

A Reasoned Approach to Health System Reform

HB133 envisions a **1-3-6-10** approach to health system reform. During the **1st** year, we have already enacted specific changes that will establish a foundation for future success. Over the next **3** years, we will develop and implement a plan to address **6** areas of need, recognizing that it may take as long as **10** years for full implementation.

The Six Areas of Need

1. Patient Cost and Quality Information

Fund HB 9, and pass and fund HB 47 to ensure that patients have access to information about cost and quality of providers and that there is a real opportunity for clinical health information exchange.

2. Healthy Behaviors and Incentives

Create incentives for patients to take better ownership of their health, health insurance and health care

3. Optimize Existing Programs

Create outreach programs to identify and enroll individuals and children in existing public programs. Use waivers and policy to direct patients toward private health insurance solutions.

4. Collaborative Efforts

Work with community partners to help the uninsured find ways to become enrolled. Work with businesses, insurers, and providers to develop the best approach to solving the problem.

5. Tax Credit for Health Insurance Premiums

A non-refundable tax credit for individuals that purchase health insurance with taxable income.

6. Developing the Pathway to Future Health System Reform

The task force will develop a 16 point strategic plan to guide health system reform into the future.

The Pathway to Future Health System Reform A 16 Point Plan

Modernizing the Way the Health Benefit Works for Families

1. *Health Insurance Modernization* – Propose legislation to create policies for all Utahns that:
 - a. are individually owned & portable
 - b. are affordable for most purchasers
 - c. have minimum coverage that results in lower premiums than current plans
 - d. cover preventive services
 - e. encourage cost-effective use of care
 - f. get rid of cherry-picking by insurers
 - g. can be purchased with pre-tax dollars
 - h. contain innovative features to lower costs
 - i. may contain consumer-driven features
 - j. can work in a defined contribution environment
2. *Insurance Practices* - Address the rating and issue practices to make sure these products can work
3. *Multiple Premium Sources* – Require insurers to accept premium payments from multiple sources, including state subsidies.

Helping Providers Move toward a System of Best Practices

4. *Best Practices for Providers* – Encourage quality measure and best practices to benefit the health care system.
5. *Liability Protection for Providers* – Create some protection for providers that follow best practices.

Making Individuals Responsible for their Health, Health Insurance, and Health Care

6. *Personal Responsibility Principle* – Promote personal responsibility for people to:
 - a. Have health insurance
 - b. Be self reliant
 - c. Make good health choices
 - d. Adopt healthy behaviors and lifestyles
7. *Individual Mandates* – Look at the costs and benefits of various forms of individual mandates, including how those could be enforced.

Modifying Public Programs to Support Private Health Insurance

8. *Public Programs* – Develop ways to reduce the impact of the uninsured and underinsured on the insured through changes to current programs, especially looking at reimbursement rates and the possibility of using UPP instead of CHIP for children.
9. *Subsidy Programs* – Submit amendments to our Medicaid waivers to make the subsidy programs more effective and more applicable and finding a way to fund those subsidies.
10. *Waiver Amendments* – Look for additional ways to use the waiver to promote private health insurance over public programs.
11. *Federal Issues* – Working with our federal partners to remove barriers to state health reform.

Using Federal Tax Policy to Our Advantage

12. *Maximize Tax Benefits* – Maximize the use of pre-tax dollars for health insurance.
13. *Employer Role in Tax Benefits* – Require employers to set up a way for all employees to use tax-exempt funds for their share of premiums

State Government Leading the Way

14. *Public Employee Benefit Structure* – Develop a proposal to bring all public employees into a defined contribution health benefit.
15. *Public Employees Participation* – Allow public employees to purchase individually owned, portable policies.
16. *State Contractor Incentives* – Give a preference for bidders that provide a defined benefit or contribution for health insurance to their employees.