

Proposed Medicaid waiver looks beneficial – but is it?

Study says proposal would include delays and new limitations

By James Thalman - Deseret News

A proposed federal waiver to Medicaid coverage in Utah looks like a step toward improving health care but is two steps back in practice, a research agency says.

The waiver very well might expand access to working families who are priced out of the current market or turned down for chronic illness, but any benefits would be offset by new limitations and pre-existing condition delays, according to a study from the government insurance policy and research group Utah Health Policy Project. The waiver would allow more families to enroll in the underutilized Utah Premium Partnership insurance plan, but the tighter regulations would be applied to the partnership and the state's Children's Health Insurance Program.

And by tightening CHIP access, especially, the benefits may be negated. Extending the time a family must remain uninsured before enrolling in UPP and CHIP is not the best fix, said Lincoln Nehring, Medicaid Policy Director for the project.

"Despite skyrocketing increases in premiums and tight family budgets, Utah families have made great sacrifices to purchase private coverage," Nehring said. "At some point though, the ever-increasing costs become prohibitive, and families are left with no choice other than to drop coverage. Families in this situation should not be punished for trying to do right thing."

Nehring and other health care analysts said seeking a waiver from Medicaid to enhance UPP and CHIP looked to be at cross purposes with the broad package of legislation that enabled it. HB133, which lawmakers overwhelmingly approved this past session, directs the state Health Department to seek the waiver as one of the initiating steps of a multiyear plan to redo pretty much top to bottom the cost, access and quality of public and private health care in the state.

On the one hand, HB133 asked that UPP be expanded to allow the large and growing number of individuals and families without an employer-sponsored insurance plan to purchase private individual coverage. The catch is if the parents qualify for UPP, the state wants federal permission to prohibit children in those families from being enrolled in CHIP.

The benefits for children covered by UPP aren't as comprehensive as the CHIP plan. But more significant and troubling, Nehring said, is the extension to six months from 90 days of the waiting period a family previously enrolled in a private plan must remain uninsured before they are allowed to enroll in CHIP or UPP.

In addition, the waiver does not allow exceptions for families who lose their private insurance coverage because the premiums have become unaffordable. That is happening a lot lately: between 2000 and 2005, health insurance premiums for family coverage increased by 44 percent or an annual premium of \$10,617. CHIP-eligible families of four earn between \$21,200 and 42,400 per year.

Twenty-seven states have a waiting period for their CHIP programs, but nine of these states have created a "too expensive" exception to their waiting periods that allow privately insured families to

enroll immediately in CHIP if their premium cost-sharing obligations, including co-pays, exceed 5 percent of their income.

Utah is in a lead position on making some real strides in improving health care, but in this instance Utah needs to follow, Nehring said.

"When families hit this limit they should be allowed to immediately enroll their kids in CHIP — no questions asked," Nehring said. "Without such an exception we will defeat one of the core purposes of reforms — to bring uninsured families into cost-effective coverage and to reduce the amount of uncompensated care."

The health department is submitting the waiver request in about a month. Prior to that, it is holding a public hearing on the proposal July 29 from 4 to 6 p.m. in Room 125 of the Cannon Health Building, 288 North 1460 West. All comments will be submitted to the Centers on Medicare & Medicaid Services, which has final say on the request.

The full waiver as well as the project's fact sheet about the proposal are available at utahhealthpolicyproject.org.