongoing conversation with our leadership. And you thought you could take a break!

Given the sheer number of health topics for study, we recommend convening a special meeting of the Medicaid Policy Partnership to strategize on the study topics. The Utah Business Group on Health and Utah Health Alliance (those committed to the 6 principles of health reform) will each have separate meetings to strategize topics of interest to them.

*Note: Interim day is always the 3<sup>rd</sup> Wednesday of each month. It is very important to attend and participate in the discussions. We strongly recommend participating in the Executive Appropriations and Leg Management committee meetings held on the previous day (3<sup>rd</sup> Tuesdays of each month). In case you can't attend, UHPP will be monitoring these meetings closely.*

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