

In our opinion: Expanding Medicaid

Deseret News Editorial

Link: <http://www.deseretnews.com/article/865596629/Expanding-Medicaid.html>

Published: Sunday, Feb. 16 2014 12:00 a.m. MST

Because of the way the Affordable Care Act (often referred to as Obamacare) has come forward, Utah faces two serious problems that the governor and the Legislature can solve together in a spirit of principled pragmatism.



The first problem raises a question of fairness, the second a question of finances. Both can be addressed by authorizing Utah's governor to negotiate a sensible expansion of Medicaid in order to help our neediest neighbors while recouping Utah taxpayer dollars now flowing to Washington.

A hole in the safety net

The Deseret News has long expressed grave concern for how the unrestrained growth of entitlement programs threatens our nation's finances. We have consistently opposed the monstrous overreach and complexity of the Affordable Care Act.

But we have also acknowledged the need for a meaningful social safety net to catch those whose basic needs exceed what family and charity care can practically provide.

In the same 2012 decision that affirmed the constitutionality of the ACA, the Supreme Court invalidated a requirement that every state expand its Medicaid to cover everyone whose income falls below 133 percent of the poverty line. Utah, like many states, has exercised its right to pause and evaluate the costs and benefits associated with what was originally mandated Medicaid expansion.

In the meantime other aspects of the ACA have moved forward, including the extension of subsidies to those whose income is between 100 and 400 percent of the poverty line.

The resulting cruel irony is that more than 50,000 of Utah's poorest adults — specifically those below the poverty line who don't otherwise qualify for traditional Medicaid — are without any

health care support while better-off workers now enjoy substantial health care subsidies. Moreover, prior programs to help hospitals recoup the costs of uncompensated care extended to these poor have been abandoned under the ACA.

Some of the best analysts in the state have wrestled with how to mend this gaping hole in our health care safety net, exploring, among other things, partial expansion of Medicaid and a more organized system of charitable care. As we have scrutinized the many different proposals and considered their feasibility, we have reluctantly come to the conclusion that the surest, soundest and fairest way to fill this hole is to expand Medicaid to, at the very least, all those below the federal poverty line.

Utah taxpayers are already paying

Many advocates of such expansion have emphasized the attractive cost-sharing — 90 percent federal, 10 percent state — that is freely available to the state if it expands Medicaid to those making 133 percent of the federal poverty line. We, however, find that the cost-sharing arrangement fails to provide the most compelling financial argument for expanding Medicaid. Frankly, we remain skeptical about the long-term viability of any of the ACA's commitments.

Nonetheless, there is one simple financial reason to expand Medicaid. It stems from what remains all-too-certain about the ACA, and that is how dearly the act already costs Utah's taxpayers.

In 2012, the Congressional Budget Office and the Joint Committee on Taxation found that between 2013 and 2022, U.S. taxpayers will pay more than \$1 trillion in new health care taxes. Extrapolating proportionally by population from that national report would suggest that Utahns could send more than \$9.5 billion in new ACA taxes to Washington through 2022, or nearly \$1 billion per year.

The governor and the Legislature should do everything possible to keep as many of Utah's ACA tax dollars here in Utah. Expanding Medicaid to Utah's neediest adults is the most straightforward way to accomplish this. Expanded Medicaid coverage will not only satisfy what seems to us a vital humanitarian obligation, but analyses we trust suggest the potential for Medicaid expansion to act as an investment in improved health outcomes. Properly administered, Medicaid expansion should increase access to preventive and primary care, thereby driving down uncompensated costs for costly emergency room visits and crisis intervention.

Mending the safety net in a timely and sensible way will require giving the governor some flexibility. In a recent meeting with our editorial board, the governor has publicly committed to pressing for a variety of sensible modifications such as work requirements, allowing subsidization of private plans and so-called "circuit breaker" provisions that would allow the state to opt-out if federal commitments changed.

Given the fiscal irresponsibility of Washington, we sympathize with those who have a principled opposition to any expansion of federal powers, especially under the banner of Obamacare. But the patchwork of health care programs for the poor that is called Medicaid has been an integral part of Utah's social safety net for more than four decades. A modest expansion of this state-administered program with negotiated improvements to meet the unmet needs of the poor would be a far cry from the excesses and ineptitudes of the novel elements in the new health care law.

Utahns pay both state and federal taxes, and they benefit from federal cost-sharing in myriad ways as they grow transportation infrastructure, improve public safety and expand schools and universities. There are instances when the restrictions attached to federal funds may outweigh their benefit and the state should deny them. However, as long as Utahns are required to shoulder hundreds of millions of dollars of new Obamacare taxes, rejecting a cost-sharing plan that address the unmet health needs of the poor does not make sense. Given these concerns, the Legislature should empower the governor to negotiate a reasonable expansion of the state's Medicaid program.

Read more at <http://www.deseretnews.com/article/865596629/Expanding-Medicaid.html?pg=all#ysWgBx2gDGLBcf97.99>