Utah’s “Broken Bridge” to Medicaid Expansion

The partial expansion approach in SB 96 creates secondary coverage gaps

Proposition 3’s Expansion Was Simple and Cost Effective

- The process was straight-forward:
  - Pass and become law
  - Get a stamp of approval from the Trump administration (a formality, called a “state plan amendment”)
  - Begin enrollment April 1st
- Cost neutral for the first two years, and sustainable long-term with minor tweaks
- Fully complied with existing law, expanding up to 138% of the federal poverty line (FPL)

The Legislature’s Partial Expansion is Complicated, and Covers Fewer People for Three-Times the Cost

SB 96 has four “missing planks” that create secondary coverage gaps:

- Work reporting requirements
- Enrollment cap
- Per capita cap
- Affordability gap and open enrollment lockouts for people just over the poverty line
State taxpayers are paying three-times more under SB 96
  - The state is covering 30% of the cost instead of 10% under Proposition 3, and covering half as many people²

SB 96 expansion only covers up to 100% FPL (approximately $1,000/month for an individual $2,000/month for a family of four)
  - Traditional Medicaid expansion- done the legal way - covers up to 138% of the federal poverty line or FPL (approximately $1,400/monthly for an individual, $2,900 for a family of four)
  - This leaves tens of thousands of Utahns with no option but the ACA individual marketplace, and many are stuck in a secondary coverage gap because they can’t sign up until open enrollment or can’t afford the cost-sharing under the ACA plans³

SB 96 would add requirements for individuals to report a “work effort”
  - This requires an extensive job application process, or for individuals to verify their work or volunteer hours
  - The vast majority of nonstudent, non-caregiving able-bodied adults on Medicaid are already working⁴
  - This approach will face legal challenges, and has resulted in bureaucratic confusion leading to significant coverage losses in other states⁵

SB 96 asks the federal government permission to make radical changes to the Medicaid program using both enrollment and budget (per capita) caps
  - Currently, Utah and the federal government share the actual cost of care, not matter what. Through SB 96, the Utah legislature is tying its own hands by asking the federal government for a fixed budget to cover the people who need health care the most (a “per-capita cap”). If costs exceed that fixed amount, the state must pay the difference⁶
  - This will ultimately lead to tough budget decisions like cutting services and cutting people off care

These provisions in SB 96 rely on a series of waivers (permission) from the federal government, many which have never been granted.

CITATIONS
²See HB210 fiscal note: https://le.utah.gov/~2019/bills/static/HB0210.html