

Utah's alternative to Medicaid expansion still stalled

Feds agree to most of governor's proposal.

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There's a persistent snag preventing federal health officials from agreeing, in concept, to Gov. Gary Herbert's Healthy Utah plan: the work requirement.

Herbert said Thursday during his monthly KUED news conference that he's "cautiously optimistic" that he and the Obama administration's Health and Human Services will resolve their differences over that final stumbling block when he's in Washington next month.

"If we can get it done by the end of September then we'll be able

to seal the deal," he said, adding that the Legislature could still approve his Healthy Utah plan before its general session in January.

"We think it's good policy for those who can work, you ought to have a job (or) at least be part of the program rather than just being on the government dole," Herbert said.

The [state and feds have been negotiating for months](#) on the plan, which essentially would have the feds turn over \$258 million that it would have provided to expand Medicaid eligibility in Utah — letting the state give low-income people subsidies to buy private health insurance instead.

They've reached conceptual agreement on dozens of aspects of his Healthy Utah plan, but not on Herbert's insistence that those subsidy recipients who can work, do so, or at least seek a job through the Department of Workforce Services.

Two-thirds of those who would get the health insurance subsidies already work, and those with physical or mental disabilities aren't expected to work, he said.

Herbert described the standoff as philosophical. "They [the Obama administration] think people should just be able to go and, if you need health care, get it. Period," Herbert said.

But W. David Patton, executive director of the Utah Department of Health, told the Legislature's Health Reform Task Force Thursday that HHS insists the law prohibits a work requirement.

Utah is consulting attorneys in Washington, D.C., as well as in state to assess whether it's true that HHS can't legally allow Utah to have a work requirement, Patton said.

"Is it a deal-breaker?" Rep. Jim Dunnigan, R-Taylorsville, co-chairman of the task force, asked Patton. "It depends on in what sense you mean that," Patton said.

"I don't think [the governor would] bring you a package without the work requirement, but if he's convinced that legally they can't do it, he might," Patton said.

The governor proposed Healthy Utah last winter as a solution to the problem created when the U.S. Supreme Court allowed states to opt out of expanding Medicaid, intended to cover more low-income people under the Affordable Care Act.

Some Utahns make too much money to qualify for Medicaid under the existing law, but they don't make enough to qualify for federal health insurance subsidies. That's because Obamacare, as the ACA is called, didn't foresee needing subsidies for those people since states at the time were all expected to expand Medicaid programs. Estimates of the number of Utahns in the donut hole range from 54,000 to 77,000.

Conservatives in the Utah Legislature have argued against accepting the millions of dollars for a Medicaid expansion, because they fear the state will have to pick up future steep tabs and insurance companies would lose business.

[Surveys show Utah residents overwhelmingly favor](#) the Healthy Utah plan over doing nothing, and on Thursday, the task force heard from an array of proponents. Charlotte Lawrence of Orem, flanked by a son and daughter, described the trials she has endured since being diagnosed with cancer and having surgery in 2012.

She makes \$29,000 working two full-time jobs, but can barely afford the \$300-plus per month premium for her employer's insurance. She falls in the gap, she said, making too much to qualify for Medicaid and too little to get a federal health insurance subsidy.

"I plead with you not to treat the 99 percent of us poorly because of 1 percent that wants a handout," she said.

The co-chairmen of the Salt Lake Chamber's Health System Reform task force spoke in favor of Healthy Utah, as did Kyle Jones, a University of Utah family physician, who told the story of a Brigham Young University public policy professor Sven Wilson, who did an economic analysis of the governor's plan for [Voices for Utah Children](#), called the analytical work "boring" because it was so clear-cut: there's no downside to the plan.

"There are no significant tradeoffs, no significant upfront costs. Utah is already paying for expansion [through federal taxes]," he said. "The answer is painfully obvious."