

Medicaid coverage gap 'significantly larger'

By [Lisa Riley Roche](#)

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SALT LAKE CITY — The number of Utahns in the Medicaid coverage gap is "significantly larger" than previously calculated, according to a [new analysis](#) presented Thursday to the state's Health Reform Task Force.



"It gets even more scary," said the task force's Senate chairman, Sen. Allen Christensen, R-North Ogden, who has called the Medicaid expansion available under the Affordable Care Act "government-engineered 'charity.'"

The analysis by Norman Waitzman, co-director of the University of Utah's Health Society and Policy Program, found that the number of uninsured Utahns earning less than 100 percent of the federal poverty level is actually more than 77,000.

Gov. Gary Herbert's proposed alternative to Medicaid expansion, called Healthy Utah, relies on an earlier study that determined about 56,000 Utahns were in that situation, and around 47,000 could be expected to seek coverage.

The governor's plan failed to win approval from the 2014 Legislature, which decided instead to continue to study what to do about the Utahns who won't receive health care subsidies unless the state accepts Medicaid expansion.

Herbert continues to work to secure waivers from the Obama administration to allow the state to use the nearly \$300 million available to Utah in Medicaid expansion funds for his state-run Healthy Utah plan.

The governor's hope is to get the federal waivers and then call lawmakers into a special session later this year to approve his plan, which would help low-income Utahns obtain private insurance.

But the committee's House chairman, Rep. Jim Dunnigan, R-Taylorsville, told reporters after the meeting that the new estimates of how many people fall into the coverage gap shows why lawmakers need time to study the governor's plan.

"I think it is making some headway," Dunnigan said. However, he said, "it's much more complicated than just making a decision that we're going to pull the trigger and do the governor's plan."

Herbert still has "a laundry list" of issues with the federal government, including whether Healthy Utah recipients should be required to work, Dunnigan said. Lawmakers are also concerned about the eventual cost of the plan.

The federal government will cover 100 percent of the cost of Medicaid expansion for two years, but the state's share increases over time to 10 percent. If the state chooses to cover only Utahns in the coverage gap, the state's share hits 30 percent.

Utahns in the coverage gap earn less than \$11,670 a year. The governor's proposal would cover Utahns earning up to 138 percent of the poverty level, \$15,521.

Michael Hales, deputy director of the Utah Department of Health, emphasized to the committee that the governor is proposing a three-year pilot program for Utahns earning up to 138 percent of the federal poverty limit.

At the end of the pilot program, he said, lawmakers can decide whether to keep coverage for those Utahns outside of the coverage gap, who make between 100 percent and 138 percent of that limit.

Hales said, however, that once the state makes the decision to offer coverage to those below 100 percent of poverty, that commitment will be expected to continue.

"That, to me, is the biggest decision in all of this," he told the task force.

Dunnigan said the price tag for taking care of Utahns in the coverage gap would be \$40 million using the calculations the governor's plan is based on, but it could be closer to \$60 million if the new estimates are more accurate.

The estimates presented to the task force Thursday, sponsored by supporters of Medicaid expansion including the Utah Health Policy Project and University of Utah Health Care, "are somewhat disturbing," Dunnigan said.

"I don't see his report as a positive," he said, because "from a financial and a risk standpoint, that makes it actually worse for the taxpayers. We're going to have to fund for more people" in the coverage gap.

Waitzman told reporters he believes the new numbers show the governor's plan is "actually a bargain" compared with accepting only a partial expansion of Medicaid since the federal government is picking up the entire tab initially.

Hales said after the meeting he plans to meet with Waitzman and go over the differences between his analysis and the numbers from a [2013 report](#) released by the Utah Department of Health.