

UTAH HEALTH POLICY PROJECT

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ALIGNING NATIONAL AND STATE HEALTH REFORMS



Top 5 Reasons to Support Health Reform *This Year*

- stop denying coverage for preexisting conditions
- give peace of mind: can get/keep quality, affordable coverage despite life's ups and downs
- To receive treatment when you need it, without risking bankruptcy
- To provide small businesses -*the engine of our economy*- relief from rising costs
- The status quo is unsustainable!

A Federal State Partnership



Insurance Reforms

- Bar insurers from basing premiums on pre-existing conditions or gender (premiums can vary by age)
- Prohibit caps on lifetime and annual benefits
- Require insurers to offer coverage to everyone and to renew policies.
- Disclose how much they spend on patient care vs. admin, advertising & profit

Increasing Competition

- Allow small businesses and individuals to pool risk by creating an exchange (an online marketplace)
- House: utilize purchasing power with a national exchange
- Senate: state-based exchanges that pool risk
- Utah's Exchange provides important foundation but needs to be improved on

Affordability

- New subsidies through the Exchange to people up to 300 or 400% FPL who are not offered affordable coverage through workplace
- Capping annual out-of-pocket costs
- Offer tax credits for small businesses
- Eliminate 17% hidden tax in premiums that pays for uncompensated care

Choice: The Public Option

- Major difference between House and Senate
- House: public option competes on level-playing field
- Senate: non-profit co-op with state opt-out (trigger potential compromise)

UHPP Position

If goal is to strengthen competition & model positive behavior EITHER COULD WORK.

...This issue must not make or break success!

Improving Medicare & Medicaid

- Maintain benefits while eliminating prescription doughnut hole
- Reduce costs of preventative services
- Reduce costly, preventable hospital readmissions
- Ensure Medicare remains solvent
- Expand Medicaid to 133% or 150% FPL
- Low income adults can use voucher to purchase private coverage w/Medicaid wrap-around

Shared Responsibility

- Require all individuals to have insurance *if affordable plan is available*
- Employers (>50 employees) provide coverage or pay fee or assessment to cover any subsidy
- **SMALL BUSINESSES WILL BE EXEMPTED & given tax credit, other new tools**
- Insurers adopt new marketplace rules

Financing

- Increased efficiency in Medicare/Medicaid
- House: 5.4% surcharge imposed on families making \$1,000,000+ and individuals making \$500,000+
- Senate: Excise tax on high cost insurance
- CBO estimates the proposal will reduce the deficit by \$81-\$104 billion over 10 years.

Utah's Important Role

- State has already recognized the need for health reform...
- Can be a national leader for innovation around reining in costs and increasing quality
- Build on the reforms implemented so far: Exchange, payment reform, all-payer database, ER tort reform

Top Priorities for 2010

For-Profit and Nonprofit Hospital Financial Assistance Transparency...

- Transparency & Value is one of the 6 *Areas of Need* that the Taskforce addresses
- Transparency of hospital financial assistance will protect access and assure appropriate public process for determining what/how services are provided

Top Priorities for 2010

Expand the Risk Adjuster to inside and outside Utah's Exchange...

- Protect insurers, as well as small businesses
- Stabilize rates in the private market
- Spread risk more effectively
- Prevent further erosion of job-based coverage

Top Priorities for 2010

State Budget shortfall--\$850 million shortfall

- Medicaid growth—20% since the beginning of recession
- Medicaid cost containment—Family planning waiver, PDL improvements, ???
- Tax increases—Tobacco Tax, Sales Tax on Food

Thank You!

