

HEALTH MATTERS...ON THE HILL



Health Matters E-Newsletter...On the Hill Final Post-Session Edition

March 13, 2009

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1. **Cover the Uninsured Week: National Health System Reform and Utah (STATEWIDE Discussion)**

President Obama and Congressional Leaders have promised bold action on comprehensive health system reform this year! Learn more about the national health reform proposals and how Utah can contribute to the debate.

Join Utah Health Policy Project for a STATEWIDE discussion **Cover the Uninsured: National Health System Reforms and Utah**. Attend 1 of 6 locations around the state or participate online!

When: Wednesday March 25th from 4:00 to 6:00 pm

Where: 6 locations across Utah connected by satellite, plus a statewide Webcast

Seating is limited – To reserve a spot on a 1st come, 1st served basis, click on the link of the location you'd like to attend below:

1. [Ogden: McKay-Dee Hospital](#)
2. [Farmington: Davis County Health Department](#)
3. [Salt Lake: 650 Komas Dr, Research Park](#)
4. [Murray: Salt Lake Valley Environmental Health](#)
5. [Provo: State Regional Office Building](#)
6. [St. George: Dixie Regional Medical Center](#)
7. ****Webstream**** *If you just can't join us at one of the sites, participate online! You'll be able to hear and see the presentation and submit questions.*

Please include the following contact information in the body of the RSVP email:

Name
Organization (if any)
Address, City, State, Zip code
Telephone Number
Email Address

Once you RSVP, we'll send you the address and directions, or log-in instructions for the webcast. For more information, please contact Stacey Earle at 801-433-2299.

This event is part of the Robert Wood Johnson Foundation's *Cover the Uninsured Week*, March 22-29

2. Utah Medicaid frayed, but largely whole after 2009 Legislative Session

Toward the start of the General Session Utah Medicaid was facing an untenable situation: over 10% enrollment growth and a 14% budget reduction! Clearly, something had to give. Initially, we faced draconian cuts in eligibility itself, including coverage for pregnant women, eligibility for seniors and people with disabilities; a rollback of provider reimbursement rates to pre FY2007 levels, and deep reductions in hospital payments. These cuts were on top of an already substantial 3% reduction that occurred during a September 2008 special session which, among other things, resulted in the loss of critical outpatient services like physical therapy, occupational therapy, audiology, eyeglasses, and dental care.

However, thanks to the federal economic recovery package, the American Recovery and Reinvestment Act (ARRA), the Legislature was given ample resources to reverse the course. Policymakers agreed to meet the 'maintenance of effort' requirements to restore all Medicaid eligibility cuts; in exchange, the ARRA will provide Utah with over \$200 million. The Legislature decided to keep most of that money in the Medicaid program. Besides restorations to eligibility, the Legislature restored physician reimbursement rates, some of the cuts to non-physician providers and hospitals, and thanks to the tenacity and bold leadership of Sen. Pat Jones, restored outpatient physical therapy and occupational therapy. These restorations were accomplished using one-time money.

Please join us in thanking Sen. Jones for her fabulous work on the service restorations: send your note of thanks to pjones@utahsenate.org.

Be warned: **Without a new appropriation next year, these cuts are scheduled to occur in July 2010.** To mitigate this imminent threat, UHPP will pursue a three-prong strategy:

1. Build on successful cost containment efforts and continue making the case to re-invest all savings in the state's bare-bones Medicaid program; and
2. Make sure that Medicaid and CHIP are carefully integrated in comprehensive health system reforms, in particular efforts to align all treatment and financing decisions with evidence-based medicine. This alignment will take many years and probably never end. Over time, however, it will yield savings and help to demonstrate the need for generous eligibility, benefit package, and affordability standards.
3. Work with community partners to systematically mobilize with and on behalf of Medicaid beneficiaries. To this end, we will be working to establish a consumer health assistance collaborative with a special focus on low-income and Medicaid and CHIP populations.

Besides embracing the ARRA, Utah made a couple of systemic changes to our Medicaid program that will yield substantial savings and preempt harmful cuts to Medicaid. First, the Legislature passed UHPP-initiated Senate Bill 87 (Sen. Christensen). This will allow Medicaid to use prior authorization in its preferred drug list (PDL) program; increase provider compliance with PDL rules; and save the state an additional \$1.4 million dollars per year! **Thank you to Sen. Christensen for effectively shepherding this legislation!** In another huge win for UHPP, the Legislature will now require the state to move Medicaid to a fully capitated and risk-based contract arrangement with our managed care organizations. This change will bring in additional federal matching funds while helping to re-align the Medicaid with the goals of health system reform. Managed care organizations will now have the incentives they need to keep Medicaid beneficiaries healthier and provide them with more cost-effective care. **BIG THANKS to Rep. Dougall for working with us on this over the year and for leading the charge.**

Medicaid Program Changes Summary

Positive Changes	Negative Changes
1. Prior Authorization in Preferred Drug List Program (\$1.4 million in	1. Vision care, dental services, and audiology were not restored

<p>savings)</p> <ol style="list-style-type: none"> 2. Capitated/Risk based contracts with Medicaid Managed Care Organizations (\$3 million savings) 3. On UHPP's initiative, restoration of physical therapy and occupational therapy, thanks to amazing leadership and tenacity of Sen. Pat Jones! 4. Eligibility for Aged/Blind/Disability group and pregnant women and foster kids restored through back-fill with ARRA funds. 	<ol style="list-style-type: none"> 2. Non-physician providers (e.g., home health care givers and dentist) reimbursement rates were not fully restored.
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Learn more about the ARRA and implications for our Medicaid challenges...

- Take a look at the **Council of State Governments** new summary of all relevant provisions of American Recovery and Reinvestment Act (ARRA), including a list of funded programs and a timeline of the bill's various deadlines. <http://www.staterecovery.org/federal-assistance>
- This new piece from the Center on Budget and Policy Priorities shows how states can adopt new strategies under the Recovery Act to help more low-income lowans maintain their Medicaid coverage when they re-enter the workforce or get a small increase in wages. <http://www.cbpp.org/3-12-09health2.htm>.

With the grueling Session behind us, UHPP will be working to fully implement these provisions.

CHIP Program Changes

Utah's CHIP program was also modified this session. As a revenue enhancement measure, the Legislature increased CHIP quarterly premiums \$15 for families earning over 150% of FPL (CHIP Plan C) to \$75 and implemented a \$15 late payment charge. This is unfortunate in that the number one reason for CHIP disenrollment is failure to pay premiums! Over a thousand Utah children lose their health coverage every quarter because their family fails to pay their CHIP premium. Until, the state understands why families are not paying their premiums (e.g. they are unaffordable), it is unwise to take steps that will likely increase the number of children leaving CHIP and becoming uninsured. We will work with Voices for Utah Children to reverse these cuts as soon as the state's revenue situation improves—if not sooner.

In addition to premium changes, the Legislature took steps—yet again—to move CHIP kids out of the Public Employee Health Plan (PEHP) and into the private market. UHPP plans to monitor this change very carefully to make sure that 1) the quality of care is maintained or possibly enhanced and 2) to make sure this change results in savings to the state. Also, given our meager investment in public programs, we will attempt to create a new CHIP Restricted Account to serve as a repository for any savings that may result from this transition. These savings, we will argue, should be reinvested into the CHIP program, for example in worthwhile coverage expansions (like ICHIA) or quality improvements. .

3. Senators Hatch and Bennett Weigh in on National Health System Reforms

Last week President Obama hosted a White House Forum on Health Reform (check out the White House's [blog on this](#)). Both Senator Hatch and Senator Bennett participated, signaling that Utah's Senators will be key in the national health system reform debate. In a joint letter with other Republican leaders, Senator Hatch committed to joining with President Obama in passing meaningful health care reform legislation *this year*. He further hopes the reforms will ensure all Americans have access to affordable, quality, and portable health care.

Senator Hatch also emphasized that reforms cannot just be about expanding coverage—they must also reduce cost and promote better value. We cannot agree more, although we must point out, again, that Pres. Obama and incoming HHS Secretary Kathleen Sibelius are themselves equally committed to the cost and quality angles of reform. Nonetheless, with the reform details now in Congress' court, cost containment and quality improvement are Utah values that need to be meaningfully integrated into the national reforms, and we are glad to see Senator Hatch leading the charge on these values. As [Sen. Hatch's letter](#) states, any reforms must be done in a forward-thinking and fiscally responsible manner.

Senator Hatch agrees with President Obama that the reforms should promote care coordination, prevention, wellness, research and technology, and consumer empowerment—so far, so good! However, he strongly disagrees with a proposal to create a public health insurance plan to compete against private plans. This particular proposal should be examined closely by all Utah stakeholders, as it could be a real deal killer. If you have not done so, please begin the dialogue with Utah's congressional delegation. You can start by describing how the public insurance option could actually stimulate positive behavior (including risk management and delivery and payment system efficiencies) in the private market.

Right now Sen. Hatch along with the national insurance lobby (AHIP or the America's Health Insurance Plans) is convinced that this plan will force all other insurance plans out of the market, leaving us with a single payer system. See Len Nichols' (of the New America Foundation) timely and [incisive essay on this](#).

4. Utah Implements New COBRA Provisions in 11th Hour of the Session

On the last day of the General Session a new bill, HB178 Health Insurance and Program Amendments (Rep. Dunnigan), was introduced and passed through the House and Senate. UHPP was instrumental in getting the bill introduced in the 11th hour to make sure that Utah workers who find themselves displaced by the recession can take full advantage of the new *COBRA* (Consolidated Omnibus Budget Reconciliation Act, which gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss, reduction in the hours worked, transition between jobs, death, divorce, and other life events) provisions in the *American Recovery and Reinvestment Act* (ARRA). Knowing that many people are losing their jobs due to the recession and that COBRA can be unaffordable for most people, the ARRA includes a subsidy for workers who were laid off from their job. Now, **people who were involuntarily terminated between September 1, 2008 and December 31, 2009 are eligible for a 65% premium reduction for up to 9 months.**

Since the 60-day election period has already passed for workers who were terminated before mid-January 2009, the ARRA created a second COBRA election period. This ensures that workers who were laid off between September 1, 2008 and February 17, 2009 have access to the subsidy. Yet this second election period created by the federal government only covers people who worked for a business of 20 people or more. Jurisdiction for small businesses (2-19 employees) falls to the states. States with *mini-COBRA* programs (COBRA for businesses of 2-19 employees) were given the option to extend this second election period to people involuntarily terminated after September 1, 2008. But, in order to take advantage of the second election period for small businesses, the Utah Legislature needed to pass a bill. We realized this on the last day of the Session and brought HB178 into play. PLEASE TAKE A MOMENT TO THANK REP. DUNNIGAN FOR WORKING WITH US ON THIS AND SEEING IT THROUGH. Send email to jdunnigan@utah.gov.

With the passage of HB178 people involuntarily terminated who worked for a small businesses can now take advantage of the second election period. PLEASE NOTE: **action must be taken by specific dates to be eligible for this new election period.** According to HB178, a person interested in taking advantage of the new election period must do the following:

- By **April 18, 2009**: an individual involuntarily terminated between September 1, 2008 and February 17, 2009 who was eligible for mini-COBRA at the time of termination must **contact their employer or insurer** to take advantage of the second election period.
- Prior to **May 1, 2009** all **enrollment forms for coverage must be submitted to the insurer.**

The second election period is for a limited time only, so if you or someone you know is eligible for the second election period and subsidy, you must **ACT NOW!**

| **Who's eligible for assistance?**

- People who are eligible for COBRA, state continuation benefits, or continuation of a federal or state employees' health plan due to involuntary job loss between September 1, 2008, and December 31, 2009, and whose adjusted gross income does not exceed \$125,000 for individuals and \$250,000 for families are eligible for the full amount of premium assistance (65 percent of premiums).
- People who elect COBRA or mini-COBRA during their election period *OR* during the new election period for people whose jobs were terminated between September 1, 2008 and February 17, 2009. This is the new election period that HB178 allows for the mini-COBRA program.
- People with higher incomes—that is, people with adjusted gross incomes between \$125,000 and \$145,000 for individuals or between \$250,000 and \$290,000 for joint filers—can also get the subsidy, but they will need to repay a portion of the amount they receive.
- The worker and/or the worker's spouse, partner, or dependents that had coverage under the health plan are eligible for the subsidy.
- People eligible for other group health coverage (such as a spouse's plan) or Medicare are not eligible for the premium subsidy.

| **Have additional questions?**

You can contact the Office of Consumer Health Assistance in the Utah Insurance Department at 801-538-3077 or 866-350-6242 if you have additional questions or problems. Also, [click here](#) for a FAQ given to the Congressional House Way and Means committee.

UHPP will be collecting and disseminating more information over the next week to ensure that people have the information they need to take advantage of the second election period and the federal subsidy. In the meantime, please circulate this information as widely as possible.

5. State Health System Reform Bills Signed Into Law

“Reaching the twenty yard line on the football field,” “A ship leaving a harbor...” these are just a few of the metaphors used to describe Utah's efforts to reform our health care system and the resulting 4 bills that passed this session.

Flanked by key stakeholders and legislators at a March 11, 2009 press conference in the Gold Room, Governor Huntsman marked the next step toward comprehensive reform by signing 4 health system reform bills into law.

The Governor and Legislators acknowledged that Utah still has work to do and that stakeholders and the community must continue to be actively engaged in the reform process. Speaker Clark also indicated the Health System Reform Task Force will be renewed for another year. In this, the second year of a 10-year process, the focus will be on cost and quality issues, including many U-SHARE and UHPP priorities like building up the state's primary care physician workforce, promoting and building on the medical home concept, exploring best practices in medicine, and investing in electronic medical records.

UHPP worked hard to include the following topics in the Master Study List for the Interim committee meetings (including those of the Task Force):

- Reinsurance
- Including sole proprietors in the small group market
- Worker Access to Job-based Health Insurance (to study how many, and what type of employers do and do not offer health benefits to their employees, and what percentage of employees do not take advantage of employers' benefits and why.)
- Consumer Health Care Affordability (what percentage of a family's income can reasonably be expected to go

- towards health insurance and health care, and at what level of income subsidies are needed.)
- Health disparities with a special focus on the broader socioeconomic determinants of health and strategies to address them.

Needless to say, it's an exciting time to be working on health system reform! With both movement on the state and national levels, we hope to make great strides this year on our goals of expanding access, containing cost, and increasing quality. Make sure to stay tuned this year! Your involvement will be essential to our success and to Utah's success in achieving bold comprehensive health system reform! In the coming weeks we will be exploring new web tools to help you stay meaningfully engaged in the process.

Given that UHPP's entire mission and reason for being is on fire, we also encourage you to make a generous, tax-deductible donation to UHPP: Click [here](#) to make a secure donation through PayPal.

6. **Immigrant Children Health Care Amendments (ICHIA) in Utah: So Close, But Not This Year**

Due to last minute confusion about available revenue sources, the children of legal immigrants will continue to wait five years until they are eligible for Utah's CHIP and Medicaid Programs. Last night, members of the State House of Representatives voted down a budget amendment sponsored by Rep. Kory Holdaway to fund HB 171/SB 225, the Legal Immigrant Children Health Care Amendments, 42 to 33. HB 171 and its sister bill, SB 225, would have taken advantage of federal legislation, the Immigrant Children's Health Insurance Act (ICHIA), and opened up CHIP and Medicaid to income-qualified legal immigrant children. Rep. Holdaway's amendment would have accessed funds in the state's Tobacco Settlement Trust Fund to pay for the measure.

While few people imagined that the ICHIA bills would go as far as they did in our current budget environment, health care advocates managed to rally unexpected and overwhelming support. The bills passed both houses of the Legislature, and prior to the vote on Rep. Holdaway's motion, we had the votes to amend the budget in the House. Efforts were derailed by budget committee chair Rep. Ron Bigelow's surprise announcement that the state had already zeroed out the money in the Tobacco Settlement Trust Fund.

UHPP fully intends to push and fully fund the ICHIA bills in the next legislative session as an integral part of the state's push for comprehensive health care reforms. Please join us in thanking Sen. Robles and Rep. Holdaway for their exemplary leadership and persistence through this brilliant and nearly victorious campaign.

7. **UHPP [Health Bill Tracker](#)**

The 2009 Legislative Session has officially ended. Check out [Health Bill Tracker](#) to see how your favorite (or not so favorite) bills fared.

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