



## Utah lawmakers discuss Medicaid spending cap

Joe Pyrah – Daily Herald | Posted: Tuesday, May 25, 2010 12:25 am

Depending on which side you're talking to, a new proposal to cap Medicaid spending in Utah is either a damned if you do or a damned if you don't situation.

Sen. Dan Liljenquist, R-Bountiful, says that if the state doesn't do something and soon, Medicaid costs are going to cripple future funding for other things like education. His plan is to cap Medicaid growth to the same rate as the state's general budget. If the general budget goes up 5 percent, for example, so can the state's portion of the Medicaid budget. In reality, the state's portion of Medicaid has grown at three times the rate of the state budget.

"I'm fine having a safety net system," he said. "But it shouldn't be a hammock. It shouldn't be a place people are comfortable being."

Judi Hillman with the Utah Health Policy Project doesn't see how Liljenquist can pull off his plan without "catastrophic" effects.

"I think it's a worthy long term goal," she said. "But you can't all of a sudden decide to start doing that, especially with federal health reform launching."

It's exactly that reform that has Liljenquist worried.

When it goes into full effect in 2014, the 60,000 Utahns who qualify but aren't using it will be on the books. So will many others, Liljenquist says, because the federal government will stop counting assets when it comes to qualification.

"Every single college kid in the state will be on Medicaid, even if they have 100 grand in the bank and their parents are paying their tuition," he said.

There are roughly 300,000 Utahns on Medicaid now, Hillman said, up from less than 200,000 several years ago. Capping Medicaid now will have an even greater impact because so many more people are looking to use it while unemployed during the economic downturn.

Instead, bringing costs under control will take a multi-pronged approach.

Take, for example, that a full third of Utah births are paid for through Medicaid. Hillman said a family planning waiver used in other parts of the country was pitched to lawmakers during the session but got nary a glance.

At a cost of about \$750,000 up front, it could save Utah more than \$1 million a year by educating parents about costs and improving intervals between births. When you combine the planning waiver with other possibilities such as a better preferred drug list, then the state could start saving serious money, she said.

Drugs are one place Liljenquist and Hillman are speaking the same language.

The senator says that drug makers are going to be a target for cost savings.

"I'm going to be picking fights with pharma, but they made a deal with the devil. With ObamaCare," he said, referring to the federal health care reform effort spearheaded by the president. Drug companies were successful, for example, in keeping Canadian imports out of the reform.

He's not exactly afraid of a good fight.

It was Liljenquist who led the charge in this year's massive pension and retirement reform for public

employees. The reform was desperately needed to keep the state from being crushed under a financial burden of future costs, he said. Public employees vehemently disagreed, leading to one of the most intense battles of the legislative session.

The Bountiful Republican expects no less next year with Medicaid.

"It's going to be a bloodbath," he said. "I'm already the least popular guy in the state."