

Gov. Herbert: Deal is done with Obama administration on Medicaid alternative

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Gov. Gary Herbert announced Thursday that after months of negotiations, he has reached a final agreement with the Obama administration on his novel alternative to expanding Medicaid.

“They are giving us more flexibility than has been given to any other state in America. We are breaking some new ground,” Herbert announced in his monthly press conference on KUED.



Herbert said he soon will send to the Obama administration a letter outlining the agreement they’ve reached on Utah’s alternative, his Healthy Utah plan.

The deal would help low-income Utahns earning up to 138 percent of the federal poverty level who are not covered by Medicaid buy private health insurance plans.

David Patton, executive director of the Utah Department of Health, however, told lawmakers Thursday that negotiations continue on a few details, specifically a table of co-payments that low-income Utahns would make for medical services under Healthy Utah.

“In essence, it’s agreed to,” Patton said after a meeting of the Legislature’s Health Care Reform Task Force.

The governor expects to share details of his plan with legislators in mid-November, and there will be a 30-day comment period for the public as well.

Lawmakers have been wary to commit Utah to a program that eventually will cost Utah tens of millions of dollars a year on top of the nearly \$500 million it already spends on Medicaid for low-income Utahns, the majority of them children.

The governor backed away from calling a special legislative session to handle the Healthy Utah Plan. Lawmakers had resisted, wanting to consider all demands on state money at the same time, during the 2015 general session.

“I believe that by the end of the legislative session in 2015, we will have a program in place,” Herbert said Thursday.

Patton said no other state has gotten a letter of understanding from the U.S. Health and Human Services Department after negotiating a waiver.

The letter gives the state assurance there will be no surprises as the final waiver is written for Utah to expand medical coverage for the poor without expanding the traditional Medicaid program, he said. Utah is to get an estimated \$258 million for the governor’s program.

Utah has taken the approach during negotiations with the administration, Patton said, to “trust, but verify.”

The Affordable Care Act, or Obamacare, envisioned that all states would expand Medicaid, but the Supreme Court ruled in 2012 that states could opt out.

Twenty-one states did just that, although several have negotiated waivers with HHS so they can expand Medicaid in alternative ways, as Utah is proposing.

Healthy Utah would take care of the coverage gap created by the Supreme Court’s ruling and the state’s decision to opt out of traditional Medicaid expansion.

Thousands of Utahns earn too much to qualify for Medicaid under existing rules, but they earn too little to get subsidies on the federal marketplace, healthcare.gov.

Estimates of the number of Utahns in the gap vary widely, from 45,000 to 77,000. They include single adults who don’t have children and are not disabled or elderly but earn less than the federal poverty level, and those with children who make less than half the poverty level, which is \$19,790 for a family of three.

Herbert said his plan is better than straight-up Medicaid expansion.

It provides “more individual responsibility, to have people take care of their own health care,” and has them pay part of their premiums, he said.

“It will give more choice, better access and better health care outcomes, as well as the benefit to help people help themselves by getting employed if you are able-bodied,” he said.

Healthy Utah has its critics among conservatives, the latest an opinion piece in Forbes magazine by the Foundation for Government Accountability. The article, published last week, said Healthy Utah will shrink Utah's economy and discourage people from working.

Herbert called the piece, "an amalgamation of distortion, innuendo and misrepresentation."

But Democrats also are criticizing the governor. Utah Democratic Party Chair Peter Corroon blasted the governor for "dithering" because he won't call a special session to deal with Healthy Utah.

"We have a Utah solution, one that is supported by 88% of Utahns, but yet we lack the political chutzpah to stand up and get something done," Corroon said in a statement Thursday afternoon. "Governor Herbert, Utah needs leadership — we are craving it. We must get past the partisan bickering, roll up our sleeves, and get stuff done."

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