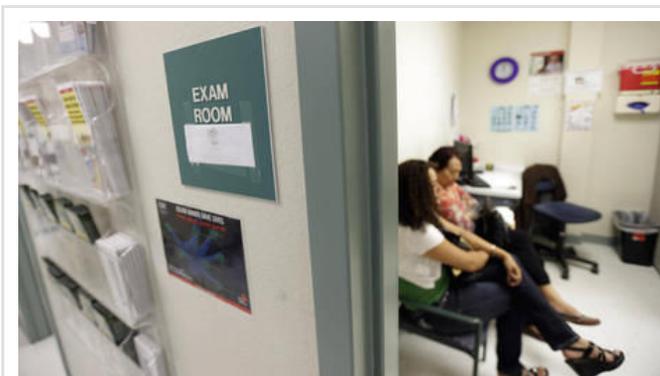


Deseret News

Uninsured Utahns in limbo as state leaders mull Medicaid expansion

By Wendy Leonard , Deseret News

Published: Wednesday, Feb. 20 2013 6:43 p.m. MST



Approximately 377,700 Utahns are uninsured, up to half of those might qualify for Medicaid if the state opts to expand the program. (Eric Gay, Associated Press)

SALT LAKE CITY — Health insurance mandates that require every individual to be insured go into effect early next year, but decisions yet to be made by state leaders have many Utahns hanging in the balance.

Approximately 377,700 Utahns are uninsured, up to half of those might qualify for Medicaid if the state opts to expand the program. But lawmakers and ultimately the governor are awaiting results of a report commissioned by the Utah

Department of Health to determine whether such an expansion would be good for Utah's economy.

The report, facilitated by Boston-based Public Consulting Group, was commissioned in mid-December and was initially intended to be completed prior to the legislative session starting, but has twice been delayed.

On Tuesday, health department officials told lawmakers in the Social Services Appropriations Subcommittee that it could be another week or two before the data are ready for public consumption.

"It has stymied the process and set Utah behind many other states that already did studies and are moving forward with the expansion," said Matt Slonaker, Medicaid policy and collaborations director at the Utah Health Policy Project, a local advocacy group working toward affordable health care for all Utahns.

Medicaid expansion, he said, is "the big elephant in the room."

Dr. David Patton, executive director of the Utah Department of Health, said that following release of the report, a commission made up of community stakeholders will be tasked with digesting the information it contains.

"We are trying to be objective and trying to say what is best for Utah in terms of the costs and the benefits," he said.

If the state opts for expansion, it could take effect as early as January 2014, but it could also be implemented later than that, and federal reimbursement money would be left on the table.

The federal government, in compliance with the Affordable Care Act, is expecting to pay 100 percent of the cost of expanded coverage for the first three years of implementation and at least 90 percent after that, which would amount to more than \$4 billion coming to the state in the first five years, according to a Kaiser Family Foundation [study](#).

"That's pretty hard to turn your nose up to," Slonaker said. "Things like this don't come along very often."

The state, however, would also have to fund a significant portion of expanded coverage, including administrative and processing costs, as well as for care, to the tune of about \$174 million over the next six years. It could end up being more, depending on pending federal budget decisions.

"There's a large array of things we're looking at, and we are making sure details are factored in for Utah's population," Patton said.

Other states are similarly studying potential economic impacts of a Medicaid expansion, and results "are all over the map," he said.

Projections by The Advisory Board Co., a global research firm that works with health care and education providers, indicate that 13 states have decided not to participate in a Medicaid expansion program, five are leaning toward not participating, three might expand and 23 are decidedly embracing the optional federal health care law provision to expand Medicaid.

Six states, including Utah, remain undecided on the issue.

Governors face no deadline for choosing whether to expand, but a decision would need to be made by about October if state leaders want to offer the expanded benefits in 2014, Patton said.

"If we don't (decide by then), we miss out on the federal match for that year," he said.

Currently, there are 258,866 Utahns insured by the Medicaid program.

Medicaid, created by the Social Security Amendments of 1965, is a health care program jointly offered to eligible individuals, families and children, including the elderly and people with disabilities, through federal and state funds.

Adults currently qualify for Medicaid if they are poor parents (earning less than 44 percent of the federal poverty level, or \$15,130 for a family of two), if they are poor and disabled, or poor and pregnant.

The Affordable Care Act aims to minimize such discretion, qualifying individuals based on income alone. Adults earning up to 138 percent of the poverty level, or less than \$15,415 for a single adult, would then be eligible under Medicaid expansion.

It is estimated that nearly 50,000 uninsured, low-income Utahns are eligible for Medicaid, but for one reason or another are not enrolled. These individuals would likely apply for coverage under the federal mandate by next year, making up what the health department calls the "woodwork effect." Expanding eligibility requirements might then put another 53,000 or so Utahns on Medicaid rolls.

The Kaiser study, however, indicates that expansion would give up to 189,000 uninsured Utahns access to cost-effective health care by 2022.

Another [report](#), released last week by Families USA and the Utah Health Policy Project, states that expanding Medicaid this year would bring 5,900 new jobs and a \$670 million economic impact to Utah in 2016 alone.

Federal dollars, the health care advocacy organizations anticipate, would drive the economy in the form of additional payments to providers, such as hospitals, physicians and pharmacies. A "ripple effect" of health sector employee spending, the report states, would have an impact on all kinds of products and services.

Also, by reducing the number of uninsured Utahns, the report estimates that Medicaid expansion would dramatically reduce the amount of uncompensated care in Utah, saving potentially more than \$100 million for the state in the next decade.

"It's true that if you do the math, you'll come to the conclusion that the Medicaid expansion is wise," Slonaker said.

As it impacts low-income Utahns, "Medicaid coverage has been shown to improve people's health status and financial security," the report states, leading to a healthier overall population.

Without Medicaid expansion, Families USA and the Utah Health Policy Project believe that many of Utah's lowest-income residents would remain uninsured and continue to drain the system and force increased premiums on paying individuals.

"These are people that make very little money really," Slonaker said. "Without expansion, they will have no option to get coverage."

Families with incomes above the federal poverty level will be able to purchase insurance through health insurance exchanges that were essentially created by the Affordable Care Act, and they will receive tax credits to help defray the costs of their premiums. Families below the level can buy

policies on the exchange but won't qualify for tax credits, so they would likely have to pay the full cost of the premiums.

Slonaker believes lawmakers and the governor want to resolve questions surrounding Medicaid expansion, but without the local data that are being provided by Public Consulting Group, it is too hard to identify the potential impact any action might have.

"This is really too good of a deal to delay," he said, adding that every state inevitably joined the Medicaid program in the years since it was created, and he believes expansion of the program will follow the same path. "The silver lining is that the report will be an accurate analysis considering the savings and costs and that we still have time to make the decision."

Patton said he anticipates the study will provide the scope of savings that a potential expansion of Medicaid might bring, as well as the impact it might have on the economy in general.

Subcommittee Chairwoman Rep. Ronda Menlove, R-Garland, said she and other lawmakers are "looking forward to seeing the results. We'd like to make an informed decision on this."

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