

## Medicaid programs may be on chopping block

Cuts pondered » Poor Utahns could find it difficult to qualify for coverage.

By Lisa Rosetta

The Salt Lake Tribune Updated: 01/12/2009 06:52:45 AM MST

Lila Galvin is scared.

Mentally ill and diabetic, the 59-year-old Medicaid enrollee is dependent on prescriptions that help her function. Without them, "I'd probably end up back in (the University Neuropsychiatric Institute,)" she said.

Now, with the state's economy faltering, she worries about how much longer she'll be able to get her medications.

Utah's Medicaid program, which already ranks 49th in the country for per capita spending, could become the skimpiest safety net program in the country if the Legislature cuts 15 percent of its budget - a scenario lawmakers are quickly moving toward as the state's revenues plummet.

"A 15 percent cut will bring us to the bottom, easily," said Lincoln Nehring, Medicaid director for the Utah Health Policy Project. Last week, the group convened advocates, concerned Utahns and representatives from organizations that rely on Medicaid dollars to devise a strategy to protect the program.

At a Health and Human Services Appropriations Subcommittee on Monday, a fiscal analyst is expected to begin laying out the options.

"If Medicaid goes, programs go," said Amber Mackay, a transitional employment coordinator for the Alliance House, a place where mentally ill adults develop skills to transition back to the community and get jobs. "It's a yearly battle."

Gouging Medicaid's budget could mean closing the Utah Primary Care Network, a basic insurance plan, to new enrollees, as well as changing asset tests to make it more difficult for pregnant women, disabled adults and working families to qualify for benefits, state Medicaid director Michael Hales said at an advisory committee meeting in December.

A work incentive program for disabled adults and a "spend down" program that extends Medicaid benefits to low-income residents who make too much money to qualify could also disappear. Hales could not be reached for further comment.

Other programs, including one that encourages low-income women to seek early prenatal care and another that helps poor women with breast or cervical cancer pay their bills, could be wiped out.

And provider reimbursement rates could be decreased, potentially exacerbating an already widespread lack of access to care for Medicaid patients. Between 2000 and 2007, 16 percent fewer physicians billed the program for providing services, according to the Utah Department of Health. The number of dentists seeing patients dipped 14 percent during that same period.

All told, the \$48 million in potential general fund cuts would translate to a loss of \$122 million in federal Medicaid funding for fiscal year 2010, because the state receives a three-to-one federal match.

State officials are hopeful President-elect Barack Obama's economic stimulus package will help float the health insurance program by increasing the Federal Medical Assistance Percentage -- the matching dollars the federal government pays states.

But advocates worry a 15 percent cut could prevent Utah from being able to meet the federal government's minimum eligibility requirements, causing it to forfeit an estimated \$175 million to \$315 million in recovery money.

"The only question is: Is it (a temporary FMAP increase) going to be big, or is it going to be huge?" said Nehring, adding that match increases of both 5 percent and 8 percent are being discussed. "We just need to make sure we're in a position to take advantage of that."

The best strategy to maintain the state's current investment in Medicaid, he said, is to back-fill the cuts or set up a trigger mechanism that would involve allocating state rainy day funds to the program, then paying them back with federal relief dollars divvied out by Congress.

"We know it (increasing FMAP money) works," Nehring said. "It's a very effective conduit to pump money into the economy. It worked very well in 2003."