



The State of the Utah Health Exchange

UTAH'S HEALTH EXCHANGE

Utah's Health Exchange ([UHE](#)) was established in 2009 as a "web based marketplace" where small business owners can shop for health insurance. Only 31 percent of small firms in Utah offer health insurance coverage,ⁱ and this is why small businesses have high expectations for Utah's exchange. However, as of August 1, 2011, the UHE only serves 165 small employers (2-50 employees): 1483 employees and 2717 dependents, for a total of 4,200 covered lives.ⁱⁱ Early in the state reform process, legislative leaders indicated they hoped to first find savings and efficiencies throughout the health care system, and then later use the savings to cover the uninsured, but so far Utah's Health Exchange has done neither.

UTAH'S HEALTH EXCHANGE HAS NOT INCREASED ACCESS TO HEALTH INSURANCE

- There are 67,000 small businesses in Utah; the UHE serves 165.
- Eighty percent of businesses currently enrolled in UHE already offered insurance to their employees.
- To date the UHE has brought approximately 840 previously uninsured lives (20 percent of the total 4200 covered lives) into health insurance.
- Utah has a 14 percent uninsured rateⁱⁱⁱ and a population of 2,763,885^{iv}; 386,944 Utahns are uninsured.
- Bottom line:
 - UHE has decreased the number of uninsured in Utah by a mere 0.22 percent.
 - ***UHE has made no difference in the Utah's uninsured rate*** (lowered it to 13.99 percent, not significantly different than 14 percent).

UTAH'S HEALTH EXCHANGE HAS NOT BROUGHT DOWN THE COST OF HEALTH INSURANCE

- Price is the "deal breaker" for the 50 percent of businesses that begin the enrollment process but do not buy insurance through Utah's exchange.
 - "Pilot launch" (2009): 77.5 percent of businesses that decided not to buy on the exchange reported that their quoted premium was "somewhat" to "much higher" than their current premiums.^v
 - "Re-launch" (2010): In a report to the advisory board, UHE staff stated that even though original problems that drove up premiums in the exchange were solved, the *deal breaker was still price*.^{vi}
- Employers can limit and better predict their costs because they make a defined contribution, they do not pay a percent of premium. The contribution ranges from \$0-1683, with the average hovering around \$500, which may be in line with the external market.
- The defined contribution market represents a potential ***cost shift to employees*** if employers choose not to raise their contribution in line with rising premiums.
- Due to pressure from advocates, HB128 (2010, sponsored by Rep. Dunnigan) requires all brokers to be trained on Utah's premium subsidy program, the [Utah Premium Partnership](#). This program is under-utilized (just over 250 adults as of June 2011 but there is money for 1,000), yet it is key to bringing young, healthy people into the private exchange market.

UTAH'S HEALTH EXCHANGE HAS NOT INCREASED THE QUALITY OF HEALTH CARE

- A tool to compare plans and networks based on quality indicators is in the works.

UTAH'S HEALTH EXCHANGE DOESN'T SEEM TO BE ABOUT "SHOPPING"

- UHE touts "better shopping and increased choice" for consumers, yet early indicators suggest employees pick familiar plans (similar to what they had before enrolling through the UHE).^{vii}
- In addition, enrollees are not choosing high deductible plans, as was expected, indicating that ***Utahns want decent benefits, not increased cost burdens.***

THERE IS A LACK OF REAL CONSUMER ENGAGEMENT IN UHE OPERATIONS AND GOVERNANCE

- The UHE Advisory Board had 2 consumer advocate seats, however, the board has just been dissolved. This is probably against statute and HB128.
- The new "advisory/governance structure" just rolled out by Patty Conner (director of UHE) and Norm Thurston (Governor's Director of Health Reform) divides stakeholders into 4 groups:
 - Executive steering committee to be headed by the Lt Governor. Full membership and role is as of yet unclear. Meetings may not be open to the public.
 - Insurer roundtable, not open to the public
 - Broker roundtable, not open to the public
 - Some sort of *ad hoc* consumer advocate group, not yet formed.
- UHE does not have a governance structure (although the Risk Adjuster Board serves this role *de facto*).
- There is strong resistance to having real consumers on any UHE board, fearing they will not be knowledgeable enough, even though Utah's [HIP](#) (Utah Comprehensive Health Insurance Pool) has greatly benefited from having consumers on its board for 20 years.
- In addition, the UHE relies on brokers (96 percent of groups use a broker, and the fee is built in at \$37/employee). ***Which populations would be better served by different type of navigator?***

POLICY ISSUES FOR UTAH

- How should Utah's exchange be governed?
- Appropriate Navigators, especially for those coming into private health insurance for the first time.
- Should Utah operate an American Health Benefits Exchange (for the individual market with subsidies)?
- What things might be best done at the federal vs. state level?
 - Mandate enforcement
 - Advance tax credit payments (premium subsidies)
 - Medicaid eligibility

ⁱ Agency for Healthcare Research and Quality, 2010 Medical Expenditure Panel Survey - Insurance Component. Table II.A.2

ⁱⁱ <http://www.exchange.utah.gov/images/stories/UHEDashboard-20110831.pdf>

ⁱⁱⁱ Number taken from www.kff.org: although the Utah Department of Health reports an 11% uninsured rate for Utah, in a presentation to the Health System Reform Task Force in May 18 the DOH stated that this number is artificially low due to the survey methodology (land-line phone survey) and should be adjusted up to 14 or 15%.

^{iv} <http://quickfacts.census.gov/qfd/states/49000.html>

^v <http://le.utah.gov/interim/2009/pdf/00001674.pdf>

^{vi} http://www.healthpolicyproject.org/Publications_files/Exchange/UHEAdvisoryBoardDec22,2010.pdf

^{vii} http://www.healthpolicyproject.org/Publications_files/Exchange/UHEAdvisoryBoardMay25,2011.pdf