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## Utah's grand health lab

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The new Utah Health Exchange is an exciting experiment that could provide valuable lessons not only for the Beehive State but for the nation.

Unveiled last week, the exchange has two aspects: creating a defined market for small businesses and their employees, and creating an online marketplace so employees can identify the plan that best fits their needs. Employers would deposit money into workers' health savings accounts instead of paying part of their premiums.

This setup is designed to enable employee freedom, while unburdening employers from health plan administration.

Employees coming in as a group can't be denied coverage, as can happen when buying insurance privately. The underwriting takes into account age and the employer's group risk. All premiums are paid before taxes. Right now a person paying for his own insurance pays out of his post-tax salary. Those savings could be 25 percent to 40 percent.

At present, the Utah portal is available only to small businesses, but the plan is to open it up to larger employers, Medicare, Medicaid and the Children's Health Insurance Program.

Plainly the Utah Health Exchange is meant to tackle some of the obvious problems in the health-insurance system. It appears to make it easier for businesses, especially small businesses, to offer a viable health option to employees

The exchange also appears to induce competition among insurers, along with encouraging personal choice and responsible behavior by the insured. That's the ultimate goal of true reform. Right now, most folks on insurance plans don't have to worry about how much care they get. If patients had to think more about costs, they'd make more prudent decisions.

Utah is demonstrating how to untether employment from health insurance. The nation's current system, in which most health insurance is purchased through an employer, is oddly out of step with the rest of a person's insurance world. After all, you don't buy auto or home insurance through your employer, so why be pushed into buying health insurance that way?

The Utah Health Policy Project criticizes the reform for failing to guarantee that offerings are "affordable." Another question is whether small businesses will get the advantages as large ones, which have the clout of large numbers of

people.

UHPP also asks: Are the current benefit standards clear enough to offer valid comparisons?

Such questions are valid. But perhaps the most promising thing about the Utah Health Exchange is that the questions can be answered. Rather than arguing about abstractions, Utahns will be able to see what actually happens -- in the laboratory of experience -- when reforms are put in place.

Patience will be important. If the program stumbles, its designers need time to make corrections. Unforeseen problems may pop up as the program expands, but that's OK.

This is the right way to approach national health care as well. Rather than making a \$1.6 trillion move on the say-so of Congress, a number of small-scale experiments could be run to verify the results of a proposed system.

Unfortunately, some congressional Democrats seem hell-bent on pushing through a national monster without adequate testing. Fortunately, Utah is wiser.

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