Health care bill would stifle Utah

By Jason Cooke
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The Utah Senate is poised to consider a bill that would ask Congress to give Utah federal health dollars in a lump sum with no strings attached. SB208, Health Care Compact, sponsored by Sen. Stuart Adams, is more than just a messaging bill. Message bills do not have life and death consequences for real Utahns. But this bill would.

Dreamed up in Texas, the idea behind the bill may seem harmless. Utah joins with other states in an interstate compact and asks Congress

to release us from the requirements that come along with federal funds. Utah is the best managed state in the country, the proponents note, and we can do it better.

Under the compact, though, Utah actually loses money each year — at least $200 million in Medicare and $132 million in Medicaid dollars in 2014 alone (the first year the compact could be implemented). AARP estimates that the Compact would cost Utah half a billion dollars in Medicare funding by year 10.

How can Utah provide health care to the more than 500,000 Utahns enrolled in Medicare, Medicaid and CHIP — mostly seniors, children and people with disabilities — with much less federal money than the state gets now? Bill proponents argue that Utah will be more efficient with the dollars. “They just know it!” That’s a lot of efficiency to wring out of an already bare bones health-care system to cover the $500 million in losses from Medicare alone.

Then there is the question of who is going to administer Medicare in Utah. Will the state get federal dollars for that function? Proponents say they haven’t thought about that. The federal government employs more than 3,500 people to run Medicare. Would Utah need to add 3,500 people to the state payroll? Probably not. But there isn’t a business enterprise in the world that could add $2.3 billion in business activity to its portfolio without having to take on more people. SB208 grows Utah government.

So, with less money and more responsibility, what would Utah’s options be — once we have applied our yet-to-be-specified efficiencies? There are four main choices:

1. Kick people off the programs.
2. Cut back on covered services.
3. Charge seniors, people with disabilities and others more.

That's not the legacy legislators should be leaving from their service to Utah.

To add insult to injury, Utah's health care would be evaluated by an interstate commission to be formed with the other compacted states: so far Texas, Oklahoma, Georgia and Missouri—the lowest performing states with respect to health status and health care spending. Why would Utah, one of the top performing states, pay to create a new layer of bureaucracy so we can be evaluated by these other states?

Utah is already on the road to Medicaid reform. It's called accountable care—changing incentives for providers to minimize wasteful procedures and help patients stay healthy. It is real reform, and we know where to start from other states' ample experience. But with less money under the compact to improve those incentives, we can forget about reductions in Medicaid cost growth and better health outcomes.

It seems to me like an obvious choice: go with what is proven to work, knowing the risks (accountable care) or throw in with low-performing states and join an ill-defined compact while losing money, growing state government and potentially setting health care in Utah back a decade or more.

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