

The Salt Lake Tribune

Jury is out on Huntsman's health reform legacy in Utah

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The Salt Lake Tribune

Published: June 27, 2011 08:54AM

Updated: June 27, 2011 03:57PM

Within three months of becoming Utah's governor in 2005, Jon Huntsman Jr. set a goal of halving the state's ranks of uninsured.

In casting about for solutions, his advisers considered adopting the health fix that Mitt Romney had prescribed for Massachusetts.

Whether Huntsman wholly embraced the Romney plan and its now-controversial bottom line — a requirement that everyone buy health insurance — has been the focus of speculation leading up to both former governors' candidacies for president.

Critics accuse Huntsman of flip-flopping. Backers say the truth is more nuanced. But perhaps a truer test of the governor's health policy chops is the success — or failure — of reforms that took shape under his watch.

And on that score the jury is still out, say policy experts, including those in his trusted circle.

Huntsman's goal hasn't been realized: The state's uninsured rate remained steady at 11 percent in 2010, meaning 300,000 Utahns went without coverage.

"Health system reform is complicated. It's a process, not a destination," said former state health director and Huntsman appointee David Sundwall, noting that Utah's innovations are "still maturing" and didn't really take wing until 2009, the year that Huntsman left to become U.S. ambassador to China.

Sundwall and others say the former governor deserves credit for laying the groundwork for innovations that years from now may reap dividends.

Among them: state databanks to collect health care costs and outcomes, aimed at improving care. And Utah's Health Insurance Exchange, a state-run marketplace where small business employees can shop for policies using contributions from their employer — giving workers greater choice and control over what they spend for coverage.

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A success for kids • The governor started talking about the need for a health overhaul in 2005. It's what Sundwall says lured him back to Utah from Washington, D.C. But the governor didn't go public with a blueprint until 2007, which was then watered down in negotiations with Republican legislative leaders.

"In some ways he was more of a convener. He talked about the importance of comprehensive health reform, but we never got there and he never forced the issue. I guess you could say that was his governing style," said Lincoln Nehring, senior health policy analyst at Voices for Utah Children. "But to say he did nothing isn't true."

Pinning Huntsman to any precise policy preferences is tough. He left the details to his policy team, said the former governor's senior health adviser, John T. Nielsen. But the charge, said Nielsen, was to control costs and increase access to care.

One clear sign of progress in expanding care: Last year, 5.9 percent of Utah children under age 18 were uninsured, down from 8.5 percent in 2005, when Huntsman took office.

"That's pretty impressive given that we've just come out of a recession. The mere fact that our uninsured rate hasn't gone up means we're doing something right," said Sundwall.

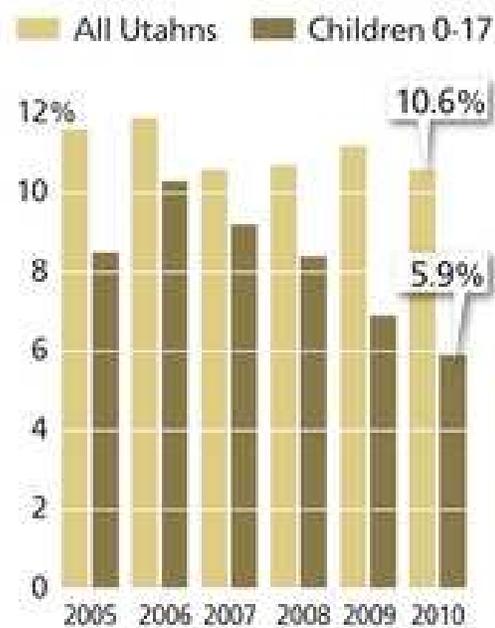
But it is health safety nets, not Utah's market-based solutions, that are responsible for keeping the uninsured rate in check. Insurance premiums continue to soar and fewer employers — including small businesses — are offering health insurance.

Newly covered kids can thank a 2009 law requiring the state to accept applications year round for the Children's Health Insurance Program (CHIP), a government-subsidized insurance plan.

Huntsman supported the idea and signed the law, but it fell short of his \$30 million proposal to expand Medicaid, CHIP and Utah's Premium Partnership for Health [UPP], basic state coverage for which nearly half of the state's 300,000 uninsured residents qualify.

Percent of Utahns uninsured

Utah's health reforms have failed to put a dent in the rates of uninsured. More children have health coverage, largely thanks to government safety nets. Otherwise, the state's uninsured rate held steady between 2005 - 2010.



Sources: Utah Department of Health, Utah Department of Insurance and Governor's Office of Economic Development

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Pulling back • Huntsman started with more-comprehensive goals. His 2007 draft, three-year plan to reform health care, obtained at the time by The Salt Lake Tribune, called for providing subsidies to help Utahns who didn't qualify for government programs and requiring insurance companies to take all comers without charging higher premiums based on medical history. Taking a page from Massachusetts, Huntsman also sought to build a health exchange.

Using the term "personal responsibility," the plan called for everyone to get insurance or face penalties.

While making individuals responsible for their health insurance would require a new mindset for the state, Huntsman said at a December 2007 news conference, "it will have to be part of what we do." Over time, Utahns will "come to the logical end point that while it is burdensome at first glance, it's economically an imperative for our society."

A draft 2008 bill, developed with the governor's staff and modeled on his plan, mandated that all Utahns have insurance by 2010. It would have taxed hospitals to generate \$300 million in state and federal funds to help the poor buy private insurance.

The vision excited groups like the Utah Health Policy Project.

"When he first started out, he did get the structural necessity for the mandate" along with subsidies and requirements on insurers, said executive director Judi Hilman.

The scheme was backed by the business community. Coinciding with Huntsman's policy explorations were those of a panel of 130 business leaders convened by the United Way of Salt Lake in 2007.

But the proposal was abandoned before it was debated in the face of opposition from conservative lawmakers. Instead, in 2008, lawmakers passed a bill creating a legislative task force to study reform.

"We tried to figure out how to do what Massachusetts did," said Rep. David Clark, R-Santa Clara, the architect of Utah's eventual reforms. "But by the time fall rolled around, we decided we are not Massachusetts. We need to find Utah solutions to Utah problems."

Hilman's take: "Politics swarmed around this issue and ruled out pulling some of the big levers of reform that we had hoped would be pulled at some point."

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Reform, Utah style • Hilman says Huntsman could have fought for a mandate. "We hoped he might have fallen on his sword on that issue," she said. "When you have 130 of the most powerful business leaders in the state supporting it, you would imagine you would have had cover."

Bill Crim, a senior vice president at the United Way, said he doubts "Huntsman could have pushed any harder or done any different." Huntsman was "an astute leader and had a good sense of where our Legislature was," said Crim.

Huntsman has since railed against the individual mandate in President Barack Obama's signature health overhaul and says he never supported one in Utah.

"We did analyze and live with the idea of a mandate throughout our period of discussions but ultimately ... we rejected it," he said in a recent Tribune interview.

"The business community, at least those who participated in this wide-ranging discussion, I think they can bask in the fact that we analyzed carefully every conceivable option ... what would be politically salable,

what was good from the cost standpoint, and we ended up where we did," he said. "I think we're in a very important position with health care reform as it relates to the plan that Utah created."

Indeed, following passage of federal reform, states are looking to Utah and Massachusetts, which boast the nation's only operable health exchanges. They pool the purchasing power of individuals and small businesses, allowing them to enjoy the same economies of scale and lower-priced premiums as large companies.

Initially plagued by high premiums, Utah's exchange is seeing enrollment pick up, and prices are roughly equal to those outside, sometimes less, said Ernie Sweat, a local insurance broker.

Still, while the Massachusetts Connector has connected about 217,000 people to coverage — just 2 percent of its population was uninsured in 2010 — Utah's exchange reached 3,583 enrollees as of July 1.

Massachusetts' success is due, in large part, to the state embracing the individual mandate and subsidies, which Utah rejected. The Bay State also is able to keep premiums in check through stiffer insurance regulations than Utah has been willing to undertake.

Thomas Burr contributed to this report.

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