

UTAH HEALTH POLICY PROJECT

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UHPP Statement on Election Results 2012: What It Means for Health Reform

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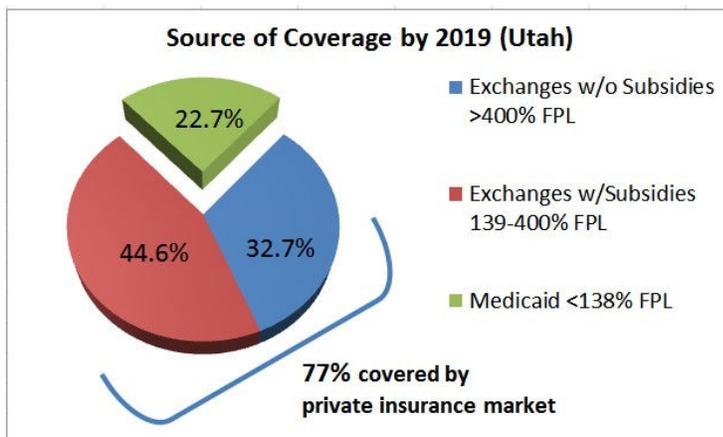
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Salt Lake City – President Obama’s election to a second term may not be welcome news to the 73% of the Utah electorate that voted for Gov. Romney, but it leaves less doubt about the future of the Affordable Care Act (ACA). Politicians on both sides of the aisle have viewed the election as a referendum on whether the ACA should stand (for details see [Kaiser Health News article](#)).

Utah leaders have gone a step further and postponed several critical decisions on implementation in the hopes that Gov. Romney would move into the White House and immediately set about to fulfill one of his main campaign pledges: to repeal “Obamacare.” Whether it could repeal the law or not, a Romney administration could have achieved the same result by slowing down or derailing implementation.

Romney Lives...

“All we ask of those who are disappointed by the presidential election results is to remember the simple fact that Romney’s Massachusetts Health Reform provided the blueprint for what became the ACA,” says Hilman. Furthermore, it was the conservative think tank the Heritage Foundation that furnished Romney with the core principles for the Connector, Massachusetts’ term for its successful healthcare exchange. “What they were looking for was a mechanism to maximize the role of the private market in a reformed health care system.” The answer: a state-based network of exchanges that put all of the insurance companies into a box and force them to compete over the right things (keeping us healthy) and not over the wrong things (avoiding risk). “Americans wanted private market-oriented reforms, and this is exactly what we got when President Obama based his model on Romneycare. Once the reforms are fully implemented in 2019, 77% of Utahns will be covered in the private insurance market (see chart below). And other critical provisions of reform will make that marketplace more stable and accountable so that it can be the platform for a reformed health care system. Plus, more people will be able to participate in that market thanks to the premium subsidies.



“This is to say we hope that with the election now behind us, we can keep the politicking to a minimum and get acquainted with the law: most Utahns should appreciate the pains that were taken to design a plan along the lines of Romneycare,” adds Hilman.

As the election fades away, Utah policy makers must recognize that they are behind schedule on implementation. The nonpartisan Utah Health Policy Project will therefore focus its remaining comments on specific areas of ACA implementation.

1. Adapting Avenue H (Utah's Exchange) to meet Federal Standards for Exchanges

“With the election of Obama to a second term, the law stands—and states like Utah that have fallen behind on implementation will need to catch up quickly or give up control over critical details to the federal government,” says Judi Hilman. “Given our experience with Avenue H (the new name given to Utah’s Exchange), and hard [lessons learned](#) during its rollout (see results on Utah’s Exchange through October, 2012), I think Utah would do a better job running the new exchanges,” adds Hilman. “But without the “guardrails” and robust standards from the ACA related to affordability and benefit standards, risk sharing arrangements, and of course, the mandate for individual coverage, Utah’s exchange—no matter what you name it—will continue to disappoint. “All this time we’ve heard from Utah small business owners that they want more than just a one-stop website and predictable costs. . . These employers truly care about the quality and scope of benefits for their workers—and they want them to have decent coverage they can actually afford to use.” The ACA will give them this—without forcing them to offer *any* coverage to their employees,” says Hilman. Instead the ACA gives small business incentives in the form of tax credits (learn more about the impact of ACA for small businesses [here](#)).

2. Priorities for Lame Duck Congress: *Sequestration*

The Federal budget will be a major priority for President Obama and Congress in the coming weeks as we approach the “fiscal cliff”. Last year, a Congressional super-committee, charged with devising long term solutions to federal debt and ongoing budget deficits, failed to do so. Rather the super-committee prepared a \$1.2 trillion package of cuts that would go into effect in 2013 if Congress does not agree on a deficit-reduction package by November 23, 2012. This is known as budget sequestration.

To avoid the draconian effects of sequestration, the President and Congress must devise a practical approach—less hatchet and more scalpel—to budget cuts. Under the sequestration scenario Medicaid will be among the programs on the chopping block. “Cuts to Medicaid, a cornerstone of health care coverage for millions of seniors, children, and people with disabilities, should not be taken lightly,” says Matthew Slonaker, Medicaid Policy and Collaborations Director at UHPP. “Medicaid is an extremely lean program. To achieve significant savings, we would have to undermine the medical care provided to the most vulnerable Americans. Medicaid is not a promising source of savings for deficit-reduction, as cuts in the program would have devastating effects on the health of seniors and children, and could threaten state economic recovery,” adds Slonaker.

3. Decision on Medicaid Expansion

Gov. Romney wanted to transform Medicaid into block grants and shift control over the government health program to the states. The Obama administration (and ACA), by contrast, builds on the efficiencies of Medicaid. For Utahns without an affordable offer of health insurance in the workplace, Medicaid is the most cost effective means of coverage. That’s why the ACA expands Medicaid for the group least likely to have coverage in the workplace: All adults between current eligibility levels (Utah’s covers parents up to 44% of the poverty level) and 138% of poverty (around \$26,000 for a family of three). But in its decision last June to uphold the ACA, the Supreme Court effectively made the Medicaid expansion optional to the states.

“The vast majority of these people have no other affordable options and currently have no health insurance,” says Slonaker. “When they need health care, they often visit the expensive emergency department and leave bills unpaid. Medicaid insurance will provide these low-income, hard working Utahns the ability to get preventive care before minor health care issues become major. They will be able to stay healthy and remain part of Utah’s workforce.”

Governor Herbert will likely state his preference on the expansion in the coming days, as was promised before the election. Then it will be up to the Legislature. To reap the full benefits of the Medicaid expansion, it must be approved during the 2013 legislative session. Although the first 3 years of the expansion are fully paid for with federal tax dollars (around \$4 billion in the first 5 years), there also will be some relatively minimal costs to the state.

Note: UHPP can introduce reporters to individuals who will be helped by the Affordable Care Act.

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