

Gov. Gary Herbert offers 'Utah solution' to Medicaid expansion

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Published: Thursday, Feb. 27 2014 2:15 p.m. MST

Link: <http://www.deseretnews.com/article/865597533/Gov-Gary-Herbert-offers-Utah-solution-to-Medicaid-expansion.html>

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SALT LAKE CITY — Gov. Gary Herbert offered his own "Utah solution" to Medicaid expansion Thursday, calling for a new state-run program that would be paid for through a block grant from the federal government.

Herbert's "Healthy Utah" plan would seek a block grant from the federal government to cover about the same number of needy Utahns as accepting the full expansion of Medicaid offered under the Affordable Care Act, also known as Obamacare.

But instead of receiving Medicaid, the estimated 111,000 Utahns earning less than \$15,500 a year would each pay about \$420 a year toward private insurance and medical expenses.

The plan has a \$258 million price tag for the first of what the governor said would be a three-year pilot program. Legislative staff has estimated that more than \$500 million is available annually for the full Medicaid expansion.

"We can do it our way in Utah," Herbert said, promising that a state-managed plan without the strings that come attached to Medicaid will be more efficient, saving money and offering better coverage.

The governor declined to say what the state would do if his request for a block grant is rejected by President Barack Obama's administration.

"I don't want to go there," he said. "We're going to work it out. I'm optimistic," Herbert said at a news conference called to announce his proposal.

The governor said he discussed the plan while he was in Washington, D.C., earlier this week.

The GOP governor's long-awaited plan joins competing proposals from House and Senate Republicans. Herbert is seeking a resolution from lawmakers backing his plan before the 2014 Legislature ends March 13.

"This is not, you know, a 'Hail Mary' touchdown throw. We have a really legitimate opportunity to do something that I think is going to be a game changer," the governor said during a midday news conference.

Although he had previously described lawmakers as a tough sell on Medicaid expansion, Herbert said Thursday he believes they'll see the "wisdom and logic" behind his plan.

"I think the case sells itself because it is very logical. It solves the moral dilemma of the poor among us. We find ways to protect the taxpayers and have a good, positive outcome that I think will rally us together," the governor said.

But House Speaker Becky Lockhart, R-Provo, dismissed his plan as "a straight-up expansion of Obamacare" after she and Senate President Wayne Niederhouser had what she called an "informational" meeting with the governor.

The speaker, who is seen as a challenger to Herbert in the 2016 governor's race, said taking the Medicaid expansion money is "putting at risk hundreds of millions of state tax dollars in the future."

Lockhart said what the governor is seeking is not an unrestricted block grant from the administration because taking the funds means the state will have to comply with the requirements of Obamacare.

She is pushing a plan to reject the federal money available for Medicaid expansion in favor of spending some \$35 million in state funds to offer limited coverage through existing state programs.

That plan, which has not been endorsed by the House GOP caucus, would cover only a portion of the nearly 60,000 Utahns who earn below the federal poverty level and don't qualify for subsidies under Obamacare or Medicaid.

The governor has called the speaker's plan "illogical" because it costs Utah taxpayers more to provide assistance to fewer people in need. His office had no response to the speaker's comments.

Herbert's announcement came as House and Senate Republicans caucused behind closed doors. Lockhart said Medicaid expansion was not discussed by the House GOP Thursday but will be again.

Senate Republicans talked for a third time about Medicaid expansion in their closed-door caucus but have yet to take a position. They held a rare late-night caucus Wednesday that ended up lasting more than two hours.

Earlier Thursday, the Senate Health and Human Services Committee gave a favorable recommendation to a bill sponsored by Sen. Brian Shiozawa, R-Cottonwood Heights, [SB251](#).

The bill calls for the state to accept a partial expansion of Medicaid that would also be used for private insurance. Shiozawa said he met with the governor at his request earlier in the session to talk about Medicaid expansion.

He called the governor's plan a "novel approach." There had been speculation that Herbert would unveil a partial expansion of Medicaid to take care of the Utahns in the coverage gap that was similar to Shiozawa's bill.

"It's kind of like getting all of the money with not a lot of the strings attached," Shiozawa said of the plan unveiled Thursday. "If the governor can do that to reclaim our federal tax dollars, I support that."

But, he said, whether that can happen "depends on how good the president wants to negotiate and how persuasive our governor is, and that's a big if."

Democrats expressed cautious optimism about Herbert's plan, despite backing the full expansion of Medicaid available as the most direct and cost-effective way to provide coverage.

House Minority Assistant Whip Rebecca Chavez-Houck, D-Salt Lake City, called the plan "interesting, as it offers a plan to bring our tax dollars back to Utah while covering families and individuals that would be covered with the expansion."

State Democratic Party Chairman Jim Dabakis, who is also a state senator from Salt Lake City, said Herbert is facing the "political realities" of dealing with members of his party who want nothing to do with the Obama administration or Washington.

"The governor has to maneuver," Dabakis said, both with Republicans in the House and Senate, and with the administration. "There's clearly some schmoozing that needs to be done."

Even though Republicans hold a veto-proof majority in both the House and Senate, the governor may end up needing the support of Democrats to get his plan through this session.

Herbert's plan also got support from the left-leaning Alliance for a Better Utah, which formed the Coalition for a Compassionate Utah last year to advocate for Medicaid expansion.

The organization called the governor's plan both pragmatic and compassionate.

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