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## **Proposed changes to state health insurance programs face fight**

Ace Stryker - Daily Herald

### **Group protests controversial state waiver to limit public programs for low-income families**

A nonprofit health care advocacy group is protesting potential changes to Utah's public health insurance programs that it says could limit coverage choices for low-income families.

The state Health Department is asking for a waiver from the federal government that would seek three major policy changes. Prompted by House Bill 133 from this year's Legislature, the department will submit the waiver to the Centers for Medicare & Medicaid Services for approval later this month.

The first change would allow people eligible for Utah's Premium Partnership for Health Insurance, a program that offers subsidies to low-income workers to help them purchase their employer's private insurance, to apply new subsidies to individual plans if their job doesn't offer one. Lincoln Nehring, Medicaid policy director for the Utah Health Policy Project, calls that proposition a "very positive change."

"The UPP program right now is very much underutilized," he said. "These are low-wage jobs. There aren't a lot of employers that offer benefits at this level."

But the second change the Health Department is seeking would exclude children from the Children's Health Insurance Plan -- a state-sponsored insurance program for kids in low-income families -- if their parents qualify for UPP. The philosophy there is to force families away from public insurance and into the private market if they can afford it, Nehring said. While the thought makes sense, there aren't yet enough affordable private plans to make the move helpful, he said.

"There's no guarantee that the coverage will be as comprehensive or affordable as the CHIP program," he said. "There are too many unknowns and too many risks for every family to be pushed in that direction."

Currently, families earning less than 150 percent of the poverty line qualify for both programs and can choose where to insure their kids. Nehring said theoretically, he would support the move if it could be guaranteed that families would not suffer from poorer coverage in private plans. But at this point, those plans aren't always competitive with CHIP, he said.

"That needs to come at the end rather than the beginning," he said. "We need to address the problem of the private market first. I think everybody agrees that our private health insurance market in this country and this state is broken."

A new study from the Robert Wood Johnson Foundation says children covered by CHIP receive far superior care to uninsured children and are more likely to receive needed care. Ninety-three percent of CHIP enrollees have a personal doctor, the report states.

The final change, which Nehring says is the worst of the three, would extend the waiting period between

when a person drops private insurance and when they are eligible for UPP help from 90 days to six months. The intent there is to prevent "crowding out" -- a trend in which someone who can afford private coverage finds out they're eligible for UPP and applies for the subsidy anyway. That part of the deal makes sense, he says, but there is no provision for people who lose private coverage simply because it becomes unaffordable.

With the average family's insurance premium in Utah at \$10,500 a year, that would leave many people priced out of the private market uninsured for too long before the state would help, he said.

"For a family that's right at poverty, that's half their income," he said. "There are a lot of families that are losing their coverage because they just can't flat out afford their private coverage anymore."

Nehring is asking the state Health Department to consider adding an exception to the waiver that would allow poverty-level families who spend more than 5 percent of their annual income on health insurance to skip the waiting period -- an exception that already exists for CHIP eligibility.

He made his case in a Health Department public hearing July 29 and plans to do so again twice next week when the Legislature's Executive Appropriations Committee and Health System Reform Task Force discuss the measure.

Centers for Medicare & Medicaid Services spokesman Mike Fierberg said his organization tends to rubber-stamp any CHIP amendments that come its way, provided that there are no glaring problems and the changes can be easily monitored.

"All things being equal, the tendency is to leave state policy decisions to the states," he said.

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