

Low-income advocates: Revamping health plan a painful move

By Lisa Rosetta - The Salt Lake Tribune Article Last Updated: 07/30/2008 12:00:14 PM MDT

Retooling one of Utah's underused health insurance programs could hurt the people it purports to help, low income advocates argued at a public hearing Tuesday. The Utah Department of Health is seeking a federal waiver that would allow it to make significant changes to Utah's Premium Partnership for Health Insurance - UPP. Starting in July 2009, those enrolled in UPP could use the state subsidy to buy private health insurance or help pay monthly premiums in the state's high-risk insurance pool, the Health Insurance Pool of Utah (HIP.) The proposal comes as part of House Bill 133, the state's health system reform effort, which is centered on getting more Utahns on the private insurance rolls. But advocates say two provisions - one that would limit access to the Children's Health Insurance Program, or CHIP, and another that would extend the time a family must remain uninsured before enrolling in CHIP or UPP - will move the state's health system reform effort backwards. "Our mission is to create quality, comprehensive, affordable health care coverage as soon as possible," said Judi Hilman, executive director of the Utah Health Policy Project. "Unfortunately, this waiver proposition doesn't get us very far in that direction." Under HB 133, adults who enroll in UPP would also have to enroll their children, who would be blocked from CHIP. That's a problem, advocates said, because there are out-of-pocket cost protections built into CHIP that don't apply to UPP. "Without a 5 percent limitation on cost sharing for employer-sponsored or individual market coverage, many children will go without needed care even though they are insured because their families just don't have the money to cover the deductibles and co-payment," said Joyce Dolcourt, director of public policy for the The Arc of Utah. And CHIP provides better coverage at a lower cost than private companies, said Korey Capozza, senior health policy analyst for Voices for Utah Children. A George Washington University study showed that for the average child, insurance through Medicaid and CHIP costs 30 percent less than similar private coverage. Private insurance also costs American families \$260 million a year in out-of-pocket costs - 88 percent more than public coverage, the study said. Dolcourt and other advocates said they'd like to see two exceptions to the CHIP restriction: allow children to enroll in CHIP if their out-of-pocket expenses exceed 5 percent, or if coverage for dependents is not offered by an employer. "While it is admirable for the state to want to maximize the use of private insurance....the private market may just be too costly," she said. Individuals who voluntarily drop their health coverage in order to be eligible for CHIP or UPP would also have to wait six months - instead of the current 90 days. Advocates said they want an exception for families who lose their private coverage because it becomes unaffordable. For those with disabilities in particular, health insurance is a "life line," Dolcourt said. Hilman said the health department's proposed waiver is "putting the cart before the horse. The first step has to be to....define the affordable thresholds at different income levels." UDOH will present the waiver at two legislative meetings in August and gather public comment until Aug. 22. The request will be sent to the Centers for Medicare and Medicaid Services for review.

Proposed changes:

Utah's Premium Partnership for Health Insurance gives adults up to \$150 a month and children, up to \$100 per month to help pay premiums for employer-sponsored health insurance.

Changes proposed by the health department:

- Ban children from enrolling in the Children's Health Insurance Program (CHIP) if their parents qualify for UPP.
- Allow Utahns with no access to an employer-sponsored health plan to use their UPP subsidy to buy private insurance. Individuals would receive between \$100 and \$500 a month, depending on their age.

- Expand UPP to help with premiums for low-income Utahns who enroll in the state's high-risk insurance pool.
- Allow low-income Utahns to use UPP subsidies to pay for COBRA insurance, the temporary coverage that businesses with more than 20 employees must offer to departing workers.
- Require Utahns to be uninsured for 6 months up from 90 days after they voluntarily drop employment-sponsored coverage before they are eligible for CHIP or UPP.