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Herbert: Let states reform health care

Insurance • Herbert lauds Utah exchange, but some doubt results.

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Gov. Gary Herbert said Thursday that Utah's Health Exchange is proof that states ought to be trusted to manage health care, even though the program has brought coverage to fewer than 2,000 uninsured Utahns since it launched in 2009.

During the U.S. Supreme Court's arguments on the constitutionality of federal health reform, Justice Elena Kagan pointed to Utah's program as a model for state-run reform.

"The exchanges function perfectly well in Utah, where there is no mandate [that people buy health insurance]. They function differently, but they function," Kagan said. "... It seems to me a perfect example where half a loaf is better than no loaf."

Herbert said he agreed with the justice and argued that states should be trusted to lead on health care without congressional prodding.

"She proves the point that you don't have to have a mandate to have a state find opportunities to improve health care and engage in health care reform."

Utah's Health Exchange currently covers 6,223 people, but 80 percent of the companies that buy insurance through the exchange already offered coverage to their employees.

The nonprofit Utah Health Policy Project estimates that 1,866 uninsured Utahns — and likely fewer than that — have received insurance through the exchange.

Herbert said the state has been inhibited in its ability to expand the program because of uncertainty over federal health reform.

"We always strive for the perfect. It's probably not attainable," Herbert said. "Perfection would be that everybody has access to affordable health care. How you pay for it is kind of the debate."

The percentage of uninsured in Utah has grown in recent years. According to Utah Health Department

estimates, just less than 12 percent of the state's population is uninsured.

But Shelly Braun, reform director at the Utah Health Policy Project, said that number likely misses low-income residents who can't respond to such surveys because they don't have phones. She pegs the number closer to 15 percent.

Braun said it's hard to find evidence — either through increased quality, access or decreased costs — that Utah's Health Exchange is meeting expectations.

"We have made no dent at all in the large number of people who are uninsured in Utah," she said. "Every indicator would suggest that the price [for insurance] through the exchange is no different than the price outside the exchange."

Herbert said studies have shown that Utah has the lowest-cost health care in the country and among the highest quality.

"I'm much more confident in trusting the marketplace to find solutions to our problems than I am having government pick winners or losers," Herbert said. "Introducing private-sector competition and free-market principles will get us closer to perfection than a government mandate."

In Massachusetts, lawmakers took a different tack, mandating that residents buy health insurance. In that state, the rate of uninsured is about 2 percent.

"We're obviously proud of what we have here," said Brian Rosman, research director of the group Health Care for All, a nonprofit that has been active in Massachusetts reform efforts. "Utah will want to do it the Utah way, but for our state, there's very broad support among the public for health reform, even as [former] Governor [Mitt] Romney seems to be distancing himself from it." Unlike the Utah Health Exchange, which Rosman compared to a farmers market where insurance companies can set up a booth, Massachusetts requires them to apply and get approved by the state. Plans are categorized to help the public make informed decisions based on consistent criteria.

Massachusetts also offers subsidies to help low- and middle-income residents buy insurance.

"That's one of the beauties of having state-led health care reform. We can look at Massachusetts and say, 'Geez, there are some parts of this we like ... but their costs are rising dramatically,'" Herbert said. "We learn from each other. We'll learn from successes but we'll learn from failures, too, and if you have 50 different states out there leading the charge on health care reform, we'll gradually and eventually find the right process and probably the right product."

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