



# The 20<sup>th</sup> Princeton Conference: U.S. Health Care System in Transition

## ***What is a Conservative State Like Utah Doing in Response to the ACA***

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To expand Medicaid eligibility or not  
– that is the question.....

***Philosophy***

***Politics***

***Policy***

***Plan***

***Prognosis***

# Governor Gary R. Herbert



- “Our health system reform efforts have been targeted to respond to Utah’s unique business and demographic needs.”
- “The lessons we’ve learned in our novel experiments in health system reform can serve as a guide to other states as they begin their own reform efforts.”

# Utah's Approach to Health System Reform

- The overarching philosophy of Utah's approach to health reform is the invisible hand of the marketplace, rather than the heavy hand of the government is the most effective means whereby reform may take place.

# Utah's Approach to Health System Reform

- Identify Problems
- Commit to Systemic Change
- Develop a Vision
- Create a Comprehensive Plan
- Understand the Problem

# Politics

- Before the Supreme Court Decision governor Gary Herbert stated the PPACA “results in burdensome regulation, higher costs, and a massive, budget-busting Medicaid expansion.” *(thus – not personally inclined to take advantage of expanded coverage)*
- Legislature – Google search of legislation related to “Medicaid” during the 2013 legislative session yielded 5280 responses.  
*( thus – high level of interest )*
- Notable examples – Rep. Jacob Anderegg (R- Orem), introduced 3 bills calling for repeal of the PPCA, prohibiting the state from expanding Medicaid coverage, and replacing Medicaid with a volunteer program.

*“My vision is a vision of people, county by county, throughout the state, stepping up, hearing the call to action and stepping up to serve the least of these our brethren.”*

Policy –

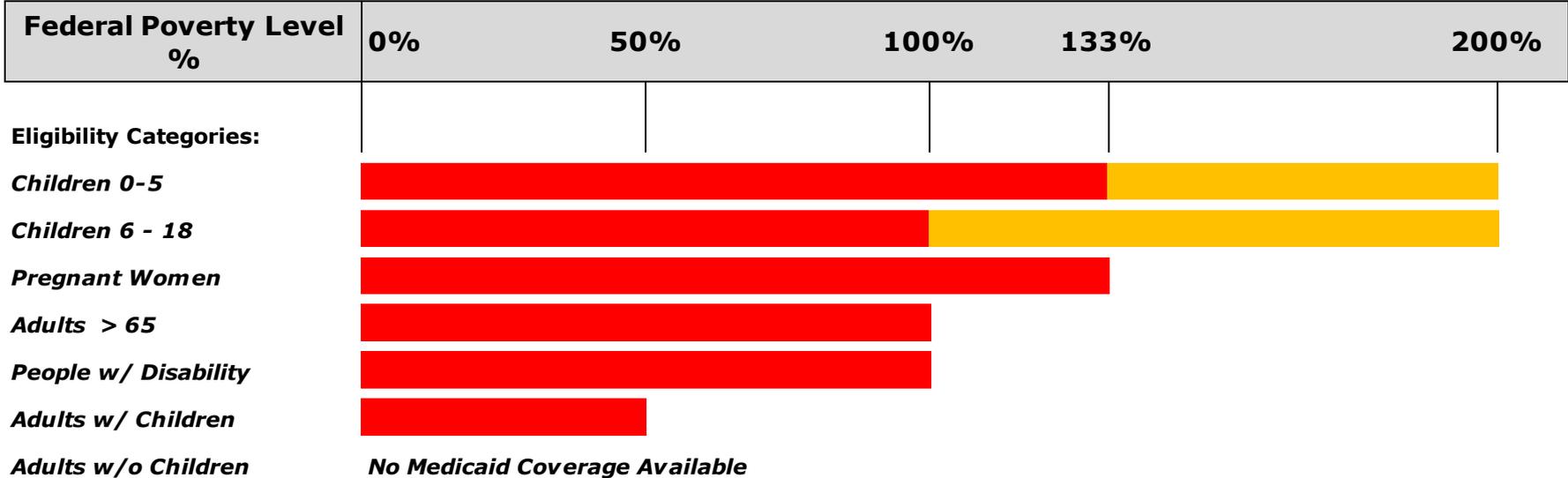
*See following information in:*

**“PPACA Impacts on Medicaid Eligibility in Utah”**

Michael Hales – Utah Medicaid Director,  
NAMD meeting - October, 2012

# Income Limits for Medicaid and CHIP Eligibility

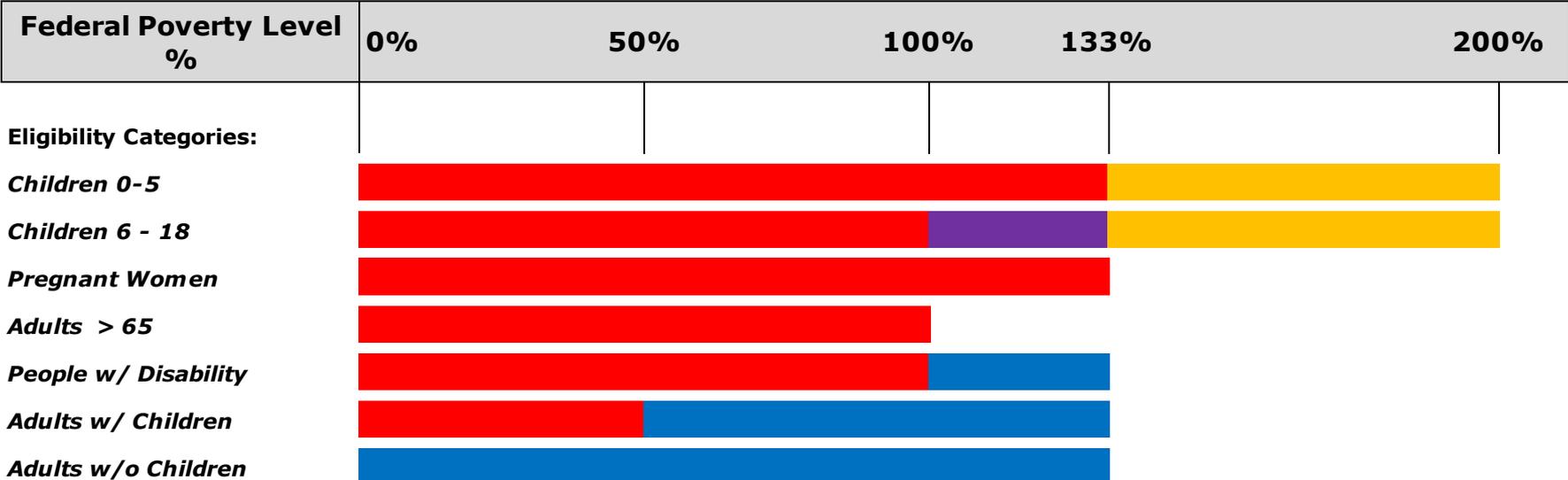
## Current Coverage Levels as of July 2012



 = current Medicaid eligibility  
 = current CHIP eligibility

# Income Limits for Medicaid and CHIP Eligibility

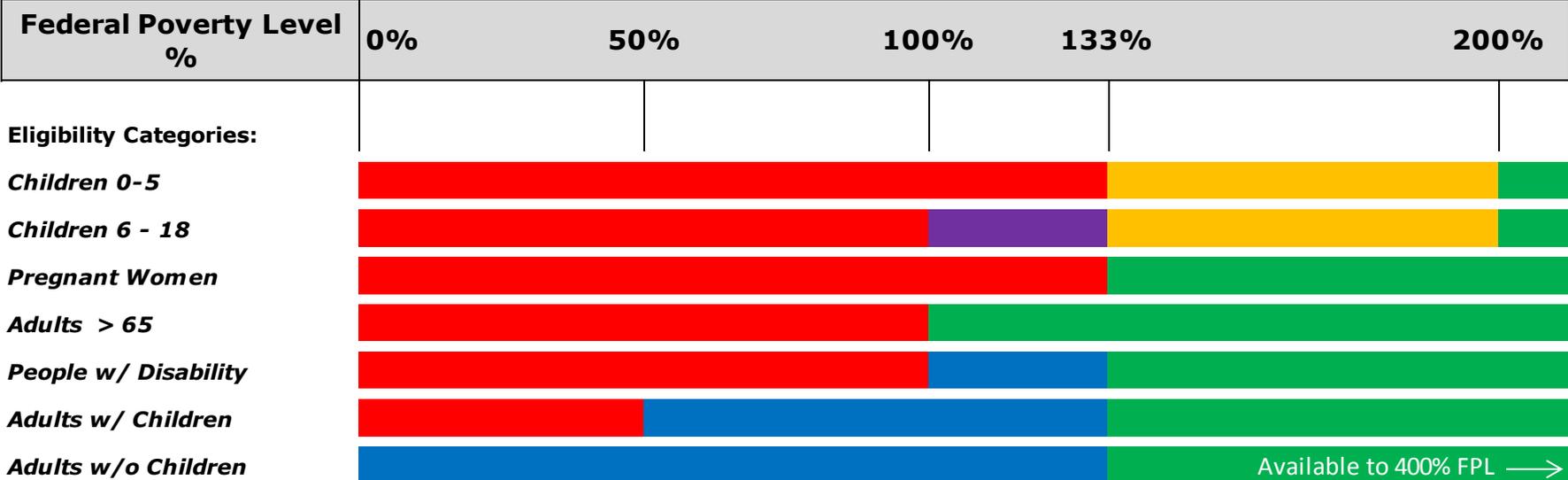
## Medicaid Eligibility Optional Expansion via the ACA



- = current Medicaid eligibility
- = current CHIP eligibility
- = Medicaid expansion (not optional under ACA)
- = Medicaid expansion (optional under ACA)

# Income Limits for Medicaid, CHIP and Tax Credit Eligibility

Medicaid Eligibility Optional Expansion via the ACA



- = current Medicaid eligibility
- = current CHIP eligibility
- = Medicaid expansion (not optional under ACA)
- = Medicaid expansion (optional under ACA)
- = Eligible for Tax Credits for use in the Exchange (up to 400% of FPL)

# Income Limits for Medicaid, CHIP and Tax Credit Eligibility

No Medicaid Expansion Scenario



← Tax Credit Eligibility Minimum

- = current Medicaid eligibility
- = current CHIP eligibility
- = Medicaid expansion (not optional under ACA)
- = Eligible for Tax Credits for use in the Exchange (up to 400% of FPL)

- August 2012
  - Medicaid Enrollment: 253,188
  - Medicaid Budget: \$2 billion
- Projected Increase in 2014 under expansion:
  - New Medicaid Enrollment: 110,000
  - Annual Budget Increase: \$584 million

# Plan

- Defer to Interim Legislative Committee to further study impact of expanding Medicaid.
- Establish the “Medicaid Expansions Options Community Workgroup”

# Community Workgroup Charter

## Purpose

Collect additional information for State's decision regarding option to expand Medicaid to more adults

- Collect input from voices in the community that haven't been heard yet
- Collect input on factors other than just financial considerations
- Consider other options beyond full expansion or status quo
- Provide input on which options would be best for Utah
- Identify key advantages and disadvantages of primary options

## Practices

- Meet monthly over a several month period
- Develop subgroups to focus on each primary option
- Have subgroups report findings for their option back to workgroup
- Have workgroup develop final report using subgroup reports as the starting point for discussing each option

## Deliverable

Final report to state policy makers containing workgroup's input

- Identify key advantages and disadvantages of primary options
  - Expand Medicaid to Adults at 133% FPL
  - Expand Medicaid to Adults at 100% FPL
  - Premium Assistance
  - Block Grant
  - Charity Care
- If an option increases costs to the state budget, provide input on ways to cover additional costs
- If an option does not adequately cover Utahns in need of safety net care, provide input on ways to provide coverage

# “All options are on the table”

Robert Spendlove, Utah Deputy for Federal and State Relations ( *and Governor Herbert’s chief health policy advisor*) including:

- State Self-Reliance Model
- Block Grant/Compact
- Tax Recovery Option
- Section 1332 Waivers
- Full Adult Expansion
- Partial Adult Expansion

# Prognosis

## *Guarded*

In my opinion, given the underlying pragmatism of the state's population, I think they will opt for Medicaid expansion – if not “full”, some hybrid version, as has been done in Wisconsin.

We should find out in September of this year, when the results of the Community Workgroup will be presented at the Governor's Annual Health Summit.