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Medicaid expansion: What's in it for Utah?

Health care • Program would mean up to \$4.7B in federal funding for Utah.

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It has drawn less media attention, but Wednesday's arguments on health reform's expansion of Medicaid are a big deal for states.

If the U.S. Supreme Court upholds the expansion, Medicaid would be the path to coverage for more than a third of Utah's uninsured, about 139,000 adults with incomes of less than \$15,000 a year. And the feds would pick up most of the tab: \$4.1 billion to \$4.7 billion by 2019, estimates the Kaiser Foundation.

States, too, would have to pony up cash; nothing for the first three years, but eventually up to 10 percent of the total bill.

In Utah, that would amount to between \$174 million and \$227 million by 2019, Kaiser found — a figure that strikes fear in conservatives.

"It's a budget-breaker for us," said Sen. Wayne Niederhauser, R-Sandy.

Utah could say no to the expansion since participation in Medicaid is voluntary. But doing so risks federal funding benefiting doctors, hospitals and, less directly, insurance companies, which are relieved of the burden of insuring the poorest, and some of the sickest, patients.

Shunning \$4.7 billion isn't easy considering Utah's entire state budget is about \$13 billion. And therein lies the rub for Utah, which is among the states challenging the Affordable Care Act.

Dangling all that money in effect forces states to accept the Medicaid expansion, which amounts to unconstitutional coercion, they argue.

"We accepted Medicaid years ago, and unless we do away with it altogether, which is politically problematic, we have to accept that people who meet the federal guidelines will be insured," said Niederhauser.

Consumer advocates say the argument is academic considering states have accepted federal money with

conditions for decades.

“Think about the practical repercussions of going backward; what roads we'd be driving on, what schools kids would be going to, what our universities would look like,” said Jason Cooke, Medicaid policy director at the Utah Health Policy Project.

Americans pay for the uninsured regardless, as hospitals cut losses from emergency-room charity care by bumping up the price for insured patients, which is reflected in higher insurance premiums for everyone, said Cooke.

Niederhauser disagrees, arguing people with insurance use more health care, driving up spending.

The Obama administration might have avoided the legal tangle had it opted to directly provide coverage to everyone, something like Medicare for all.

But “that's not the consensus they reached,” said Cooke, noting how Congress, instead, thought it worthwhile to engage states and the private market.

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