

Utah Gov. Gary Herbert: We have a 'conceptual' deal on Medicaid

Health care » Governor's hoped-for work requirement will become a 'work effort' — with details to come.

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The Obama administration has agreed in concept to Utah's novel alternative to expanding Medicaid, including the notion that able-bodied people who get insurance subsidies should accept the state's help with finding work, Gov. Gary Herbert said late Tuesday.

The governor said after a meeting with Sylvia Burwell, secretary of the Department of Health and Human Services, that a final agreement is two or three weeks away.

HHS did not agree that insurance subsidies would be contingent on recipients holding a job or looking for work, but the agency did agree that employment can be a goal of Utah's program, Healthy Utah.

"It's a win, win, win all the way around," the governor said, describing the negotiations as resulting in federal approval of 95 percent of his Healthy Utah plan.

Utah Senate President Wayne Niederhauser, R-Sandy, praised the governor's work on tailoring a solution that might work in Utah.

Estimates are that 54,000 to 75,000 Utahns fall in a gap in health care reform, making too much to qualify for Medicaid but too little to qualify for insurance subsidies from the federal government.



"When we get the actual proposal, then we'll take it through the process," Niederhauser said. "The Senate wants to deal with the gap. We want to find a way to deal with that population ... and maybe this is the way."

It's too soon to know if that can happen before the legislative session begins in January, he said.

Utah is one of the states refusing to expand Medicaid under the Affordable Care Act. The Supreme Court gave states that option, which results in thousands of people falling in the gap.

They earn from 100 percent to 138 percent of the federal poverty level, which is \$15,500 for an individual.

Herbert and the Utah Department of Health have been negotiating with HHS for months, seeking approval of the Healthy Utah plan. The idea is for the Obama administration to turn over the money it would have given Utah to expand Medicaid, roughly \$258 million, so the state can provide subsidies to those in the coverage gap. They'll buy private health insurance on the market.

On Tuesday, Herbert was no longer using the phrase "work requirement," which had been a pivotal part of his plan. Instead, he used the phrase "work effort," and called it a benefit the state would offer to subsidy recipients.

The Department of Workforce Services would help them get training or seek work so, eventually, they would no longer need a subsidy to buy health insurance.

"That seems to be a more appealing way to address this issue," the governor said.

Sixty-six percent of those in the gap already work, according to an analysis of U.S. census data, and another 10 percent or so are medically unable to work. So the work issue is relevant for roughly a quarter of those in the gap.

"It's clear now that both sides understand that part of Healthy Utah would include a benefit to help those who are unemployed and able-bodied ... get better employment," Herbert said.

"Both sides agree to that."

It's not yet clear whether HHS will allow Utah to require applicants to accept such assistance.

"How we go about doing that is still to be determined," Herbert said. "The details need to be worked out."

Rep. Mike Kennedy, R-Alpine, a member of the Legislature's Health Care Reform Task Force, praised the governor's persistence in the negotiations, but said he wants to see the final agreement.

"I want to see our state autonomy protected and our citizens well-served for the long-term, not just three years," said Kennedy, a family physician.

Healthy Utah is a three-year pilot project.

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Rylee Curtis, Medicaid policy analyst for the Utah Health Policy Project, was happy to know a final agreement is close. "Both sides know how important it is," Curtis said.

Though she would have preferred Utah expand Medicaid, Curtis said, "realizing the political The governor said HHS is giving Utah more flexibility than it has allowed any other state proposing an alternative to Medicaid expansion.

"We are breaking new ground. We are providing a better way to provide health care to the people of Utah," he said.

Healthy Utah, he said, will help give 111,000 low-income Utahns access to good quality health care, transition off of Medicaid and have a better economic standing in life.

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