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Utah gov: Medicaid will expand

Health reform • Either route pitched by legislative panel would help more Utahns pay for private insurance plans.

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Utah will expand Medicaid to cover more of the state's uninsured, Gov. Gary Herbert said Thursday.

“Doing nothing ... I've taken off the table. Doing nothing is not an option,” the Republican governor said at his monthly news conference, broadcast live on KUED Channel 7.

Herbert did not indicate which of two expansion strategies endorsed by a legislative Health Reform Task Force he prefers — or whether he has another in mind. He said he will make his decision during the legislative session that begins next week.

But Democrats and low-income advocates were encouraged by Herbert's comments, his first public commitment to embrace an optional, but key, component of the Affordable Care Act (ACA).

“Every month that Utah waits to start a program, we lose over four million dollars in federal funding, thousands of families struggle accessing and paying for care, and continue to face the physical, mental and financial harm that occurs when families are uninsured,” said Lincoln Nehring, a health policy analyst at Voices for Utah Children, in a statement.

Saluting Herbert's decision, state Democratic party chairman Jim Dabakis said, “We trust that this is not a conditional acceptance, and that the Utah Legislature will see the wisdom in joining so many other states in providing a hand up to [those] desperate for affordable health care.”

The full Medicaid expansion anticipated by the ACA would cover 111,000 Utah adults who earn up to 138 percent of the federal poverty level, or \$32,000 for a family of four.

The federal government pays 100 percent of those costs through 2017, and then declining amounts, but no less than 90 percent.

But Utah's Republican leaders fear the possibility of those federal dollars drying up. As a backup plan, House Speaker Becky Lockhart has floated the idea of setting aside a pool of money to cover unforeseen costs.

That's "a possibility, one of probably many," said Herbert immediately after the KUED press conference. "The one thing we know about Utah is we are fiscally prudent."

The Obama administration has signaled a willingness to negotiate and fund states' compromise expansion plans.

"There is a window right now to help ... residents left with no affordable insurance options, and for the state to receive the federal matching funds to pay for it," said Jason Stevenson, communications director for the Utah Health Policy Project.

Members of the Health Reform Task Force are recommending a "private option" alternative embraced by Arkansas, Iowa and a growing number of other states.

They've floated two versions. Both would allow the state to cover the same number of Utahns who would have been eligible under a full expansion, but without growing enrollment in the government program.

They also would strengthen the private insurance market and eliminate the risk of "crowd-out," or privately insured low-wage workers migrating to Medicaid, task force members argue.

- One option would be to use public dollars to buy private insurance for residents with incomes under the federal poverty level. Those earning at least the poverty level, or up to 138 percent of that amount, would shop with federal subsidies on the federal health exchange, www.HealthCare.gov.

- Another option would be to use public dollars to buy private insurance for the full expansion population, those earning up to 138 percent of poverty.

Lawmakers hadn't abandoned the idea of doing nothing and leaving Medicaid eligibility rules untouched. Herbert essentially rejected that Thursday.

He also vowed to find a remedy for the 60,000 impoverished, uninsured Utahns who fall in a gap that appears in states that waited or refused to expand their Medicaid programs. Those individuals are too poor to qualify for subsidies, or tax credits, to put toward the purchase of private insurance on the federal health exchange.

"That's not right, it's not fair, and I'm going to work with the Legislature to find a solution to that problem," he said. "We have 45 days and we will have a solution by the end of this session."

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High court lets governors take wheel

A U.S. Supreme Court ruling opened the way for states to opt out of the Affordable Care Act's expansion of Medicaid without losing federal funding.

The decision rests with governors, under the federal health law. In 2013, Utah legislators passed a bill giving them equal say — but federal law supersedes state law.

Still, legislators hold Utah's purse strings and Gov. Gary Herbert has pledged to collaborate with them.

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