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Utah bid to opt out of health reform advances to state Senate

Health care • Supporters tout local control of health care, while opponents warn of the loss of millions in federal dollars.

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Shopping for a friendlier committee paid off for state Sen. Stuart Adams, who on Thursday won preliminary endorsement of his controversial Health Care Compact bill.

The Layton Republican wants Utah to opt out of federal health reform and join an interstate compact to take command of programs such as Medicaid and Medicare with block grants to the states.

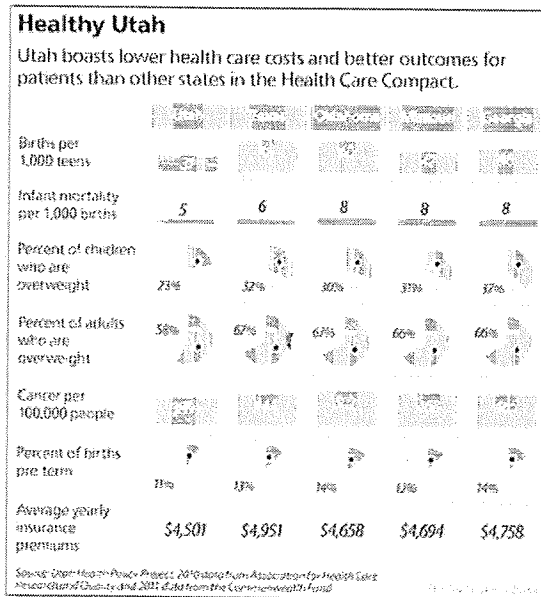
SB208 was scheduled to be heard earlier this week by the Senate Health and Human Services Committee, where it was expected to fail. Instead, Stuart pulled it from the agenda and pitched it to the Workforce Services Committee, which approved it on a party line vote.

The measure now heads to the Senate floor.

Its chances of passage are anything but certain, with powerful lobbying interests such as the Utah Hospital Association jockeying to kill it. Opponents argue it would cost the state at least \$62 million in federal funding, create another layer of government and put health care for seniors, people with disabilities and vulnerable children at risk.

But Republicans, framing the issue as one of states' rights, fought to give it a fair hearing.

"Whether or not it succeeds in the House or the Senate doesn't matter as long as we have this debate," said Sen. Aaron Osmond, R-South Jordan.



To date, four states have pledged to join the compact, which must be approved by Congress. Two governors have vetoed the idea, including Arizona Gov. Jan Brewer.

Adams said Medicaid and Medicare are budget-busters that threaten the country's economic health. He believes states can manage the programs more efficiently without harm to the tens-of-thousands of Utahns who depend on them.

"Government closest to the people manages best," he said. "The compact is simply a way for a bunch of states to ban together and petition federal government to say we want control of these programs."

But Democrats contend the compact would mean creating another bureaucracy to oversee billions of dollars now overseen by the feds, tying Utah's fate to states like Texas, Missouri, Oklahoma and Georgia.

"What does Utah have in common with Georgia, other than we all love Newt Gingrich?" said Sen. Pat Jones, D-Holladay, noting how Utah has the lowest per capita spending on health care.

The compact would also mean sacrificing federal money, because the block grant to states is not designed to keep pace with medical inflation.

In 2012, Utah could lose \$23 million of the \$1.4 billion flowing to Medicaid, said Jason Cooke, a policy analyst for the Utah Health Policy Project. "But realistically this wouldn't take effect until 2014, at which point losses would mount to \$132 million."

Cooke said this would leave the state with two choices: cut benefits or pay providers less.

"Before you vote on this, you need to be clear, this is much more than a message bill. It's bad public policy," he said, naming some of the programs that rely on Medicaid dollars, including foster care and services for the disabled. "We're not talking about transportation or commerce. We're talking about people's lives."

Hospital lobbyist David Gessell warned of the political consequences, asking, "Do you really want to control Medicare when you're going to have all the senior citizens looking to you when you have to make cuts and deal with budgetary issues?"

Chimed Danny Harris, associate state director of AARP, "I understand Utah wants to control the budget, but these programs will end up controlling Utah's budget."

The conservative Sutherland Institute and Utah Eagle Forum are the bill's lone declared backers. Opposing it are the Utah Hospital Association, AARP-Utah, American Cancer Society, Utah Association of Home Care and Hospice, the United Way, county mental health directors and Coalition for People With Disabilities.