

Health-care advocates cheer federal stimulus help

By James Thalman

Deseret News - Published: Friday, Feb. 27, 2009 12:49 a.m. MST

In the search for \$1 billion to make up the state's revenue shortfall, a pool of money from an unlikely source would generate nearly \$79 million in wages and dump \$11.2 million into state coffers in 2010.

Under the American Recovery and Reinvestment Act, federal funding would easily backfill cuts in critical services to the state's poor and disabled made over the past 18 months.

With news of the health care portion of the stimulus package, the usual "it'll never be enough" attitude lawmakers tend to have about underwriting the joint state and federal insurance program for the poor appears to be dissipating. The infusion arrives with fewer strings attached: States, including Utah, must not reduce Medicaid services below those provided in 2008. That means budget builders could shore up unrelated programs, and in fact, they could use most of the \$54 million Utah is to receive money for other needs if they choose.

Lawmakers who control Utah's purse strings say the only certainty as they push toward balancing the 2010 budget by March 5 is that all options are being considered.

Doing the arithmetic using the Medicaid Economic Impact Calculator, which the Utah Health Policy Project has developed and is available at the health policy research and advocacy group's Web site, shows that despite the economic downturn, the reinvestment act supplies more than enough to restore the cuts.

In fact, more than \$130 million is available immediately for those boosts in services to the needy and a the resulting financial boost to the needy economy, Lincoln Nehring, Medicaid policy director at UHPP told the newspaper.

Since September 2008, lawmakers have carved out \$37 million from Medicaid coverage. Those cuts include optional medical services such as physical therapy, occupational therapy, vision, dental, audiology, and chiropractic treatment.

Reimbursement to physicians and hospitals that were approved for 2008 were reduced along with providing otherwise uninsured Utahns by reducing the qualifying income and asset standard a family must meet to be enrolled.

The cuts are not only reductions in real services to real people who need them, they are doing more harm than good to the local economy, Lincoln Nehring, Medicaid policy director for the UHPP.

"There is no excuse for the state not to restore the cuts that have been made to Medicaid," Nehring said. "I cannot think of a project that is more shovel ready than improving the health care of Utahns."

The Obama administration is releasing the first \$15 billion of the \$88 billion designated by the stimulus for Medicaid. Utah's first payment is \$53.9 million.

State Department of Health calculations show that from now through Dec. 31, 2010, Utah will receive \$240 million from the stimulus package for Medicaid in Utah program, with the usual condition that the state puts up its usual share to receive matching funds.

Every dollar the state spends on Medicaid is matched at about a 4-to-1 ratio by the federal government. Parsed out for 2008, the exact match was 71.6 percent. Under the stimulus, Utah's rate in 2009 will at least 77.8 percent and 79.2 in 2010.

What that means, Nehring said, is for the 2010 budget year, there will be a 27 percent decrease in state dollars to reach the \$37 million needed to cover the eligibility categories, medical services, and provider rates that have been cut.