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Medicaid expansion a must to qualify for federal dollars

By Whitney Evans , Deseret News
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Under the Patient Protection and Affordable Care Act, states have the power to expand Medicaid to those whose incomes are 138 percent below the poverty line. For individuals, this would include those who make about \$15,282 per year or less. A family of four would have a household income of \$31,322 per year or less. (Eric Gay, Associated Press)

SALT LAKE CITY — As Utah leaders explored options for expanding Medicaid coverage, one thing became clear: The state needs to act.

"By far the costliest option to the state is sending our tax dollars to Washington and getting nothing back," Sven Wilson, economist and senior consultant for the Utah Department of Health, told members of the Medicaid Expansion Options Community Workgroup.

The workgroup met Thursday at the state Capitol to discuss alternatives

for Medicaid expansion in Utah. On Sept. 26, the group will present its findings to Gov. Gary Herbert, who will make the final decision for the direction of Medicaid expansion in Utah. The governor's decision would then go before the Legislature for funding approval.

Options include Charity Care, the use of a waiver for Utahns who qualify for Medicaid to use state subsidies to buy private insurance and variations on a partial expansion.

Subgroups presented preliminary findings during Thursday's meeting and have until a Sept. 5 meeting to finalize their recommendations.

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Any state that expands Medicaid or offers comparable coverage by January 2014 will receive matching funds from the federal government. So if the state decides later, it would lose out on that money, said Nate Checketts, deputy director of the Utah Department of Health.

The federal government will begin matching 100 percent of funds whenever a state decides to expand, through 2016. Starting in 2017, the federal government will begin matching at 95 percent, and the amount will decrease until it reaches 90 percent.

Although solutions, costs and challenges differed for each plan, committee chairman David Patton, executive director of the Utah Department of Health, said he saw a "coalescing of subgroups around common principles." The two most common were "premium subsidy" and a "circuit breaker" as the two "common threads".

Premium subsidy would involve the state using Medicaid money to pay for the private insurance of those above 100 percent of federal poverty levels. It is similar to Utah's existing [UPP program](#) that helps low-income families pay for their insurance premiums. For individuals, it would be those who make \$11,490 annually, and a family of four with a household income of \$23,550 per year.

Some in the committees expressed concern at the federal government's ability to continue matching states' Medicaid funds, as well as offering services and then taking them away.

"Once you provide something to someone, it is difficult to take it back," said Rep. Jim Dunnigan, R-Taylorsville.

The circuit breaker idea was circulated as a solution, allowing Utah to change course on Medicaid coverage if federal funding ceased.

It has not yet been determined whether states that offer Medicaid or comparable services but not up to 138 percent of the federal poverty level would still receive matching funds from the federal government.

Wilson, a self-declared believer in individual responsibility, said Utahns should pick their battles with the federal government.

Even though Medicaid expansion gives the state a chance to exercise its rights and say "no" to the government, he said, "it's a good war, but I don't know that it's the right battle."

Utah stands to benefit not only financially, Wilson said, but also through providing the peace of mind and the ability to treat major health issues to the more than 100,000 Utahns who would qualify for health coverage.

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