Sen. Orrin Hatch, ranking member of the Senate Finance Committee, will voice his vision for reforming Medicaid in an address Wednesday to conservative think tank Heritage Foundation.

Twenty-eight Republican governors sent Hatch a letter Monday containing seven "guiding principles" for Medicaid reform. Hatch's office released the letter to the media Tuesday with the understanding that the senator's remarks to Heritage Foundation will incorporate several of the governors' suggestions.

"States must have greater flexibility in eligibility, financing and service delivery in order to provide long-term services and support that keep pace with the people Medicaid serves," the governors wrote to Hatch. "New federal requirements threaten to stifle state innovation and investment."

In Utah, Medicaid provides medical care primarily to children and individuals who are disabled or elderly. All eligible applicants must be accepted, and there is no cap on the number of participants. In 2010, Medicaid accounted for approximately 18 percent of the Beehive State's general fund — a figure projected to double by 2020.

"There's no easy time to talk about medical entitlements, but states are now financially desperate and change has to be made," said former Utah Gov. Michael Leavitt, President Bush's Secretary of Health and Human Services from 2005-09 and a member of the Deseret News Editorial Advisory Board. "Now, do we have an obligation to care for the poor? Absolutely. But every dollar that's gone to Medicaid hasn't gone to higher education; hasn't gone to public education; hasn't gone to infrastructure."

Leavitt voiced support for the guiding principles in the governors' letter to Hatch, noting also how those suggestions closely mirror the Medicaid reform Congress seriously considered but ultimately abandoned in 1996.

"When I think about the impact that changes at that point could've made on today, I lament that they were not accomplished the last time this was seriously debated 15 years ago," Leavitt said. "If it had (passed), Medicaid would be a substantially different and better program today, and the country would be substantially better off financially."

In their letter to Hatch, the GOP governors call for a repeal of the Patient Protection and Affordable Care Act, or "ObamaCare." Part of the reason Hatch, Leavitt and the Republican governors seek to repeal the PPACA is they believe that would provide individual states with increased flexibility for administering Medicaid. Judi Hilman, however, contends that meaningful Medicaid reform and ObamaCare don't have to be mutually exclusive.

"I'm afraid politics has clouded our ability to really look objectively at what is in the act," said Hilman, executive director of the advocacy-oriented Utah Health Policy Project. "When you look at it, you see that it's paving the way for the private market to be the platform for a reformed health care system. It's probably the most conservative package of reform that you could ask for."

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