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## UTAH STATE SENATE

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July 10, 2014

Senator Allen M. Christensen  
Cochair, Health Reform Task Force

### **RE: Health Reform Study Topics**

Senator Christensen,

As you're aware, there is significant debate over the impacts of expanding Medicaid eligibility to cover individuals up to either 100% or 138% of the federal poverty level (FPL). To facilitate our decision making process, would you please consider scheduling the following topics for analysis and discussion at the Health Reform Task Force's July 17 meeting?

#### **1. Effects of Medicaid Accountable Care Organizations**

- a. What are the latest 5- and 10-year projected savings/avoided costs from Medicaid's accountable care organizations (ACOs), and how do they compare with historical Medicaid cost trends?
- b. Are the Medicaid ACO savings/avoided costs incorporated into the PCG estimates for the various Medicaid expansion options? If not, how would the Medicaid ACO savings/avoided costs impact the PCG estimates?
- c. To what extent could Utah rely on the Medicaid ACO model to expand coverage to 100% FPL? To 138% FPL?

## **2. Employer Response to ACA**

- a. Should Utah employers uniformly drop employer sponsored insurance coverage by 2020, how would this impact the costs of expanding Medicaid to 100% FPL? To 138% FPL? How much would 20%, 40%, 60%, and 80% reductions in employer sponsored coverage impact the costs of expansion to 100% FPL? To 138% FPL?
- b. Are employers more or less likely to drop employer sponsored coverage over the next 5 to 10 years?

## **3. What Options Does Utah Have for Funding its Share of Expansion Costs? (e.g., a Hospital Assessment)?**

## **4. Triggers for Repeal of Expansion**

- a. A reduction in the percentage of expansion costs paid by the federal government could be used to trigger a repeal of Medicaid expansion. Could a reduction in employer sponsored insurance rates or an increase in the number of Medicaid enrolled individuals (beyond a certain amount) also be used as triggers? Are there other repeal triggers the state should consider?
- b. If the state were to expand Medicaid eligibility to 138% FPL, could a trigger be used for a partial repeal to 100% FPL? If so, what would be the estimated cost (range) of continuing the expansion to 100% FPL, using various delivery models?

Thank you for your diligent work.

Sincerely,



Wayne L. Niederhauser  
Senate President