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Medicaid: Waiting will cost big money

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Last Friday at the State Capitol I listened intently as the Social Services Appropriations subcommittee assigned priorities to competing requests for state funding. But something important was missing from the discussion.

This committee was supposed to have the first look at findings from the state-commissioned study on the costs and benefits of the Medicaid expansion.

Last fall, Utah paid a consulting firm \$100,000 to deliver the study in time for this legislative session. But the results were delayed in January and again last week over apparent concerns about methodology.

So the SSA committee went through dozens of budget items without details on how millions of dollars in Medicaid expansion funds could impact the state budget or the economy.

Of all of the advisory bodies at the Legislature, the SSA has the most expertise on Medicaid expansion. Members have heard hours of testimony on how the expansion could impact Utah. And last Friday, all but one member voted to review the study when it becomes available, even if it's after the general session ends next month.

That near-unanimous vote suggests that committee members are keenly interested in the study's findings. Some may realize that other states are ahead of Utah in analyzing the impact of expansion.

Results of similar studies in states where the issue is just as controversial proved that joining the expansion was an economic and public health no-brainer. If Utah's study follows the results of these states as I expect, the SSA committee could be instrumental in making the fiscally sound case for expansion.

Right now the PCG study is sitting in the Governor's Office of Planning and Budget where staff members predict that it won't be available for another month, too late for this Legislature to act on the findings.

Removing the decision on expanding Medicaid from the frenetic general session makes sense. But as the Legislature begins to make multimillion-dollar budget decisions without the study results, I'm concerned about timing and getting the right players at the table when it matters most.

Let's consider two examples:

Local Mental Health Authority Medicaid match — \$4.5 million: County mental health authorities could cut millions of dollars from local budgets if individuals were served through the Medicaid expansion.

Drug courts — \$2.5 million: Up to 80 percent of individuals receiving drug court services would qualify for the expansion based on their incomes, meaning that Utah could save \$2.35 million in state funds.

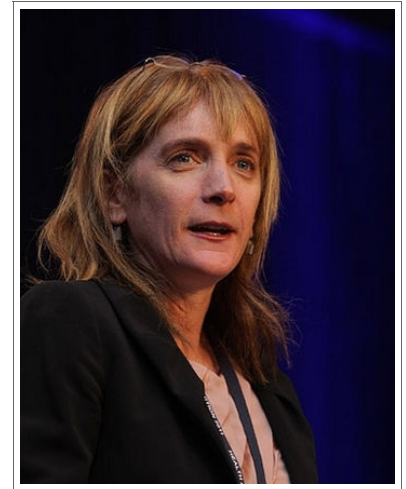
Utah needs to make a decision on Medicaid expansion on a time scale that allows legislators, starting with SSA members, to make prudent decisions on the many funding requests affected by the expansion.

While we await the study results, note that the estimated costs of the expansion (\$3.9 million in the first year of 2014) are likely less than the costs of services provided to the same population but in more expensive settings.

Draw some lessons from other arch-conservative states, whose concerns about the expansion are similar to those expressed in Utah. Two have figured out how to pursue expansion while hedging their bets. Arizona Gov. Jan Brewer introduced a "circuit breaker" that allows her state to pull out of the expansion if the federal government does not, in fact, fund 90 to 100 percent of the costs as promised.

Florida will support Medicaid expansion for the first three years, when it will be paid for by the federal government, and then reassess its decision. Clearly, there are many ways to pursue expansion on a limited or conditional basis, and continue to evaluate how it affects the state.

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