

Medicaid Expansion in Utah

Smart Questions for Consideration:

1. Can we consider alternative payment mechanisms? Such as...

- Master Settlement (MSA) or Tobacco Settlement Payments¹
 - Reversing a 2011 diversion of tobacco settlement funds to the general fund could allocate \$14.5 M annually toward expanding coverage.
- E-cigarette Tax
 - E-cigarette use is on the rise in Utah. Recent data from the Department of Health suggests e-cigarette use among youth has doubled in the past two years. A tax could generate an estimated \$10 M.²

2. The Premium Assistance Model has important benefits for providers:

- An estimated 78% of Utahns eligible for Healthy Utah would enroll in private insurance plans, either through employer-sponsored insurance or a premium assistance model. The majority of those eligible would receive care that reimburses hospitals and providers at higher commercial rates.
- Premium assistance strengthens the existing private insurance model by allowing Utah doctors and hospitals to negotiate reimbursement rates with new insurance plans.
- In Arkansas (another state with premium assistance):³
 - Arkansas has cut its uninsured rate among non-elderly adults nearly in half (from 27.5% to 15.6%) between 2013 and 2014;
 - Arkansas stakeholders reported that private option enrollees are generally able to access services, and hospitals are seeing sharp drops in uncompensated care;
 - Arkansas' private option has helped to increase competition in the Arkansas marketplace and contributed to reductions in premiums; and
 - Despite early concerns, the private option appears on track to meet or even outperform federal budget neutrality requirements.
- Premium assistance is a cost-savings model.

3. Who would benefit if Utah closed the Medicaid coverage gap?⁴

- Hard-working Utahns
 - Over two-thirds of the expansion population are in the labor market working one or more part-time jobs.
- Working parents and Families
 - Half of those eligible for coverage are part of families, with three-quarters of those families having children.
 - The overwhelming majority of families (over 85%) have at least one working adult.
 - A single-parent with two children, working full-time at a minimum wage falls into the coverage gap.

¹ **Medicaid Expansion Options for Governor's 2013 Health Summit (9/25/13; page 19):**

<https://medicaid.utah.gov/Documents/pdfs/MedExpansionOption/MedicaidExpansionOptionsSummitReport.pdf>

² **Salt Lake Tribune "Gov. Herbert wants to tax e-cigarette sales in Utah, bring in \$10M" (12/13/14):**

<http://www.sltrib.com/news/1941695-155/governor-wants-to-tax-e-cigarette-sales>

³ **Kaiser Family Foundation (KFF) "A Look at the Private Option in Arkansas" (8/15):**

<http://files.kff.org/attachment/issue-brief-a-look-at-the-private-option-in-arkansas>

⁴ **Health Reform Task Force Minutes: Waitzman, Norm "Who would be newly eligible for coverage under the Healthy Utah Plan, or full Medicaid expansion? (07/14):** <http://www.le.utah.gov/interim/2014/pdf/00003826.pdf>

- For those not in the labor market:
 - Near disabled population and disabled individuals
 - Full-time students
 - Caretakers of family members with disabilities or aging parents
- Undocumented residents will not be covered by the expansion plan as they do not qualify for federally funded programs

Number of Utahns Expected to Gain Coverage Under Expansion	2016	2021
[A] Utahns caught in the Coverage Gap (uninsured)	53,000	69,500
[B] Utahn’s Helped by a Coverage Gap Solution ([A] + some insured individuals earning up to 133% FPL)	72,500	109,000
[C] Currently Eligible for Medicaid but Not Enrolled (“woodwork” population)	16,500	37,000
[D] Total Expansion Population ([B]+[C])	89,000	146,000
Source: Revised Milliman (12/15/14)		

Developing testimony:

Generally speaking you will have between 1-2 minutes. I would plan for only 60 seconds to share your comments, though—as it will likely take longer to get through them once you’re up there.

A good testimony will include:

- First Name, Last Name, Organization You Represent
- Statement of Support/Opposition
- 1-2 reasons of support
- Personal Anecdote
- Thank the committee

Example 1:

My name is RyLee Curtis and I am with the Utah Health Policy Project.

UHPP is neither for nor against H.B. 401, but we do support finding a Utah-Solution that closes the 54K-person coverage gap. There are 3 measures that the legislature should look at when considering all of the plans proposed.

The 1st is Cost

- Which plan stretches UT taxpayer dollars the furthest? As well as leverages our limited budget to achieve the best public health results?

The 2nd measurement is Quality

- Which plan provides access to not only primary and preventive care, but also provides adequate access to our state’s excellent specialist doctors and hospitals?

The 3rd measurement is Coverage

- Which plan has the optimistic vision to fully close Utah’s coverage gap, not providing insurance to just a portion or the lucky few

We are confident that **before the end of the legislative session**, we can find a Utah-solution that closes the coverage gap.

Example 2:

- Listen to testimony in favor of Healthy Utah here: http://utahlegislature.granicus.com/MediaPlayer.php?view_id=2&clip_id=18341&meta_id=537507
- Minutes of that meeting are here: <http://le.utah.gov/interim/2015/pdf/00002071.pdf>