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Utah gov's adviser shares principles, no details, on health reform

Politics • Democrats press for details on homegrown alternatives to federal health reform.

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Utah Gov. Gary Herbert's health adviser outlined four principles Wednesday to guide the state's implementation of federal health care reform.

Any adopted programs, benefits or regulations should be state-led, Norm Thurston told the Legislative Health Reform Task Force. They have to be good for the economy. Cost is a factor because no matter how good an idea, lawmakers have to ask, can we afford it?

"And we have to ask, 'What does it do for individual freedom and liberty?'" said Thurston. "Are we helping people to be independent and successful on their own or are we creating policies that create dependency on government?"

States have some big decisions to make in the wake of the Supreme Court's decision to uphold the Affordable Care Act.

Most immediately, Utah has to decide whether to upgrade its health insurance exchange and open it to individuals instead of just small businesses — or run the current version alongside a federal one that offers subsidized coverage. States must declare their intent by Nov. 16.

Whether to expand Medicaid to cover more working-poor adults is another looming question. The governor and legislative leaders are withholding judgment until after the November election, arguing it could be a game-changer for health reform.

Meanwhile, Thurston said Utah is lobbying the Obama administration for flexibility to pursue alternatives to a full Medicaid expansion.

"It looks black and white on paper, but we're pretty sure there will be opportunities to do something

different," he said. "We've always said we want people to have better access to care. Is there a way to do that that's easier on state budgets?"

If the governor has something in mind, Thurston didn't say, despite Democrats pressing for details.

In pleading for flexibility, shouldn't Utah pitch its ideas? asked Rep. Rebecca Chavez-Houck, D-Salt Lake City. "Let's operate on, how do we do best by our citizens, instead of on what if the election moves one way or another."

Expanding Medicaid would cost billions in mostly federal dollars over the next decade. But it would cut Utah's ranks of uninsured nearly in half, covering 139,000 mostly working-poor adults.

The high court left it to states to choose to expand and said the U.S. government can't penalize those that don't by withholding all their Medicaid funds.

Even if the health care law lives up to its promise of making insurance more affordable by requiring young, healthy people to enroll, it probably won't be cheap enough for some families, admits reform task force Chairman Rep. Jim Dunnigan, R-Taylorsville.

But Dunnigan said Utah already has a fix for this population, Utah's Premium Partnership (UPP), which allows people to buy government-subsidized coverage using their money and money provided by their employer.

"If I were king for a day, I'd expand UPP," he said.

Judi Hilman, executive director of the Utah Health Policy Project, says Utah has already tried this with limited success.

No matter what Utah decides, the state will have to shell out more to cover 58,000 residents now eligible for Medicaid who, for whatever reason, haven't signed up. This is what's known as the "woodwork effect," caused by the health care law's requirement that people have coverage.

It's this population that will cost states the most — \$37 million the first year and \$125 million by 2023 — because the feds pick up less of the tab.

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