



NEWS RELEASE

Gov. Huntsman budget gets high marks from health care advocates

For Immediate Release

December 4, 2008

Contact:

Judi Hilman or Lincoln Nehring

Utah Health Policy Project

(W) 801-433-2299

Judi: (cell) 801-870-3887

Lincoln: (cell) 801-638-7695

Salt Lake City-Released earlier today, Gov. Jon Huntsman's budget recommendations contain good news for Utahns who rely on Medicaid and other critical safety nets for their health and well-being. "The Governor's budget affirms the critical role that Medicaid must play in an economic downturn: when the economy turns down, the need for Medicaid naturally goes up. *This is Medicaid doing its job*, and it's wise to invest in this safety-net during an economic downturn because health care is the key to economic security and opportunity," says Judi Hilman, Executive Director of Utah Health Policy Project. Dental services are also restored to seniors and disabled adults in the Governor's budget.

According to Gov. Huntsman, "...critical human service programs are being preserved wherever possible. Some reductions are necessary, but even in difficult budgetary conditions, we must protect the most vulnerable among us." To this end, the Governor assumes a healthy dose of fiscal relief from Congress, "a fair assumption" according to UHPP. He also dips a bit into the Rainy Day Fund but only as far as will preserve the state's stellar AAA credit rating. "All of this is appropriate in hard times: it's exactly what the Rainy Day Fund is for," adds Hilman. The Governor proposes spending \$13 million from the state's rainy day fund to preserve critical Department of Health programs.

"The Governor has taken great care in protecting the most vulnerable among us by preserving critical health and human service programs, says Lincoln Nehring, Medicaid Policy Director. "But the Governor recognizes that the state of Utah cannot weather this crisis alone. We need the Federal Government's help. Congress must pass economic stimulus legislation that includes a temporary increase in the federal medical assistance percentage (FMAP) to help the state as soon as possible. A FMAP increase will both ensure that thousands of Utahns can continue to access the health care they need and the increase will sustain thousands of high paying Utah jobs, which in turn will help Utah get its economy moving once again."

The key now, according to UHPP, is to defend this budget when the Legislature meets January-March. Already legislative leaders are bristling from the use of Rainy Day Funds, for example (<http://www.deseretnews.com/article/1,5143,705268071,00.html?pg=1>). Come January, states should know the exact level of fiscal relief they will receive. "If it is as favorable as can be expected," says Hilman, "it would be entirely appropriate to use whatever additional cost containment strategies we can implement to restore the cuts to provider rates and optional services like physical and occupational therapy that were cut last September. These kinds of measures, along with recommended cost containment measures will help set the stage for health system reforms that benefit the most vulnerable."

The Governor’s Budget Overview re-affirms the Governor’s commitment to comprehensive health system reforms. “In our view, Medicaid and CHIP must be improved and made more efficient in the context of the reform process and beyond. The health of our economy depends on the health of our citizens. Many tough decisions will have to be made in the coming months. We applaud the Governor for ensuring we do not take steps backward at a time when we must continue to move forward,” says Elizabeth Garbe, Coverage Initiatives Director.