

Medicaid subsidy: Plan is to cut ranks of uninsured, but is it enough? Some say a subsidy to help buy coverage may not give families best care

Lisa Rosetta – The Salt Lake Tribune

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Medicaid may start helping low-income Utah families buy their own private health insurance.

The proposal is part of an effort to slice in half the number of uninsured Utahns, which would drop their ranks to 5 percent of the population, according to a draft request for federal approval.

But advocates question whether the plan will increase families' access to health care, without limits on co-payments and deductibles.

The proposal involves Utah's Premium Partnership for Health Insurance, or UPP, which now gives families up to \$150 a month to help pay premiums for employer-sponsored health insurance - a kind of plan that is not available to everyone.

Starting in July 2009, the experiment would allow people enrolled in UPP to use the state subsidy to buy private health insurance. It would aim to provide health insurance coverage to 5,000 adults and 1,000 children - numbers included in the draft application but not yet final, said Medicaid director Michael Hales.

The proposal is part of House Bill 133 - the state's health system reform effort, which is centered on getting more Utahns on private insurance rolls.

Advocates for low-income families say the program may indeed reduce the ranks of the uninsured. But whether it succeeds in actually improving their access to health care is another question.

"The Legislature was trying to make a philosophical statement with HB133: 'We want families in private health insurance,' which is OK," said Lincoln Nehring, the Utah Health Policy Project's Medicaid policy director. "But I don't think they really thought through the ramifications."

Under the proposed changes to UPP, adults enrolled in the program would also have to enroll their children; their children would be blocked from the Children's Health Insurance Program, or CHIP.

That's a problem, Nehring said, since there are cost protections built into CHIP that don't apply to UPP.

"There is not a limit on the out-of-pocket expenses they [UPP families] could potentially pay and that puts children at great risk," he said.

Hales stressed that the proposal is only a working draft and that nothing is final. The proposal will be reviewed in July by the state's Medical Care Advisory Committee, then sent to the Centers for Medicare and Medicaid Services (CMS) in coming months.