

# UTAH HEALTH POLICY PROJECT

## *HEALTH MATTERS*



### *Health Matters* E-Newsletter

August 29, 2011

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### **MEDICAID REFORM**

#### **MENTAL HEALTH DRUGS AND THE PDL: AN OPPORTUNITY TO INCREASE QUALITY OF CARE AND SAVE MONEY AT THE SAME TIME!**

One of the major cost drivers for Medicaid is prescription medications, and the cost burden of **mental health medications** is increasing at a rate that far outstrips other classes of meds. Since Utah's Preferred Drug List (PDL) was implemented in FY2008, the program has saved the state millions of dollars—[\\$16,647,572 in FY2009 alone](#). However, because Utah does not include mental health medications on its PDL, the *state is leaving nearly half of the potential savings on the table*.

Including mental health drugs in Utah's Medicaid PDL is good policy, and it can be done well while maintaining good psychiatric care for Medicaid recipients. UHPP is working with the county mental health directors and the P+T (Pharmacy + Therapeutics) committee to make sure that Medicaid clients get high quality care, by methodically addressing a variety of scenarios that may come up for patients with serious mental illnesses. Read more about adding mental health meds to Utah's PDL in our new issue brief "[Proceed, But with Caution: Maximize Savings on Preferred Drug List by Including Mental Health Drugs.](#)"

#### **UTAH TAKES A PASS ON CRITICAL ACA COST CONTAINMENT/WELLNESS OPPORTUNITY (⊗)**

To further the cost/quality/access goals of health reform, the Affordable Care Act created numerous opportunities for states in the form of [grants](#). Utah has taken advantage of some of these grants—though, surprisingly, not enough of those designed to contain costs and improve quality of care. Utah has walked away from critical funding opportunities such as the Consumer Health Assistance grants. This grant was established for states to create programs to assist consumers in navigating the reformed healthcare coverage system.

Another lost opportunity for Utah was the [Medicaid Incentives for Prevention of Chronic Diseases grant](#) (MIPCD). Utah had originally thought to apply for MIPCD, and submitted a letter of intent last April. This grant could have been used to promote and fund the integration of healthy incentives into the state's problematic [Medicaid reform waiver proposal](#) (join the sign-on campaign [here!](#)). Community advocates were supportive of the state applying for this grant, but the state felt that the administrative and structural requirements of the grant would not create a beneficial program in Utah. During their visit with UHPP and coalition partners last week, HHS officials agreed that the requirements of this particular grant can be burdensome for smaller states, but that the state could have requested an exemption from these requirements.

#### **ON THE FEDERAL FRONT**

##### **DISPATCH FROM DENVER: HHS/CMS LISTENING SESSION ON REGULATIONS FOR THE NEW EXCHANGES**

As the mechanism for facilitating access to quality, affordable, private health insurance, Exchanges are a core element of the federal health reform law, the Affordable Care Act (ACA). The federal government is asking for comments on the [proposed regulations for Exchanges](#) by September 28, 2011 (see UHPP's [table](#) indicating what HHS is looking for comments about). To help stakeholders prepare their comments, the Department of Health and Human Services (HHS) is holding invitation-only Listening Sessions around the country. The session for Regions 7 and 8 was held Wednesday, Aug 24 in Denver. In attendance at the morning session for state officials were Dave Patton, Executive Director of the Utah Department of Health; State Senators Gene Davis and Wayne Niederhauser, Rep. Rebecca Chavez-Houck; and Dave Jackson of First West Benefit Solutions, head of the Utah Risk Adjuster Board. Two advocates attended the afternoon session for community stakeholders: UHPP's Hilman and Voices for Utah Children's Nehring.

Hilman shares a few observations geared toward UHPP and partners' quest for a robust health insurance exchange...

*I can be faulted for looking too much on the bright side, but I found the session worthwhile—if only to learn what these immense operational challenges for Exchanges and flexibility questions feel like in our region. HHS really wanted to hear from us—blackberries were down—each and every comment was responded to by someone from the HHS/CMS panel.*

*By design, they gave a very brief introduction to the given topic (exchanges, plan standards, eligibility & enrollment; Medicaid eligibility and enrollment; tax credits and small business options) and then opened up to any and all input. Key decision makers were there taking notes: Joel Ario (over the Office of Health Insurance Exchanges at HHS, though [he is exiting that position soon](#)) and Vikki Wachino (the ACA Medicaid expansion lead at CMS).*

*The regional team was well represented, including the OMH (Office of Minority Health) and OCR (Office of Civil Rights) leads, who were there all day.*

*Just a few eye-opening remarks from the HHS/CMS panel (keep in mind that I've likely captured what speaks to Utah in our situation):*

- *Ario: we will grant flexibility wherever we can, but not where it doesn't make sense, for example on standards for data collection or, of course, the big ACA changes (such as a mandate as the mechanism to bring in young people, which is necessary for community rating in both marketplaces; affordability standards and the subsidies as tool for this; and other changes that are awkward for states like Utah).*
- *Wachino: we are studying best practices in eligibility systems pretty heavily now. Utah's MyCase (consumer's interface with E-REP, our electronic eligibility system) is under the microscope as a possible model.*
- *Some states (like Utah) are preparing to operate the SHOP exchanges but maybe not the AHBE (American Health Benefit Exchanges for the individual market). HHS is strongly considering a partnership with such states to accommodate such a separation.*

### **New ACA Medicaid Eligibility Rules Released for Public Comment**

The [new rules](#), released for the 75-day comment period starting August 12, will build on existing momentum toward Exchange development in states by...

- Simplifying eligibility standards for Medicaid and CHIP programs
- Simplifying the enrollment process
- Creating care coordination standards
- Increasing the Federal Medical Assistance Percentage (FMAP) for newly eligible individuals
- Minimizing the administrative burden on states as they establish separate eligibility processes for current Medicaid target population and expansion groups in 2014 (great news: states will be able to do statistical sampling☺)

Utah's E-Find system gets a shout-out in the overview as a best practice (☺☺)—big kudos to DWS!

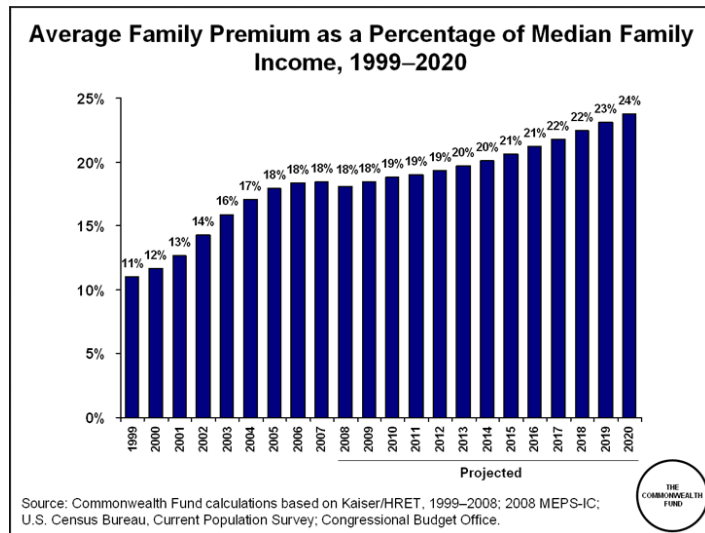
Click [here](#) for directions on how to submit comments to CMS.

### **ON THE STATE FRONT**

**MAKING HEALTH INSURANCE AFFORDABLE: INSTALLMENT #2 OF OUR COST CONTAINMENT SERIES**

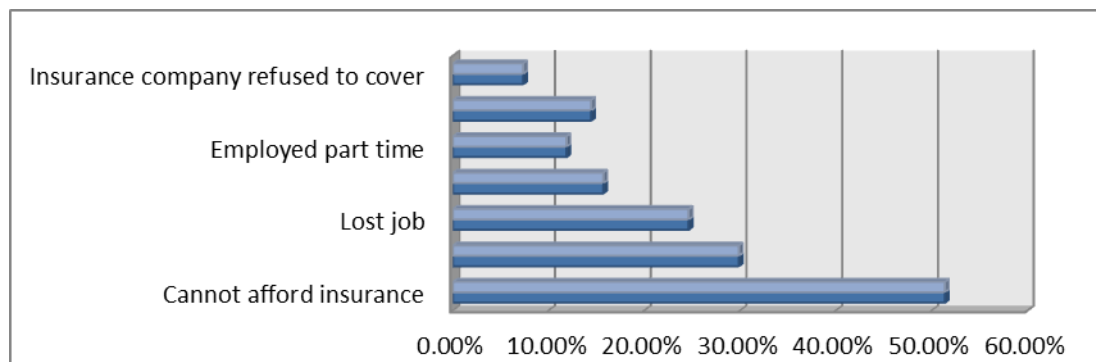
UHPP is pleased to announce the release of our 2<sup>nd</sup> brief in our [cost containment series](#): “[Affordable Health Care: the Only Way to Avoid a Mandate](#).” (Last month’s *Health Matters* introduced the first installment in the series, “[We’ll Show You Cost Containment!](#)” –detailing the 35+ cost containment opportunities in the Affordable Care Act.)

The cost of health insurance has been on the rise for more than a decade, and Utahns are finding it more and more difficult to pay their health insurance premiums—especially people who buy their insurance in the individual market, like self-employed entrepreneurs, and small business.



Source: [K. Davis, Why Health Reform Must Counter the Rising Costs of Health Insurance Premiums, \(New York: The Commonwealth Fund, August 2009\)](#)

As health insurance gets more and more expensive, many try to control their costs by moving into high deductible policies, but they are gambling on good health when they shift their cost away from predictable premiums to less predictable out-of-pocket costs. Others, especially young healthy Utahns (often called the “young invincibles”) and low income workers, just drop coverage altogether and cross their fingers that they won’t have an accident or get sick. In fact, when asked, Utahns without insurance say they don’t have it because it is *too expensive!*



People with no or inadequate health insurance end up costing everyone else more in the end. They delay care until they are really sick and require more costly intervention. If they can't pay, the costs are shifted to people who do buy insurance as providers charge more in medical claims to cover their loss and insurance companies pass on the cost in the form of higher premiums. Milliman Inc., an independent actuarial consulting firm, found that 1/3 of the average family premium pays for uncompensated care. It's the "[hidden health tax](#)" that motivates health reform.

Utah's health reform is based in the private market (private health insurance) and relies on Utahns bearing the responsibility for their own health insurance but Utah's leaders have stated time and again that they do not want a mandate (also known as "individual responsibility"). Without a mandate the only way to get people covered by private health insurance—and keep them covered—is to make it *affordable!* (For more information about individual responsibility—the mandate—see [Community Catalyst's recent blog post on the 11<sup>th</sup> Circuit Ruling.](#))

### **HEALTH EXCHANGE REGULATIONS AND UTAH'S HEALTH EXCHANGE**

Health and Human Services released a flurry of proposed regulations over the last month for health insurance exchanges (see [our article about HHS's listening session](#) held last week). You can read about (and get a copy of) the regulations at <http://www.healthcare.gov/news/factsheets/index.html>.

The [Utah Health Exchange](#) has one of only 2 exchanges in the country (the Massachusetts' [Connector](#) is the other) and is often viewed as a model for other states. Because of this Utah has unique insight into the proposed regulations for HHS. Comments about the regs are due Sep. 28, 2011. Stay tuned for an opportunity to join your voice with UHPP as we prepare our comments.

### **ANNOUNCEMENTS**

#### **NEW UHPP ISSUE BRIEFS**

[Affordable Health Care: the Only Way to Avoid a Mandate](#) **NEW UHPP POLICY BRIEF!**

[Proceed, but with Caution: Maximize Savings on Preferred Drug List by Including Mental Health Drugs](#)  
**NEW UHPP POLICY BRIEF!**

[Federal Health Provisions 2010-2014: Updated Table with Details about Utah Implementation efforts.](#)  
**NEW UHPP POLICY BRIEF!**

#### **UPCOMING MEETINGS:**

##### **Utah Medicaid Partnership (UMP)**

Tuesday September 20, 10:00-11:20

*This meeting will focus on UMP's state priorities for the 2012 Utah Legislative Session. Bring your funding and policy priorities!*

## **U-SHARE**

Tuesday, September 20, 11:30-1:30

*This meeting will focus on priorities for the 2012 Utah Legislative Session. Bring your funding and policy priorities!*

*This will be a strategy and planning meeting. Come ready to hammer out our strategic plan. Bring your lunch!*

## **Monthly Meeting + Special MyCase Training in September!**

Get the Minutes from August 3, 2011 [here](#).

Remember that Monthly Meeting happens *every other* month, according to this schedule...

- October 5 (at DOH)
- December 7 (at DWS)
- February 1 (at DOH)

But on **September 27 2:00-3:30 pm** UHPP is sponsoring a special training on MyCase (the consumer's or customer's interface with E-REP, Utah's electronic eligibility system). What makes it special is that it includes discussion of the MyCase interface and how we can make it better for Utahns from all walks of life. To sign up and get location, send email to [kim@healthpolicyproject.org](mailto:kim@healthpolicyproject.org) (space is limited/first come, 1<sup>st</sup> served).

We find Monthly Meetings are most productive when topics are generated by the community! Please email ideas for DWS topics to Gina Cornia of Utahns Against Hunger: [cornia@uah.org](mailto:cornia@uah.org); health topics to Stacey at Utah Health Policy Project [stacey@healthpolicyproject.org](mailto:stacey@healthpolicyproject.org); crossover topics to both and to [lincoln@utahchildren.org](mailto:lincoln@utahchildren.org).

## **UHPP IS HIRING!**

First, please join us in congratulating Kim Myers on her new position at UHPP: Director of Take Care Utah, UHPP's new consumer health assistance program and collaboration with United Way of Salt Lake and its Collective Impact coalitions in the neighborhoods around Title I schools. Her position is posted until September 2, 2011.

**Now Hiring:** [Community Engagement Director](#) (Kim's old position)

**Now Hiring:** [Enrollment Specialist for Take Care Utah](#) (apply by September 2, 2011)

