State health officials have devised a remedy for working poor Utahns who will soon be locked out of a program that helps them pay for health insurance.

Come May 1, Utah's Premium Partnership for Health Insurance (UPP) can no longer give subsidies to an estimated 170 adults and children because abortion is covered under the policies those families buy through employers.

The change was spurred by a new reading of federal law by the Utah Health Department, amid revived debate over publicly funded abortions.

To ease the blow, officials will immediately move those UPP enrollees -- including childless adults, who don't always qualify -- into other state health plans, said health department spokeswoman Kolbi Young. The families will be covered by Utah's Primary Care Network (PCN) and the Children's Health Insurance Program (CHIP).

"Our focus at this point is to help clients stay covered, while still upholding the law," Young said.

The move pleases low-income advocates, though they worry some UPP enrollees would remain on the hook for premiums if they can't drop their workplace coverage. Korey Capozza, health policy analyst at Voices for Utah Children, would like families given more time before the change.

Others are challenging the department's interpretation of federal abortion policy.

At issue is whether a 36-year-old ban on public funding of elective abortions applies to programs that help people pay insurance premiums. Called the Hyde Amendment, it has long barred the use of federal Medicaid funds for abortions except in cases of rape, incest or when the mother's health is in peril.

The ban is a "rider" that, in various forms, has been attached to appropriations bills each year since 1976.

It was never understood to extend to private health insurance plans purchased with help from the government, said Utah Medicaid Director Michael Hales.

Hales said that changed in March when President Barack Obama, under pressure from conservative Democrats, signed an executive order confirming the Hyde Amendment applies to the insurance marketplaces, or exchanges, that states must create by 2014 under federal health reform.

The exchanges are places where Americans can comparison shop for private plans, sometimes with financial assistance from the government.

But there are crucial differences in the way UPP and insurance exchanges work, said Lincoln Nerhing, Medicaid policy director at the Utah Health Policy Project.

With exchanges, financial assistance will come in the form of a credit paid directly to the exchange by the U.S. Treasury. With UPP, payment goes straight to the consumer in the form of a refund for part of the premiums they have already paid.

"In a lot of ways, it's semantics," he concedes. "Now that health officials have decided how to interpret the law, it will be hard to change their minds."

But to say UPP amounts to public funding of abortion is like saying public employees who elect to terminate...
a pregnancy, and pay for it out-of-pocket with their wages, are in violation of the ban, argues Nehring.

Utah has its own law barring the "direct and indirect" public funding of abortion. But health officials say they have no way of knowing whether, in UPP's seven-year history, any enrollees ever had abortions.

"At this point, we're talking about hypotheticals," said Karrie Galloway of the Planned Parenthood Association of Utah. "The state is jumping the gun and being punitive."

Utah has one of the lowest abortion rates in the country, she noted.

Most insurers offer abortion coverage at little cost to the consumer, including one of Utah's largest, Regence BlueCross BlueShield of Utah.

But Galloway fears the politics surrounding health reform will cause insurers to rethink such coverage.

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What is UPP?

Utah's Premium Partnership for Health Insurance was created in 2003 under the name "Covered at Work" by then-Utah Gov. Mike Leavitt, a Republican and an insurance executive. The program pays families up to $150 per adult and $120 per child toward premiums for employer-based insurance.

Critics of the program saw it as a way to funnel government money to insurers. Proponents hailed it as one of the most promising consumer-oriented approaches to reducing Utah's ranks of uninsured. Abortion never entered the debate.