

UTAH HEALTH POLICY PROJECT

HEALTH MATTERS

on the Hill...



Utah Health Matters E-Newsletter: 2011 Legislative Session Edition

January 23, 2011 (Week 1)

Brace yourself for a difficult Session...WE CAN DO THIS!

We hope you had a restful weekend, because we expect this will be the most challenging legislative session in recent memory. With fiscal year 2012 revenues expected to grow by 4.5% (\$216 million), lawmakers ought to have an easier time bringing the state budget into balance in the 2011 General Session. Instead, Republican leaders are looking to make up for a \$313 million shortfall (the “structural deficit”) in ongoing revenue *all at once*, by proposing a 7% across the board cut. By contrast, Governor Herbert holds Medicaid harmless in his FY 2012 budget and proposes a more incremental approach to closing the structural deficit (yes, you should take a minute to thank Gov. H and encourage his team to defend their budget recommendations).

Because Medicaid consumes nearly 19% of the state budget, it makes an enticing target. Citing the likelihood of future spending increases due to federal health reform, **lawmakers have targeted all discretionary areas of Medicaid for possible elimination or reduction** (see the fiscal analyst’s [Options for Eliminating Structural Deficit](#); also see his [Other Reductions Options](#)). With challenges of this magnitude, we should all prepare to play defense this year and to work together as effectively as possible within *and across coalitions*. From experience we know: **WE CAN DO THIS.**

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1. Medicaid Matters on the Hill

A. Recommended Fiscal Year (FY) 2012 Medicaid Cuts

In legislative leaders’ push to eliminate the structural deficit all at once, critical, and in some cases life-saving Medicaid programs are at risk. During last Wednesday’s Social Services Appropriations Sub-Committee meeting, the legislative fiscal analyst presented options for bringing Social Services budgets for FY 2012 into balance. EVERYTHING YOU CAN THINK OF is on the chopping block (details here: <http://le.utah.gov/interim/2011/pdf/00000182.pdf>). Things that

shouldn't be on the list are on there, like eliminating dental and vision for pregnant women over age 21 and reducing the PCN/UPP eligibility level from 150% to 133%. And there more draconian cuts...

- no more Medicaid interpreter services
- limiting "optional" coverage of transplant surgeries (but who will serve on the "death panel?")
- reduced eligibility for Medicaid Breast and Cervical Cancer Treatment Program from 250% FPL to 133% FPL

These are just a few of the many cuts we are facing in this year's session. The total of proposed reductions actually exceeds the \$313 million goal by more than \$200 million, suggesting that the fiscal analyst's list is more like a menu. This gives us some room for negotiation and advocacy, though we'll need to work fast—like this week.

What can we (and YOU) do to protect these programs?

- **Sign on to the Utah Medicaid Partnership/U-SHARE coalition's principles** for guiding Medicaid budget decisions and handling the structural deficit. See the latest principles here: http://www.healthpolicyproject.org/Publications_files/Medicaid/UMP/UMPprinciplesFINALfor1-24-11.pdf. To sign on, send email to [mailto:stacey@healthpolicyproject.org?subject=Endorse Medicaid Budget Principles](mailto:stacey@healthpolicyproject.org?subject=Endorse%20Medicaid%20Budget%20Principles) (please specify the name of your organization or your full name if you are endorsing as an individual).
- **Come up to the Hill early this week**, especially the [Social Services Appropriations \(SSA\) Sub-Committee meeting](#) this Tuesday 8:00 AM in room 30 of the House or West Building. At this meeting the Department of Health will present alternatives for addressing the structural imbalance: these might well become talking points for all of us to use in our conversations with SSA committee members.

Prefix	First	Last Name	Party	Dist	City	Home Phone	Public Cell	EMAIL
Senator	Allen	Christensen	R	19	N. Ogden	(801) 782-5600		achristensen@utahsenate.org
Senator	Margaret	Dayton	R	15	Orem	(801) 221-0623		mdayton@utahsenate.org
Senator	Patricia	Jones	D	4	Holladay	(801) 322-5722		pjones@utahsenate.org
Senator	Peter	Knudson	R	17	Brigham City	(435) 723-2035	435-730-4569	pknudson@utahsenate.org
Senator	Daniel	Liljenquist	R	23	Bountiful	(801) 294-2378		dliljenquist@utahsenate.org
Senator	Wayne	Niederhauser	R	9	Sandy	(801) 742-1606		wniederhauser@utahsenate.org
Senator	Luz	Robles	D	1	Salt Lake City	(801) 5506434		lrobles@utahsenate.org
Rep	Johnny	Anderson	R	34	Taylorsville	(801)205-7574		janderson34@utah.gov
Rep	Jim	Bird	R	42	West Jordan	(801) 280-9056		jbird@utah.gov
Rep	Rebecca	Chavez-Houck	D	24	Salt Lake City		(801) 891-9292	rchouck@utah.gov
Rep	Dave	Clark	R	74	Santa Clara	(435) 628-5108		
Rep	John	Dougall	R	27	American Fork	(801) 492-1365		jdougall@utah.gov
Rep	Brad	Last	R	71	Hurricane	(435) 635-7334		blast@utah.gov
Rep	David	Litvack	D	26	Salt Lake City	(801) 596-0187	(801) 792-7172	dlitvack@utah.gov
Rep	Ronda	Menlove	R	1	Garland	(435) 458-9115	(435) 760-2618	rmenlove@utah.gov
Rep	Kraig	Powell	R	54	Heber City	(435) 654-5986		kraig@housepowell.com
Rep	Larry	Wiley	D	31	West Valley City	(801) 487-8095		lwiley@utah.gov

For a complete contact sheet, click here: <http://dl.dropbox.com/u/19013878/UtahElectedOfficials1-23-11.xls>

- **Now is the time to interact 1-on-1 with SSA committee members.** Please use the [Principles](#) as Talking Points and also take from the alternatives to cuts described above. If you can provide any details on the harmful consequences of specific cuts, please do. We will be collecting information on these impacts through the week.

B. Utah Medicaid Reform Proposal

With his eye on limiting cost growth and minimizing waste in Medicaid, Senator Liljenquist would like to see fundamental payment and delivery system reforms in the program. To this end, he and Rep. Dean Sanpei are preparing a *waiver* request for review by the Centers for Medicare and Medicaid Services (CMS) and accompanying legislation this session.

There are multiple components to his proposal, starting with the creation of an Accountable Care Organization, or ACO. An ACO is an organization of health care providers that agrees to be accountable for the quality, cost, and overall care of Medicare or Medicaid beneficiaries who are enrolled in the traditional fee-for-service program. The ACO contracts would essentially provide the ACOs with monthly risk adjusted, capitated payments based on enrollment and ask that the ACOs deliver the necessary and appropriate care, while demonstrating that quality of care and access to care is not suffering. A centerpiece of this model is the "Medical Home": Each Medicaid client would have access to a primary care provider or team of primary care providers who would provide care and also coordinate the client's use of medical services throughout the ACO network of providers.

Many of the specifics within the proposed model must be granted special authority from CMS. These include:

- **Individual Accountability:** sliding scale co-payments.
- **Geographic Implementation:** rolling program out only in four counties, Salt Lake, Davis, Utah, and Weber.
- **Waiver Authority:** the proposal seeks to utilize the current 1915b Freedom of Choice Waiver to operate this program.
- **Special Considerations:** The state wishes to keep the current level of Medicaid funding in the system and realign incentives with the expectation that future program growth will be more in line with State revenue growth.
- **Budget Management Strategy:** If costs come out lower than projected the excess funds would be put in a Medicaid Rainy Day Fund. If the growth exceeds projections, the State would reduce benefits on a pre-determined schedule.

The proposed date for implementation is July 1, 2012. The hope is that this timetable would allow the State and health care providers some planning and implementation time for realigning models of care delivery and updating payment and monitoring systems. See a copy of Sen. Liljenquist's concept paper:

http://www.healthpolicyproject.org/Publications_files/legislative/SenLiljenquistMedicaid_Waivers_Concept_Paper.pdf

We have yet to see a copy of Sen. Liljenquist's draft bill: as soon as we get this, we will post it along with some analysis.

C. Proposal to Privatize and Outsource Eligibility Systems: *If it ain't broke, don't fix it*

In last Wednesday's Social Services Appropriations Subcommittee (listen to audio here:

<http://le.utah.gov/ASP/interim/Minutes.asp?Meeting=8311#Audio>), outside experts were invited to share ideas

pursuant to privatizing eligibility systems for public programs. On the surface this may sound like a good tool for limiting cost and downsizing government, but if we look deeper we will see disaster, particularly if these arrangements are entered into rashly by the state. Several states have made similar arrangements and privatized portions or all of their social services programs. ACS, one of the presenters at the hearing, was the company contracted by the state of Indiana to streamline their social services programs. This, too, came on the heels of Indiana leaders' decision to embrace cost containment strategies. ACS took over Indiana's eligibility process, and the result was nothing short of a disaster for clients.

Along with serious questions of access for clients, the state is paying ACS \$1.34 Billion over the next 10 years. Anne Murphy, secretary of the state's Family and Social Services Administration, stated in 2009 that there had been a myriad of problems such as high error rates, as well as concerns with claims being processed within federal guidelines.

What is not clear since last week's Social Services Appropriations hearing is how serious Utah legislative leaders are about contracting with ACS.

To learn more about the Indiana (and similar) experience, join us for a conference call on Monday...

**Learn Why Utah Should *Not* Outsource Public Program Eligibility Services to Private Contractor ACS:
A Conference Call with National Experts and Indiana advocates**

When: this Monday 10:00-11:00 AM

Toll Free Call-In Number: 1-866-740-1260

Participant Access Code: 4332299

RSVP to kim@healthpolicyproject.org

This coming week several UHPP staff members and advocacy partners will be in DC. We will be meeting with CMS officials to discuss our options for protecting Medicaid consumers in the face of all of the changes and potential threats described above.

Are you interested in getting involved on these issues this session? The Utah Medicaid Partnership will be meeting every Wednesday during the legislative session (Jan. 26th to March 16th) from 1:15 to 2:00 in the Olmstead room in the East building of the Capitol Complex. UMP's next meeting is this Wednesday the 26th. Please join us!

2. State Health Reform Front

Utah's Health Exchange—a web-based portal where Utah's small businesses and individuals will be able to shop for health insurance, pooling risk to bring down the price of premiums and increasing employee choice of insurance plans—is up and running... well... walking: only 11 small businesses (out of the 99 eligible who enrolled in the initial launch) remain in the Exchange today. Once the issues raised in its first year are resolved this will be good news for Utah's many small businesses, who will then be able to shop for health insurance through the Exchange. Exchange staff are diligently working on issues hindering enrollment, and more businesses are using the Exchange now in the "re-launch" (43 enrolled in January 2011).

Utah's Exchange is inching closer to what federal reform (ACA) calls a SHOP (Small Business Health Option Program)—designed primarily for small businesses, to connect consumers to the information they need to make informed health care choices, and in the case of health insurance, to execute that choice [electronically](#).

Sponsored by Rep. Jim Dunnigan, an insurance broker, this session's key legislation to move Utah's reform process forward is called [Health Reform Amendments](#). Rep. Dunnigan's bill calls for increased transparency from insurers, strengthens the Exchange, and clarifies some of the governance and regulation issues related to operation of the Exchange. Key areas that need work include:

- Consumers need to be able to make real comparisons about quality and cost of insurance products offered on the Exchange. A tiered system based on actuarial value, like that in the ACA (federal reform) ranking plans by Bronze, Silver, Gold, and Platinum, will allow shoppers to compare like plans and make meaningful choices.
- Insurance brokers need to be well prepared to help consumers navigate the dizzying array of options available. Training for brokers about cultural and language competency, so that they can effectively work with people in Utah's diverse ethnic groups—many of whom work in small businesses-- and about premium subsidies, like [Utah's Premium Partnership](#) (UPP), which helps employees pay monthly health insurance premiums, will be important to the success of the Exchange.
- Subsidies are vital to the Exchange's success in Utah. Utah's working adults *want* to buy into the private insurance market, but they cannot do so without premium assistance. Small businesses are, for the most part, priced out of the insurance market. Real premium assistance, through UPP, will ensure the success of Utah's *market-based reform strategy*. To this end, the Exchange must have eligibility screening for UPP seamlessly integrated into the enrollment process.

Utah's Exchange could be an tool to help Utah's uninsured working people gain access to health care coverage. Let's work with Rep. Dunnigan to make the Exchange the best it can be. Download our fact sheet on Rep. Dunnigan's bill here:

http://www.healthpolicyproject.org/Publications_files/legislative/HBXXHealthReformAmendmentsRepDunnigan1-22-11.pdf.

3. Health Bill Tracker

It may not surprise you to learn that many bills are "protected" and have yet to see the light of day. UHPP is doing what we can to bring these bills into the light of day and analyze impacts, but we will need a few more days to release our Tracker.

4. More Tools for Advocates 2011

Health Action Calendar: Keep track of health-related events happening during the session. UHPP's [Health Action Calendar](#) has dates, time, and information. Please join us for weekly meetings of Utah Medicaid Partnership and U-SHARE (Health Reform Coalition): **every Wednesday 1:15-2:00 PM, Olmstead Room of East Capitol Bldg**. A wonderful chance to compare notes and coordinate strategy on the many Medicaid, CHIP, and health reform issues for the Session.

The [UHPP Health Advocate Toolkit](#) provides tools and information to keep you informed this session. Be sure to download our latest version of the Excel list of Legislators. This one shows committee assignments.

Legislator Contact List!

Check out our handy 2011 spreadsheet of legislators and their contact information. Use it to track your conversations with legislators, find out who sits on the committees that oversee health issues, count votes on bills, or mail merge to contact legislators individually! To download in Excel, click here:

<http://dl.dropbox.com/u/19013878/UtahElectedOfficials1-23-11.xls>

Fact Sheets

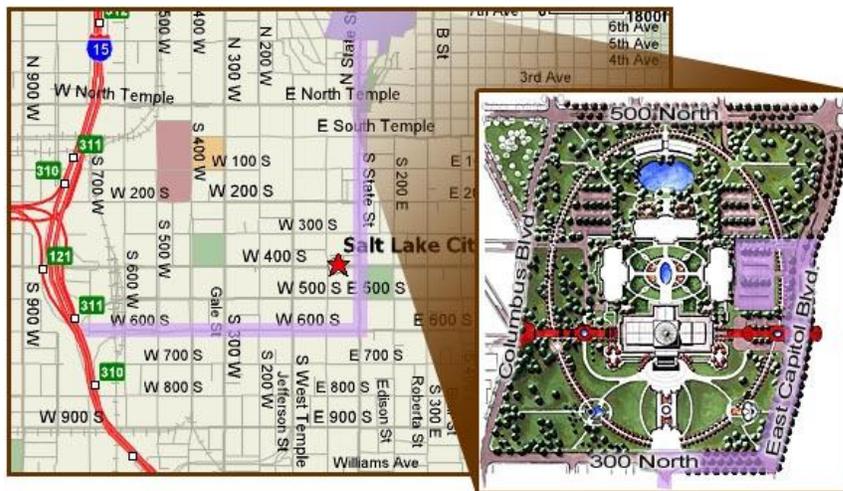
UHPP is continually preparing materials to give you the latest nonpartisan information and talking points. You'll find one-page factsheets to help you with your advocacy, as well as in-depth issue briefs to give you a thorough explanation of the issues. [Check out our Publications Page for our latest materials.](#)

<http://www.healthpolicyproject.org/Publications.html>

Getting to the Utah State Capitol

Public Transportation: If you are downtown, the UTA bus is a great option to get up to the Hill. Route 500 will take you right to the East Building's front door! The Capitol is in the Downtown Free Zone and buses run every 15 minutes. [The bus schedule is posted here, along with the route map here.](#) UTA has a great [trip planner tool](#), as well.

Driving from outside of Salt Lake: simply take I-15 (either north or south) to the 600 South exit and head east on 600 South. Turn left on State Street and head up the hill to the State Capitol. See map and follow route highlighted in purple. Be sure to allow plenty of time to drive from the freeway through the city. Because Salt Lake City is experiencing unprecedented construction activity, you may experience traffic delays in your travels.



Where to park?

Parking at the Capitol should be somewhat improved this session. There are two parking lots available to the public. The largest is on the NE Corner of the Capitol Complex. The second lot is right next to East Building (Now also know as the Senate Building). In addition, the 450 construction workers that have been at the Capitol the past few sessions are largely gone. Thus there should be much more street parking available to the public this year. If you must drive, your best bet is to carpool and arrive early.

5. Federal Health Reform Front: Utah Gets a Voice on the 'Side of History'

In March 2010, the 111th U.S. Congress passed landmark legislation aimed at reforming our healthcare system. Party politics and rhetoric on both sides have overshadowed the content of the law and left Americans split on the issue. This week, House Republicans voted to repeal the Patient Protection and Affordable Care Act. But worry not—the vote was merely symbolic; the Senate has stated it will not take up the issue and President Obama has promised to veto it.

Like the rest of the country, Utahns remain split in their opinion of the law. This played out in the house vote where Congressman Bishop and Congressman Chaffetz voted to repeal health care reform and Congressman Matheson voted against repeal. Congressman Matheson stated that he decided not to vote for full repeal because he has heard from his constituents that Utahns like the benefits they are starting to see, such as students being able to stay on their parents insurance until age 26, no discrimination for children with pre-existing conditions, and regulations that forbid insurance companies from dropping coverage when someone becomes ill. He shared that it is time to move forward and Congress needs to work together to improve and build on the current law. Matheson also stated, at his Telephone Town Meeting on Jan 20, that his top priority for “fixing” the ACA will be to look for opportunities to control cost in both the public and private sectors. Specifically, he will focus on malpractice reform and changing the fee-for-service payment structure, both of which promote costly over-utilization of medical services. Please take a minute to thank Congressman Matheson for this at (202) 225-3011 or online at <https://forms.house.gov/matheson/contact.shtml>. And give yourselves a big pat on the back!

The Affordable Care Act is an important step in ensuring coverage and access to health care for all Americans and providing families peace of mind that they will be protected when they need it most. Utahns from all walks of life are already seeing the benefits of some of the protections the bill offers, and without the ACA, many new protections would be lost. For example:

- An estimated 11,000 or more young adults would lose coverage through their parents' health insurance while they strive to find work after graduating from school in this tough economic environment.
- Over one and a half million Utah residents would again be susceptible to lifetime limits placed on them by their insurance companies limiting the care they can receive.
- The same residents would no longer be secure in the knowledge that 80 to 85 cents of every dollar they spend on insurance premiums must go to care instead of administration or CEO salaries. The same group would be vulnerable to losing their coverage the moment they need it most, when they or a family member becomes ill or is in an accident.
- Over two hundred thousand seniors in Utah would lose first-dollar coverage (no co-pays) for preventive screenings such as mammograms and colonoscopies, would have to pay extra to stay healthy by getting regular check-ups, and would see significantly higher prescription drug costs.
- The 60,000 Utah small businesses that are now eligible for tax credits that cover up to 35% of premium costs when they provide coverage to their employees would lose this important assistance with repeal.

These are just a few of the important consumer wins that would be lost with repeal, leaving families vulnerable to the most egregious practices of insurance companies.

The lesson learned from other countries that have made the important decision to tackle health care reform shows that reform is not a one-time undertaking, but a long, sometimes difficult, but always worthwhile process. There are important consumer protections, insurance coverage expansions, and cost containment strategies in ACA, but the fight for quality, accessible, and cost-efficient health care is not over. We will need to come to a place where we can all

work together to come up with solutions that benefit Americans. The ACA lays a solid foundation for this process and we look forward to a healthy, and hopefully more constructive discussion as we improve upon this law in future years.

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