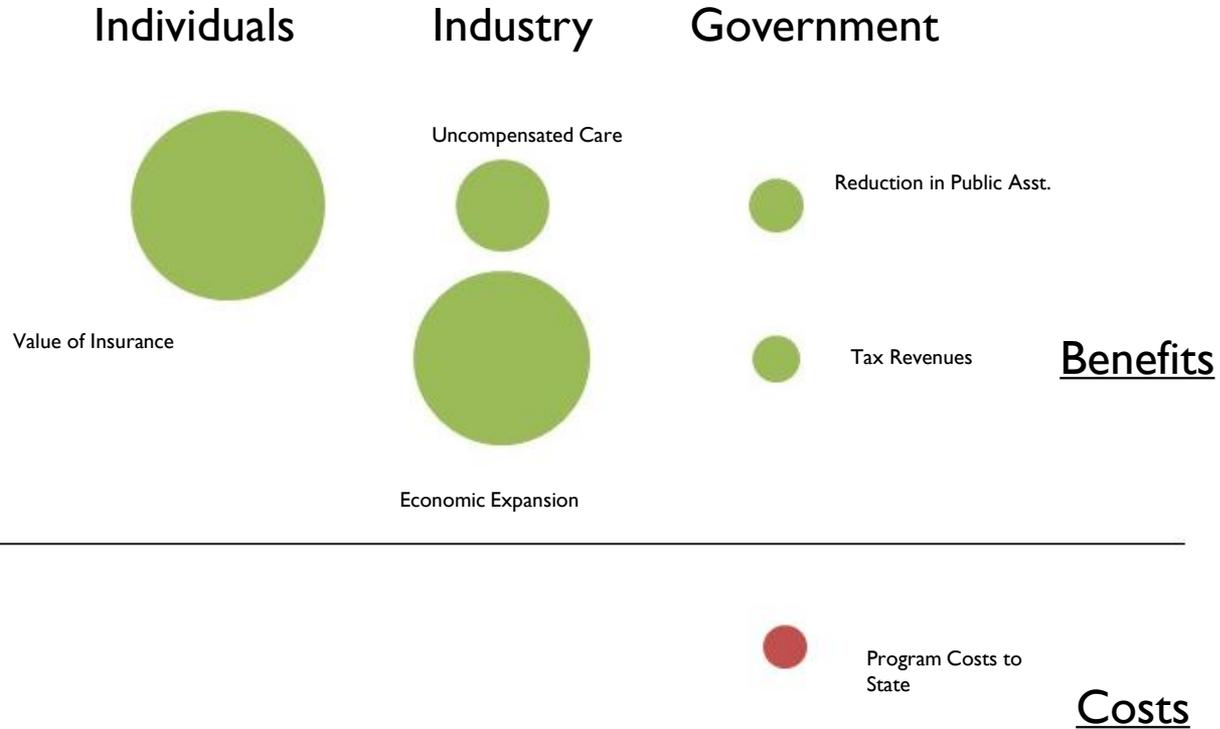


The Economics of the Healthy Utah Plan

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Healthy Utah-CBA



Essential Economic Features

- ▶ Puts federal Medicaid dollars into Private Insurance
- ▶ Fills the “Donut Hole”
- ▶ Strengthens the State Economy
- ▶ Strengthens the Safety Net for the Poor



Uncertainties

- ▶ Putting more people into the health care system causes stress to the system.
- ▶ Actuarial analysis is complex



Employer-Sponsored Plans

- ▶ Will Healthy Utah cause businesses to dump their plans?
 - ▶ Businesses offer insurance for business reasons (not for charitable reasons)
 - ▶ Tax incentives
 - ▶ Market Pressure from Insurers (who prefer large group plans)
 - ▶ Competition for employees
 - ▶ Benefits of having a healthy workforce who enjoy their health plans
 - ▶ Healthy Utah will put millions of dollars into employees' hands.
 - ▶ This increase in demand is likely to increase the number of employer-sponsored coverage among low-income Utahns.
 - ▶ Healthy Utah does not create incentives for employers to drop their insurance plans



Reversibility

- ▶ The most important political feature of the plan is that it is completely reversible
 - ▶ There are no up-front costs
 - ▶ No long-term commitments required
 - ▶ No large expansion of state government required
- ▶ The legislature can end the program at the same time it enacts it.
- ▶ In 2017, the state may want to design a new program, as allowed under the ACA

