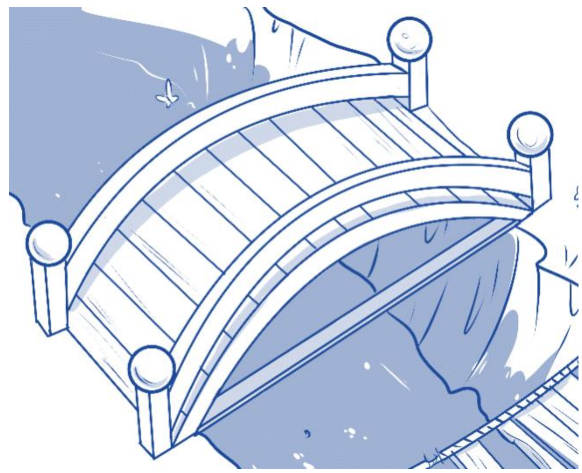
Utah's "Broken Bridge" to Medicaid Expansion

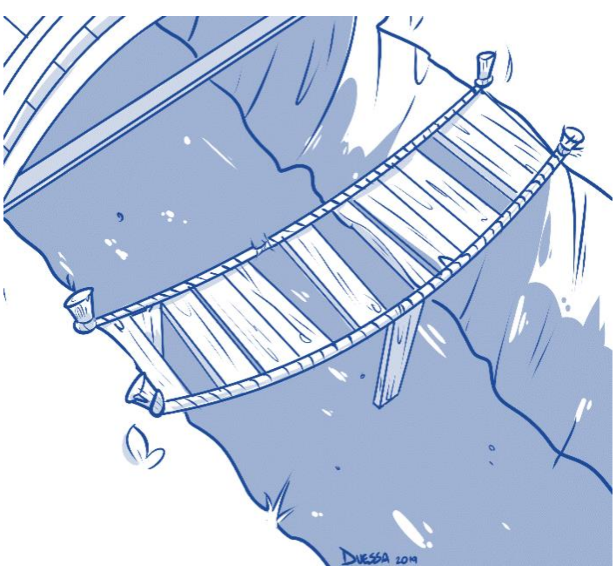
The partial expansion approach in SB 96 creates secondary coverage gaps



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[1]
- 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 people[2]

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 plans[3]

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 working[4]
- This approach will face legal challenges, and has resulted in bureaucratic confusion leading to significant coverage losses in other states[5]

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 difference[6]
- 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

[1] See HB210 fiscal note: https://le.utah.gov/~2019/bills/static/HB0210.html

[2] Rudowitz, Robin, and MaryBeth Musumeci. "'Partial Medicaid Expansion' with ACA Enhanced Matching Funds: Implications for Financing and Coverage." *The Henry J. Kaiser Family Foundation*, 21 Feb. 2019, www.kff.org/medicaid/issue-brief/partial-medicaid-expansion-with-aca-enhanced-matching-funds-implications-for-financing-and-coverage/.

[3] Families USA. "Near-Poor Consumers Do Much Better in Medicaid than in the Individual Market." *Www.familiesusa.org*, 6 Mar. 2019, familiesusa.org/sites/default/files/product_documents/Medicaid_expansion_vs_Individual_Market_100-138_FPL.pdf.

[4] Garfield, Rachel, et al. "Understanding the Intersection of Medicaid and Work." *The Henry J. Kaiser Family Foundation*, 13 Nov. 2018, www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/.

[5] Edwards, Elizabeth, and Mara Youdelman. "The Personal Stories of Those Affected by Arkansas' Sec. 1115 Waiver." *National Health Law Program*, healthlaw.org/resource/the-personal-stories-of-those-affected-by-arkansas-sec-1115-waiver/.

[6] Mahan, Dee, and Shannon Attansio. "Per Capita Caps in Medicaid: Shifting Health Care Costs to the States." *Families USA*, 2 June 2017, familiesusa.org/product/capita-caps-medicaid-shifting-health-care-costs-states.

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