



NEWS RELEASE

For Immediate Release: February 5, 2010

Contact

Judi Hilman or Janice Houston

Utah Health Policy Project

Office: (801) 433-2299

Mobiles: (801) 870-3887/921-5107

judi@healthpolicyproject.org /janice@healthpolicyproject.org

State Health Reform Moves Forward w/ Room for Improvement: HB294

Salt Lake City- Today, a series of bills from Utah Health Reform Taskforce will be heard today starting at 2:00 pm by the House Health and Human Services Committee in Room 30 of the House Building. Utah is well into year 3 of a 10 year timeline to implement health reforms. Over the last three years, the Legislature has enacted several pilot projects ranging from payment reform to a new online marketplace called the Health Exchange.

The Utah Health Exchange pilot project has just 13 employer groups participating with a total of around 400 covered lives (employees and their dependents). Initial enrollment was much higher at 130 employers, but higher premium costs, sometimes as much as 130% higher than what companies were already paying, caused most employers to drop out. **Eighty-four percent of employers who qualified to participate have dropped out during the pilot launch period.**

"This is because we're not making any of the big changes needed to bring down costs for these businesses and their employees," says Janice Houston, "though we may be getting closer. The focus of HB 294 Health System Reform Amendments sponsored by Speaker Clark is to smooth out these and other bumps in the road the state encountered in rolling out the Exchange.

"HB294 includes several important provisions for consumers and small businesses. To our delight, the bill includes provisions designed to share risk more broadly by placing tighter limits on how insurance calculate premiums," says Judi Hilman Executive Director of Utah Health Policy Project. "While these are important first steps, the bill needs to be strengthened if we are going to reach the goals of reigning in costs for small businesses and stopping the erosion of small business private market coverage." Read UHPP's analysis [here](#).

"At a minimum, we recommend what's called "modified community rating, wherein small businesses can fully leverage their purchasing power and enjoy the advantages of large employers. Second, insurers' ability to increase premiums at unsustainable rates because of health status needs to be further reigned in. Third, additional consumer protections need to be added to ensure Utahns are purchasing plans they can count on when they need it most. Finally, no health reforms will be successful without a discussion on affordability and what is actually affordable for our low and middle income families," says Janice Houston, Coverage Initiatives Director.

"As a small business owner, I'm struggling to pay the ever-rising insurance premiums for my employees. Small businesses that offer coverage are quickly becoming extinct because it is simply too expensive. I urge the Legislature to enact reforms that empower small businesses with new tools to spread risk and increase our purchasing power. We're headed in the right

direction, to be sure! but I have yet to see how this fancy new Travelocity-like webpage is helping to lower my premiums,” says Tom Hori, a small business owner in Bountiful.

#

Judi, Janice, and Tom will be available for further comment at the House Health and Human Services Committee Meeting, 2:00 pm in Room 30 House Building. Karlene, a low-income working mother previously enrolled in the state’s Primary Care Network program will be on hand as well to clarify the need for stronger affordability provisions and an enhanced Utah Premium Partnership program when revenues allow.