

Utah Medicaid expansion met with skepticism

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News of Republican Gov. Gary Herbert expanding Medicaid in Utah is being met with a heavy amount of skepticism from policy and patient advocacy insiders.

Details of the framework are scarce, but it would reportedly cover about 126,000 people. The state and local providers would be expected to chip in to help cover costs not federally provided.

The federal government will pick up 100% costs for newly eligible enrollees through the end of 2016. After that, it will begin to phase down and hit to 90%.

Advocates were generally supportive, but skeptical anything will happen. Herbert has been trying for years to get some sort of coverage plan through. Whatever proposal is ultimately crafted from the framework would still need support from the state's healthcare community, pass the full Republican-controlled legislature, and get approval from the CMS.

Skeptics say the scenario spreads the blame if nothing happens, according Josh Kanter, board president of the left-leaning, good-government group Alliance for a Better Utah.

“They can say 'Well, we tried,’” Kanter said. “There is real concern that the legislature will continue to play games, and at this point they're playing games with people's lives.”

Doctors are concerned about the expansion proposal relying on them to chip in funds once the federal match drops below 100%.

“Reimbursement for Medicaid is not really profitable as it is, and if you add an additional tax, providers will have to raise prices, so this would be a tax on the sick,” said Mark Fotheringham, vice president of Communications at the Utah Medical Association.

The Utah Hospital Association, however, expressed support for hospitals helping to cover the cost of Medicaid expansion, but only if certain conditions are met, said Greg Bell, president of the hospital association. Those conditions include hospitals not contributing anything until the federal match drops to 90% in 2020. In addition, other stakeholders benefiting from Medicaid

expansion, including doctors and life sciences companies, would have to contribute as well. “Everyone that's going to benefit needs to be at the table making some material contribution,” he said.

Others are optimistic that the legislature may actually pass expansion legislation based off the framework. Insiders note that it's a big win for Gov. Herbert and that House Speaker Greg Hughes, House Majority Leader Jim Dunnigan and Senate President Wayne Niederhauser, all Republicans, have expressed support for the proposal.

Lawmakers in the state tend to be loyal to leadership. “The leadership is quite powerful and people would think twice about crossing them,” said Quin Monson, co-founder of Utah-based Y2 Analytics a data research company that's performed political work. “You wouldn't want to hurt your chances of getting legislation to the floor during the next session.”

Reportedly, Herbert wants to call a special session before year's end to vote on expansion.

It's unclear how HHS will respond to the proposal. Herbert and other lawmakers met with Secretary Sylvia Burwell this past spring, according to RyLee Curtis, a Medicaid policy analyst with the Utah Health Policy Project. But there's no word if Burwell is aware of the expansion proposal in its current form.