Utah governor: Tentative deal on Medicaid plan

St. George Spectrum / AP

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SALT LAKE CITY – Gov. Gary Herbert said Thursday that he’s reached a tentative deal with federal officials over his alternative plan to expand Medicaid, and he will ask state lawmakers to sign off during their next session.

Herbert, speaking at his monthly televised news conference on KUED, said he will get the terms in writing and meet with legislative leaders in mid-November to go over them.

The governor was originally pushing for a special legislative session, but he said it’s too late in the year.

Despite the deal, the Republican governor said he’s still opposed to the health care law.

“We have lemons and I’m trying to make lemonade out of it,” Herbert said.

A copy of the terms will be made publicly available next month, said Herbert spokesman Marty Carpenter.

There is no deadline to approve a plan, but the state misses out on federal money by not approving a deal.
Under President Barack Obama’s signature health care law, the federal government has offered to pick up most of the cost if states expand their Medicaid programs.

Instead of signing up more people to the state-federal health program, Herbert has proposed using federal money to enroll about 110,000 low-income people in private health insurance plans.

The governor and his health department director have been negotiating with the federal Health and Human Services Department for months.

Herbert said Thursday that the deal includes provisions where participants help pay for their coverage with monthly premiums and higher copays than they would see in traditional Medicaid.

For example, a trip to the emergency room would cost $50 under his plan instead of $8 under traditional Medicaid.

Utah's Department of Health estimates the program would use $250 million in federal money the first year and grow to about $280 million in the third year.

Herbert said Thursday there will be no additional cost to Utah.

Messages seeking comment from the U.S. Centers for Medicare and Medicaid Services were not immediately returned Thursday.

Tom Hudachko, a spokesman for the Utah Department of Health, said Utah officials are drawing up a document outlining the terms of the deal. They’ll then ask federal officials to respond and confirm the terms.

If the Republican-controlled Legislature approves the plan, Utah will formally submit it to federal officials and open it up for public comment.

Many Republicans in Utah’s statehouse are wary of the federal government's ability to follow through and help with the costs.

RyLee Stowell Curtis, a Medicaid policy analyst with the Utah Health Policy Project, said it will be an uphill battle to get the Legislature on board but includes provisions that should appeal to conservatives, such as the sharing of costs.

“Given the political climate and the realities that we face here in Utah, this is really a good deal for Utah,” said Curtis, whose group advocated for Medicaid expansion.
Taylorsville Republican Rep. Jim Dunnigan, a chairman of the Legislature’s Health Reform Task Force, said there’s a range of opinions among his colleagues and it will be tough to say where they stand until they’ve seen the details.

Dunnigan said the governor’s plan is “a good path,” but he and other lawmakers are still looking at alternatives.