Governor Herbert and legislators leave 'baggage' behind in Medicaid expansion

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SALT LAKE CITY — Gov. Gary Herbert’s announcement that he and legislative leaders "agreed to start over" on Medicaid expansion is apparently more about politics than policy.

Herbert told reporters after they met last week in Washington, D.C., with U.S. Health and Human Services Secretary Sylvia Burwell there was agreement to "see if we can build a program we can all support."

But that doesn't mean the governor is giving up on his Healthy Utah plan to use federal funds available under President Barack Obama's health care law to provide coverage to low-income Utahns that was rejected by the 2015 Legislature.

"When we say we're starting over, it's not that every good idea we had goes away," Herbert's spokesman, Marty Carpenter, said. "It's starting over in the sense we're not holding any of the baggage from the session."

Carpenter said the many Utahns who supported Healthy Utah "should be encouraged by the fact we didn't just end the session by saying there's no more work that can be done on it."

Still, he said, it remains to be seen what the plan will ultimately look like.

David Patton, executive director of the state Department of Health, said he believes a new plan "would pick up most, if not all, of the components we've already worked on."

Patton played a key role in nearly year-long negotiations with the Obama administration for the waivers needed to use the federal funds something other than expanding the existing Medicaid program.

Healthy Utah would use private insurance to help cover more than 125,000 Utahns, including those in the so-called coverage gap who don't qualify for health care subsides if the state doesn't accept Medicaid expansion.
It was the governor's fellow Republicans in the Utah House that turned down Healthy Utah in favor of their own plan, Utah Cares. The House plan uses existing Medicaid and a limited state health care program to cover fewer people.

Patton said the focus now is addressing the issues raised by lawmakers about the potential of "runaway costs" with Healthy Utah, which would bring nearly $1 billion in federal funds to the state over two years.

That's because the governor's plan covers the entire Medicaid expansion population under the Affordable Care Act, those earning less than 138 percent of the federal poverty rate, and qualifies for the highest funding match.

"We're still looking for some answers to questions that are a concern to everyone," Patton said, including whether the state, rather than the federal government, can take steps to control enrollment and expenses.

During the 1 1/2-hour long meeting with Burwell, Patton said specifics weren't on the table but some ideas were discussed, including ways to protect Healthy Utah participants if federal funding for the program stalled.

He said the meeting was helpful for the group, which included Senate President Wayne Niederhauser, R-Sandy; House Speaker Greg Hughes, R-Draper; and the legislative sponsors of Healthy Utah and Utah Cares.

The trip marked the first time the group has gathered since Herbert pledged just before the Legislature adjourned in mid-March they would have a plan ready by the end of July to be considered in a special legislative session.

Sen. Brian Shiozawa, R-Cottonwood Heights, who sponsored the governor's Healthy Utah plan last session, said the issues raised about the competing plans haven't changed, but the dynamics have.

"We're all on the same page, in the same room," Shiozawa said.

Still, he said, while the executive and legislative leaders talk, Utahns in the coverage gap are left waiting for access to health care.

"The population is not abstract. These are in fact real people, with real illnesses who are dying or getting sicker while we debate this," Shiozawa, an emergency room physician, said.

Jason Stevenson, the education and communications director of the Utah Health Policy Project, said in the years since the Affordable Care Act passed, health care has become more politicized than other areas of government.

"I think there is some frustration that this has taken this long," Stevenson said. "These are individuals who, unfortunately, have had a long time to get used to not having access to health care."

Stevenson said he believes Healthy Utah, which has widespread public support, will ultimately prevail.
"We’re going to be holding their feet to the fire on this issue," he said.

The sponsor of Utah Cares, House Majority Leader Jim Dunnigan, said he believes leaders in Utah and Washington are "open to new ideas," especially aimed at Utahns in the so-called coverage gap.

"The way I would describe it is we’re taking a fresh look at the issue," the Taylorsville Republican said. "I don’t think we are limited to the ideas that had been put forth thus far."

Dunnigan, who has traveled before with the governor to meet with Obama administration officials about Healthy Utah, said "it was a good move to get the president and the speaker there."

Niederhauser and Hughes "were able to look eyeball-to-eyeball" with the secretary, Dunnigan said, who pointed out it was the first time a governor and legislative leaders of the state have met together with her on the issue.

University of Utah political science professor Matthew Burbank said this latest effort to find a compromise on Healthy Utah, first introduced by the governor in 2014, isn’t likely to produce anything new.

"It just has to be a reworking of the original Healthy Utah plan," Burbank said. He said the only reason to describe the effort as a new start "is to say, 'We hear you. We know there are concerns.""