

# THE UTAH HEALTH POLICY PROJECT

# HEALTH MATTERS

Utah *Health Matters* E-Newsletter

March 27, 2007

Hello Health Advocates!

With the first *Health Matters* of Spring we look forward to the beginning of the Legislative Interim Study process, the return of the Utah Business Group Health, the full launch of the Multicultural Health Network Workgroups and the real possibility of full funding for CHIP (Children's Health Insurance Program) reauthorization in Congress. Read More...

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## **1. Interim Study Process Gets Underway...TODAY (3pm, room W135)**

Interim study enables legislators to delve more deeply into specific issues which may have come up during the session. It often serves as a laboratory for legislation which may be introduced in the coming session. Near the end of the previous session, each legislator submits a list of the topics he or she would like studied during April-November. Below is a list of the items of interest from the 2007 Legislature's Master Study Resolution (we provide brief commentary, where appropriate, in *italics*):

Insurance

- Health Insurance and Worker's Compensation - to study issues related to health insurance managed care and worker's compensation.
- Insurance Mandates - to study health insurance mandates and their effects on small businesses *The UHPP does not support mandates because it makes no sense to mandate coverage if that coverage is not affordable or sustainable over time. If coverage were truly affordable and sustainable for the taxpayer, we might be convinced to support mandates. But by that point, mandates would not be needed (i.e. very few, if any, are uninsured by choice).*
- Small Business Health Insurance - to study how to develop a basic health insurance product for small employers and their employees that is affordable and not subject to traditional mandates. *The problem here is with the word "basic." Basic plans (catastrophic plans without financing for preventive care or 'lite' products like the state's controversial social experiment, the Primary Care Network) are shortsighted policy solutions. We can do comprehensive, affordable coverage and have monies to spare, if we get underneath the causes of rising health care costs: poor management of risk and high overhead costs.*
- Utah Partnership Premium Partnership – to study the use of public and private partnerships to provide health insurance (H.B. 267). *This is a UHPP item focused on improving the outreach around and increasing the enrollment in the UPP< which replaced disappointing Covered at Work last November.*
- Small Business Health Plan - to study and identify the most effective health insurance programs for small businesses that share actuarial risk broadly (H.B. 152). *We are more comfortable with this articulation and framing of the problem. This is our study item with Rep. Mascaro.*
- Managed Care and Insurance - to study issues related to managed care, including existing law, and affordable health insurance. *Hopefully, this item can be used as a forum to discuss ways to improve the quality of care delivered by and the potential for greater efficiency within our managed-care system. Medicaid should be part of this conversation*
- Uninsured Issues - to study health insurance for uninsured children over 200% of the federal poverty level, requiring full-time higher education students to have health insurance, and providing vaccines for underinsured children. *These are three distinct issues and deserve to be studied separately. The health of many children at or above 200% of the poverty level is still at risk. We must promote coverage options for this population that are both affordable and comprehensive. Rather than mandating coverage for college students, we must provide them with access to quality and affordable coverage.*
- Income Tax Deductions as Insurance Incentives - to study income tax deductions for insurance premiums for businesses to motivate them to provide health insurance for their employees, and how to structure and implement (H.B. 406). *The UHPP believes that businesses want to provide quality coverage for their employees. However, yet another tax deduction is not the way to get there (especially with the move to the flatter tax). Business owners need to be provided with a realistic and affordable vehicle, such as the PEHP buy-in, with which to accomplish it.*
- Income Tax Subtractions for Medical Care - to study modifying an individual income tax subtraction for amounts paid for certain insurance relating to medical care, and the subtraction for long-term care insurance (H.B. 43). *Rather than addressing the problem after the fact, we need to ensure that individuals have access to the quality care they need upfront, as well as affordable ways to pay for it.*
- Rate Bonding and Affordable Health Care - to study rate bonding by health insurers and affordable health care. (?)

Medicaid	<ul style="list-style-type: none"> <li>▪ Disease and Case Management - to study "pay for performance" strategies for quality improvement and cost management of Medicaid. <i>This is a UHPP item focused on developing concrete proposals to expand preventative care and care/case management in Medicaid. Here we hope to address the fact that Medicaid currently does not cover preventive or well-adult visits and screenings.</i></li> <li>▪ Promotion of Health Efficiencies - to study requiring the Medicaid program to allow the use of telemedicine for certain services that are otherwise reimbursable under the state Medicaid plan, and review guidelines for reimbursing for telemedicine services (H.B.444). <i>At first glance, this initiative seems like it could potentially have some benefits, especially for those in rural areas. However, we will need to ensure that concerns around quality and timeliness of care are addressed.</i></li> </ul>
Long-Term Care	<ul style="list-style-type: none"> <li>▪ Enhancing Service to Aged and Disabled - to study and identify efficiencies and evaluate options for enhancing and expanding the home and community-based care infrastructure and related services for aged and disabled Utahns. <i>This item will hopefully be studied in conjunction with the Utah Commission on Aging. It will propose ways to make home and community-based care more accessible and affordable through a focus on how to use limited resources and funds more efficiently across categories and populations.</i></li> <li>▪ Health Care Financing Issues - to study the relationships, similarities, differences, costs, patient characteristics, and outcomes between home and community-based waiver services and institutional care. <i>If framed properly, this item could generate the solid data needed to support a move away from institutional care and a substantial investment in community-based care.</i></li> <li>▪ Medical Assistance Funds - to study the portability of medical assistance funds (S.B. 61). <i>'Money follows the person' allows an individual currently receiving care in an institutional setting to utilize that funding to pay for community-based care. Our best approach is to focus on the shift in emphasis toward community-based care on the federal level and to present the committee with a variety of smaller policy steps they can take to move in this direction.</i></li> <li>▪ Nursing Care Facilities - to study the need to lift the nursing home Medicare moratorium, how to allow more "choice" in skilled nursing home care, and how to bring more free market competitiveness into the nursing facility market. <i>Probably brought forward by the Health Care Association (HCA) in response to SB 61 and HB 347. Need to keep the committee focused on the "choice" of community-based care.</i></li> <li>▪ Nursing Home Moratorium - to study a moratorium on new nursing homes that use Medicare funds. <i>Is this where the nursing home industry's misguided "bed buy-back" is going to be proposed? If so, we should oppose it because, even though there is currently a 30% vacancy rate, the HCA admits that there will be a future demand as the population ages. Additionally, the state should not be bailing out industry because nursing home owners made bad business decisions in the past. Instead, it should be doing everything it can to encourage the fiscally responsible move toward community-based care.</i></li> </ul>
Health-Care System	<ul style="list-style-type: none"> <li>▪ Health Care Cost Shifting - to study health care cost shifting and how it can be reduced. <i>Cost shifting is usually the result of a lack of timely access to quality, affordable, and medically necessary care. Policymakers should give due consideration to mechanisms, like the Utah Health Cooperative, through which we can reduce costs, utilize our resources more efficiently, and get individuals the care or service they need when they need it.</i></li> <li>▪ Health Care Utilization - to study whether there is overutilization of health care services in the public or private sector. <i>This is a UHPP item through which we will hopefully be able to demonstrate that, controlling for economic and health status, Medicaid enrollees do not overuse health care services.</i></li> <li>▪ Local Health Department Funding - to study and evaluate state funding in relation to state services provided and other sources of local health department funding.</li> </ul>

<b>Reimbursement</b>	<ul style="list-style-type: none"> <li>▪ Medically Uninsured - to study reimbursement for health care services affecting the medically uninsured (H.B. 136). <i>HB 136 said that a physician or other provider could not charge as an insured individual more than 15% above the Medicare reimbursement rate for a particular service. UHPP believes that, instead of placing further constraints on providers, we must ensure that individuals have guaranteed financing for affordable, quality, and comprehensive care.</i></li> <li>▪ Medicaid Provider Reimbursement Rates - to study and compare Medicaid provider reimbursement rates with market insurance rates and create a plan to improve provider rates. <i>This is a UHPP item designed to increase access to medically necessary care by ascertaining the reimbursement levels needed within each specialty area to stimulate adequate provider participation.</i></li> <li>▪ Needs of Medicaid Patients - to study requiring acceptance of Medicaid patients, how to better serve those individuals, and the level of funding for Medicaid patients. <i>Providers should not be required to see Medicaid patients. Instead, reimbursement rates should be high enough so they can afford to see them</i></li> </ul>
<b>Self-Sufficiency</b>	<ul style="list-style-type: none"> <li>▪ Fostering Self-support through Assistance Programs - to study the adequacy of Family Employment Program (FEP) grants and the standard needs budget in fostering self-support among program participants. <i>FEP is Utah's word for welfare payments. Without adequate cash assistance, individuals in transition into the workforce cannot afford co-pays, among other necessities.</i></li> <li>▪ Hardship Extension in the Family Employment Program - to study the impact of granting hardship extensions for participants in the Family Employment Program during the 36-month time limit.</li> <li>▪ Community-based Self-sufficiency Grants - to study establishing a grant program for community-based public and nonprofit organizations that establish programs to help people obtain self-sufficiency and the need to insure that grant funds are contingent upon a matching component from the applicant and that monies are used for community and economic development, exclusively, without overhead for private administration (H.B. 278). <i>This is an UHPP item designed to maximize the use of self sufficiency tools like Medicaid and CHIP by high-risk populations.</i></li> </ul>
<b>Immigrants</b>	<ul style="list-style-type: none"> <li>▪ Noncitizen Utilization of Public Services - to study noncitizen use of public services using research from other states, and Utah's experience. <i>UHPP item which will show, as national data does for Medicaid, that ineligible individuals are not improperly utilizing public services. Results should obviate the need for legislation along the lines of last Session's HB437.</i></li> <li>▪ Identity Theft Impact - to study the impact of illegal immigrants on identity theft levels</li> </ul>

The lists are compiled and passed on to the Legislative Management Committee (leadership). Legislative Management meets **Tuesday, March 27 beginning at 3 p.m. in room W135** to assign each item to an interim committee (like the Health & Human Services Interim Committee). It is up to each committee to sort through the items it has been assigned and select those it wishes to investigate further. In addition to choosing what it studies the committee also determines how the issue will be framed and the scope of the questions to be considered. NOW IS THE TIME to make your case to HHS Interim members about items you want studied and how they should be framed. Advocates and policy analysts can also shape decisions about who gets to present the issue to the committee. UHPP is happy to assist with this process.

You will note that there is significant interest in coverage for the uninsured and small business, efficiency in Medicaid, and community-based long-term care reform. Not included on the list,

but heavily influencing the discussions, will be the Medicaid Interim Committee, which is authorized to meet 5 more times. It is crucial to begin the conversation with members of Legislative Management and the various interim committees on or before Tuesday to ensure that the items of interest to you get assigned to the right committee, get selected for study, and generate the desired outcomes.

We will be convening a meeting of the Utah Medicaid policy partnership at the beginning of April to discuss these and other items and to strategize a coherent approach to our never-ending spring and summer work. See you soon!

## 2. How Did Multicultural Health Fair at the Legislature?

It was a decent Session for communities impacted by health disparities, though trouble may be on the horizon. Following are highlights related to reducing health disparities from the Legislative Session. Starting with the good news...

- **CHIP:** Full funding for the Children's Health Insurance Program: This means CHIP will be open to new enrollment on July 1, 2007. Given the woeful under-enrollment of communities of color in medical assistance programs, this is great news. Now the trick is to make sure that all communities make full use of this wonderful program—before it runs out of money.
- **HB437:** Defeat of HB437, Limitation on Government Benefits to 'Aliens' Unlawfully Present by Rep. Herrod. The bill was intended to send an elaborate hate message to immigrants. If codifying hate was not reason enough to oppose this bill, the expense of implementing it is. Similar statutes are known to cost states much more than they save because of the added bureaucratic costs of excluding immigrants that were never qualifying for or using the public programs in the first place. Despite its defeat, there was substantial support for the bill in the legislature. So it will likely be back with a vengeance next year. We would do best to learn from the problems similar provisions have caused in states such as Colorado. Also, Idaho just passed a similar provision.
- **Medicaid:** Legislators finally embraced the Medicaid Preferred Drug List and, even better, they agreed to re-invest the savings in Medicaid reimbursement rates for providers (physicians and dentists). Our hope is that more competitive provider rates will improve access to preventive care. Medicaid dental and vision services were restored, though only with 1-time monies.
- **Primary Care Grants:** This critical source of funds for community health centers and other facilities devoted to providing high-quality primary care services received \$500,000 in ongoing monies. Community Health Centers provide a "medical home" to communities impacted by health disparities. Note that only \$70,000 of the \$500K is new money! Though this is moving in the right direction, it hardly touches the need for timely access to primary care.
- **Non-Medicaid Mental Health Services** received \$2.7 million in ongoing funding. The trick will be to make sure that adequate portion of this is devoted to services beyond Valley Mental Health, like mental health services that are provided in the primary care setting. To get involved in this vital issue, contact NAMI-Utah (<http://www.namiut.org> )

Now for the bad or mixed news...

- **HB437, Community-Based Self-Sufficiency Grants (Rep. Jen Seelig):** This was a 'learning year' for our beloved 'Mini-Grants' concept. Outreach and marketing to

communities of color is difficult in a state like Utah where public programs have limited resources and capacity to serve underserved communities. To facilitate outreach HB278 designates modest mini-grants to community-based organizations that have established trust with high-risk communities. To compete for the grants organizations must demonstrate a fresh approach to supporting self-sufficiency in their target populations. The money can be used to help communities make use of resources (like Medicaid and CHIP) known to facilitate self sufficiency.

[http://www.healthpolicyproject.org/Publications\\_files/CommunityBasedSelfSufficiencyFactSheet1-19-07.pdf](http://www.healthpolicyproject.org/Publications_files/CommunityBasedSelfSufficiencyFactSheet1-19-07.pdf)

- **Systemic Health Reform and Small Business Coverage Initiatives:** This was not the Session for systemic health reform or small business coverage initiatives. The next Session should be a different story. Governor Huntsman declared his intent to cover all children, but somehow the Legislature was not on the same page. This may be for the best at least for now, as policymakers have yet to explore financially sustainable ways to cover the uninsured. The first step is to pinpoint the causes of rising health care costs: inefficient management of risk and high overhead costs. Hang onto your hat! We expect bold ideas on this issue in the coming year.
- **Consolidation of Eligibility Services under the Department of Workforce Services.** The Legislature finally gave their blessings to this risky integration of eligibility processes into DWS. UHPP has been more hopeful than other advocacy groups about DWS' commitment to targeting under-served groups, however the transition team has yet to address many key questions like: the funding status of eligibility workers outstationed in settings other than hospitals, the wisdom of embarking on transition of this magnitude with a new DWS Executive Director (see #4 below), others (please email us your lingering concerns).
- **Obesity and Cervical Cancer prevention initiatives did not receive funding. Both diseases disproportionately impact communities of color and low-income Utahns. Both campaigns will be back next Session.**

### 3. Multicultural Health Network Workgroups, UPCOMING MEETINGS:

#### **Data/Research Workgroup of the Multicultural Health Network**

When: Wednesday, March 28, 1:00-2:30 PM

Where: Utah Department of Health, Room 301 Cannon Bldg  
288 N 1460 W  
Salt Lake City

#### **Policy/Coverage Workgroup of the Multicultural Health Network**

When: Wednesday, April 11, 4:00-5:30 PM

Where: State Office of Ethnic Affairs  
southwest corner of 300 S & State St., 5<sup>th</sup> floor  
Salt Lake City

### 4. Changing of the Guard at DWS

We wish a fond farewell to DWS outgoing Executive Director Tani Downing. We really enjoyed working with you, Tani! Congratulations on your selection as legal counsel to Gov. Huntsman.

Please join us in welcoming...DWS New Executive Director, Kristen Cox.

As the former Maryland Secretary of Disabilities and, before that, President Bush's appointee to the Rehabilitation Services Administration, Ms. Cox brings a wealth of experience to the post. Read more about Ms. Cox's background on Wikipedia: [http://en.wikipedia.org/wiki/Kristen\\_Cox](http://en.wikipedia.org/wiki/Kristen_Cox)  
We are hopeful about Ms. Cox's ability to oversee the consolidation of eligibility systems under DWS this summer.

## 5. The Federal Front: SCHIP Re-authorization

We are one step closer to providing the 50-60 billion needed to reauthorize SCHIP and ensure everyone who is currently eligible for SCHIP can get the health insurance they need. This week the Senate passed the fiscal 2008 budget resolution that includes a \$50 billion reserve fund for SCHIP. The House budget resolution, which passed out of the budget committee this week and will go to the floor next week, also includes a \$50 billion reserve fund for SCHIP. This is great news!

Now it's time to work the House to ensure SCHIP continues to be there for the millions of children who rely on this important program. For more information visit our [CHIP Re-authorization Station](#).

## 6. Utah Business Group on Health Meets April 13 @ 11:30 to 1pm

The UBGH is meeting to recap to the legislative session and discuss the road ahead on our way to affordable health coverage for Utah Small Business. Highlights will include:

- Utah Health Policy Project legislative victories, losses, and draws
- Strategy for the next year to bring about systemic and sustainable solutions
- Input from UBGH members about where they would like to see the group focus over the coming year

**When: Friday, April 13, 2007 @ 11:30 to 1:00**

***Please note the date has changed from the originally scheduled time***

**Location: United Way 175 S. West Temple, Suite 30 (G level)**

*Please RSVP: [Lincoln@healthpolicyproject.org](mailto:Lincoln@healthpolicyproject.org) or call 433-2299*

## 7. Health Action Calendar

Happenings in the Health Advocacy World can be found on the Utah Health Policy Project [HEALTH ACTION CALENDAR](#)

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