

# UTAH HEALTH POLICY PROJECT

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## News Release

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### ***Kudos to Governor Herbert for Deciding to Run New High-Risk Pool for Uninsurable Citizens like Diane Knight...***

*Salt Lake City, UT*—Just hours ago Governor Gary Herbert announced his decision to run the temporary high-risk pool (HRP) created by the new federal health reform law.

“We should all be proud of Governor Herbert for keeping politics out of this critical decision, the first of many he will be making around the state’s role in implementing federal health reform,” says Judi Hilman, Executive Director of the Utah Health Policy Project. What’s clear is that the Governor’s decision was guided first and foremost by what was best for the many uninsurable Utah citizens who stand to benefit from the new pool. Moving forward, we hope that a similar calculus is used to make the next big decisions.”

The new federal HRP will be open on or around July 1 to anyone with a preexisting condition who has been uninsured for 6 months or more. “What’s even more significant about this decision is that the state can only play if it brings its current pool up to the higher standard for the new federal HRP,” adds Hilman. PPACA (federal health reform) establishes a set of rules for both the federal HRP and any existing state pool that wants to tap into the \$5 billion in federal support set aside for the new pools. These rules include setting a minimum actuarial value (the portion of total costs, including cost sharing and deductibles that is actually covered by the given plan) and out-of-pocket maximum. The HRP provision also does away with pre-existing condition exclusions, require rates to be the same in the HRP as in the market generally, and sets a limit on age rating of no more than 4-1. All of these are welcome changes for families like [Diane Knight’s of Orem...](#)

Diane and her entire family are completely uninsurable because of preexisting conditions. “For our family, the state’s high-risk pool was never an option: the cost of premiums combined with the high deductible made it totally unworkable. I applaud anything that can be done to give people in my shoes a viable option. And because relatively minor health issues can render someone uninsurable, there are many people in this situation. The state does a good job managing the program, but it never had enough resources going into it to make it work for many families. As a conservative Republican, I’m also all in favor of local control—especially if there are enough dollars in the program to make it all work. So, we say, hooray for Governor Herbert!”

Critics of the new reform law like Senator Orrin Hatch have argued that the new pool is under-funded and thus it will translate into yet another cost shift to the states. UHPP has argued, to the contrary, that this reasoning is disingenuous. Says Hilman: “Five billion (\$40 million for Utah) may *not* be enough to meet the need, but we don’t see the harm in offering the additional subsidies for as long as they are available. If we ramp up more quickly, as we will if we run the pool ourselves, we will 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.” Apparently UHPP’s reasoning has stuck.

*We have storytellers available to talk to reporters. Please call Judi or Wendy to arrange an interview.*

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