Governor's Healthy Utah plan advances in Legislature

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By Lis Stewart
Gov. Gary Herbert’s version of Medicaid expansion moved one step closer to becoming a reality Wednesday when a Senate subcommittee voted 4-1 to give it approval.
SB164, sponsored by Sen. Brian Shiozawa, R-Salt Lake City, essentially enacts Gov. Gary Herbert’s Healthy Utah plan. This version of Medicaid expansion would supposedly put thousands of Utahns who fall in the crack, or “donut hole,” of not being covered by health insurance, on private plans.

Dozens of people from all sorts of backgrounds showed up in legislative committee hearings Wednesday to speak on Shiozawa’s bill, and even more packed the rooms to listen to the testimony.

“There are currently thousands of Utahns impacted by addiction and mental illness that feel powerless in their efforts to get both behavioral health care and medical services and medication that they need to get better,” explained Mary Jo McMillen, executive director of Utah Support Advocates for Recovery Awareness, in the morning’s Social Services Appropriations Subcommittee meeting.

Medicaid expansion is being discussed because it was mandated by the Affordable Care Act. In 2012, the Supreme Court ruled that states can’t be forced to expand Medicaid fully but could come up with their own options to cover the uninsured. Some states chose full Medicaid expansion, and Utah, among other states, chose to come up with alternatives, such as putting people on private plans.

The federal government would compensate 100 percent of the cost of Healthy Utah in the first year, fiscal year 2016, and Utah would increasingly pay for more of the plan each year until it levels out at in 2021, at 10 percent. The 10 percent contribution is estimated to be $78 million.
In the morning appropriations subcommittee and the afternoon Senate Health and Human Services Committee, which would ultimately give a favorable recommendation to SB164, people shared personal experiences of having trouble getting health care, of clients and patients who struggled with receiving the right health care. Members of the business community and other interest groups also spoke in favor of Healthy Utah.

Others also spoke against the bill, with some voicing doubts about the federal government’s promise of covering 90 percent of the cost of the program. Others voiced worries that more people than expected would sign up and overbalance the system.

Derek Monson, of the Sutherland Institute, said putting so many people on private insurance plans would increase the wait for those on Medicaid to be seen by doctors. The institute would prefer traditional Medicaid enrollees be put on the same Medicaid expansion into private plans. “The enactment of Sen. Shiozawa’s bill clearly says to providers that they ought to prioritize the health care needs of the estimated 90,000 Medicaid expansion enrollees over the needs of the 300,000 single mothers, disabled Utahns and children left behind in traditional Medicaid,” Monson said.

Shiozawa explained to the Senate committee that as a result of the Affordable Care Act, the state has to deal with Medicaid expansion whether it cares to or not, but he considers this to be the best plan with provisions to evaluate it in three years and repeal in five if it doesn’t work. An alternative bill, Republican Sen. Allen Christensen’s SB153, is noted as the “medically frail” plan. This plan would provide health care to those who are below 100 percent of the federal poverty level, medically frail, uninsured and vulnerable to becoming disabled. Christensen has emphasized a desire to keep the cost low while insuring those in absolute need and told the media this week that Healthy Utah would be far too expensive.

Christensen, who chairs the Senate committee that passed Shiozawa’s bill, was absent because of another meeting during Wednesday’s hearing.

Shiozawa said his concerns with the medically frail plan are that it incentivizes people to wait to get help until they meet the medically frail threshold. That threshold is also a problem, he noted, because there is no definition of what that means, and would likely be debated by the Legislature for years to come.

Shiozawa added that the state would also reclaim less federal funds from the medically frail plan than Healthy Utah, which was approved by the federal government with the expectation of the waiver to cover 90 percent of the program.

Christensen’s SB153 still is waiting to be heard by the Senate committee, and Shiozawa’s SB164, Healthy Utah, will now be heard on the Senate floor.

lstewart@hjnews.com
Twitter: @CarpetComm