

Critics question shrinking expectations for Medicaid extension

By Daphne Chen, Deseret News

Published: Tuesday, May 17 2016 9:10 p.m. MDT

Updated: 9 minutes ago

Link: <http://www.deseretnews.com/article/865654492/Critics-question-shrinking-expectations-for-Medicaid-extension.html?pg=1>

SALT LAKE CITY — Advocates for Utah's homeless and mentally ill are questioning the Legislature's partial Medicaid expansion plan after learning it will cover 6,000 fewer people than originally promised.

The proposal — signed by Gov. Gary Herbert in March and supported by Salt Lake City Mayor Jackie Biskupski and Salt Lake County Mayor Ben McAdams — was trumpeted as a compassionate strategy to cover 16,300 of Utah's neediest, including 12,500 childless adults in extreme poverty and 3,800 low-income parents.

The Utah Department of Health is now estimating that the true number of individuals who can be covered is closer to 10,000.

That includes 6,000 to 7,000 childless adults in extreme poverty, according to spokesman Tom Hudachko — about half of what legislators originally billed. Hudachko said the third-party actuaries hired by the health department believe the cost of treating such patients will be higher than what was anticipated by legislative fiscal analysts.

"We certainly recognize that this plan is not going to cover everybody that's in the coverage gap," he said. "That's been known and expected since this legislation was originally envisioned. But I think what we can hang our hats on is that it's a starting point."

Rylee Curtis, a senior health policy analyst with the Utah Health Policy Project, called the revised estimates "shocking."

"What was presented to the public is not what it's turning out to be," Curtis said.

"When groups were signing onto it, it was under the assumption that it was going to cover the 16,300 lives," she added. "And now it's not doing that any more. So I think

that there's a lot of concern among the community who's been working on this the last four years."

The Utah Department of Health released the plan for public comment last week. The department is responsible for drafting the final proposal and sending it to the federal government for approval.

To qualify, parents with dependent children cannot earn more than 60 percent of the federal poverty level. For a family of four, the income ceiling would be \$14,580 per year.

For childless adults to qualify, they must be chronically homeless with a "disabling condition," involved in the justice system through probation, parole or court-ordered treatment and in need of substance abuse or mental health treatment, or in need of substance abuse or mental health treatment.

The proposed income cut-off for those individuals is 5 percent of the federal poverty level — or about \$594 a year for a single adult.

"This is a tough one for me because we all agreed to it," said Jamie Justice, the executive director of the National Alliance on Mental Illness Utah, who said she fears the expansion may be too meager to make much of a difference for Utah's vulnerable population. "Many of us supported it hoping that it would be a good first step toward a more comprehensive coverage in the future."

Now she's not so sure. Justice called the 6,000 lost slots a "huge drop."

"This was supposed to be something to get people on coverage quickly and get them well," she said. "I guess my fear is that we've said we're creating a solution, but we've erected so many barriers around that solution."

Salt Lake County behavioral health services director Tim Whalen said he sees the proposal as a "good faith effort" to chip away at the Medicaid gap, which includes some 53,000 Utahns who remain uninsured.

Whalen estimates the program will help up to 800 inmates in Salt Lake County transition to Medicaid right after they get out of jail without having to go on a six-month waiting list. The program will also help get several hundred homeless individuals in the county onto Medicaid, he said.

"It will have an effect," he said. "I don't know if I will say significant (effect). I will say that it's addressing some of the gap, but there is still a huge gap for services."

The architect of the bill, House Majority Leader Jim Dunnigan, R-Taylorsville, said the health department is being conservative in its estimates in an attempt not to exceed the program's \$100 million budget.

The state is footing \$30 million of the cost, with hospitals agreeing to pay about half of the state's share.

Dunnigan said he originally wanted a more diverse mix of healthy people to be included to reduce per-person costs, but "it's gravitated a little bit more now to those with the most severe health needs."

"What we know is that we're putting the same amount of money in there," Dunnigan said. "It's part of a trade-off."

Assuming that the federal government approves the proposal, lawmakers can expand the program in the future as enrollees are phased in, he said.

Keeping that flexibility in the hands of the state was one of the reasons why Republican legislators resisted full Medicaid expansion and the more generous federal match that would have accompanied it.

Gov. Gary Herbert's spokesman, Jon Cox, said the governor remains supportive of the partial expansion plan despite the fact that it was "not the governor's preferred solution."

"Covering Utah's most vulnerable citizens comes at great cost, but the governor is supportive of this effort to help the poorest of the poor in our state," Cox said in a statement.

Many details of the proposal have yet to be finalized. Those will be critical, according to Fourth Street Clinic CEO Laura Michalski.

"We're trying to be supportive," Michalski said. "We're team players here. But we're looking at, 'What does this really mean for us, and how many of our clients actually get covered?'"

Michalski is concerned that the proposal's definition of "chronically homeless" excludes many people who were recently housed in jail, prison or a treatment facility.

She said she fears the partial program will be so costly that it will deter legislators from taking up full Medicaid expansion next year.

For every client who may qualify for Medicaid under the partial plan, she has 10 more who do not, Michalski said.

"You talk about that million dollar patient — I've got 5,000 of them," Michalski said.

"So how do you balance that? It breaks your heart."

* * *

Public hearings on partial Medicaid extension

Thursday

1:30-3:30 p.m.

Cannon Health Building, Room 125, 288 N. 1460 West

Wednesday, May 25

1-3 p.m.

Cannon Health Building, Room 125, 288 N. 1460 West

Tuesday, May 31

11:30 a.m. to 1 p.m.

Bear River Health Department, Rooms 153 and 154, 655 E. 1300 North, Logan

The health department is also collecting public comments online

at www.health.utah.gov/medicaidexpansion until June 8.

Email: dchen@deseretnews.com