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December 29, 2016

The Honorable Senator Orrin G. Hatch
Chairman, United States Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510-6200

Input on Medicaid's Future

Chairman Hatch,

We've been made aware of, and express appreciation for, your outreach to states for their input on the future of Medicaid. Realizing that meaningful reform will be difficult and will require full participation by both the executive and legislative branches of each state, we offer the following recommendations on behalf of Utah's Health Reform Task Force. The task force consists of both Democrats and Republicans from the Utah Senate and the Utah House of Representatives and has worked closely for the past nine years with Utah's governor, state and federal Medicaid officials, medical care providers, insurers, employers, and consumers to promote high-quality, consumer-oriented, affordable health care.

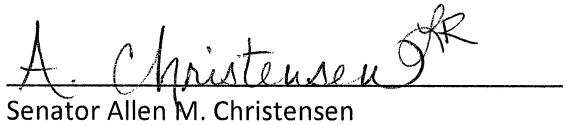
As you consider Medicaid's future, we recommend the following changes to the program:

1) simplify and accelerate the federal approval process of state innovations that could lead to better health outcomes and improved system performance;
2) expand the ability of states to easily tailor Medicaid benefits and eligibility to fit within state budget constraints;
3) if Medicaid expansion and subsidized health insurance exchanges are retained, allow states to receive the enhanced Medicaid match rate for an expansion to less than 133% FPL, including to less than 100% FPL;
4) ensure that federal participation rate formulas or block grants to the states are not biased against states with high performing, low-cost health care systems, that they reflect the healthcare needs of states with diverse populations, and that they adjust for inflation and population growth;
5) ensure that federal financial participation is not diminished over time, unless accompanied by a commensurate reduction in program requirements;
6) minimize benefit cliffs and other features that create perverse incentives for enrollees;
7) reduce administrative complexity and costs;
8) include transition provisions that realistically account for the challenges states face when making changes to the program;

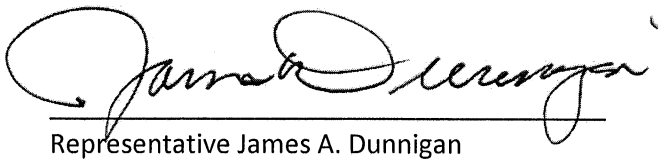
9) incentivize the integration of behavioral health services with traditional health services, including the assessment, referral, and treatment of mental health and substance use disorders;
10) continue to facilitate the use of telemedicine; and
11) if the Affordable Care Act's Section 1332 waiver authority remains in place, give states far greater flexibility to enact meaningful innovations under that authority.

We request the opportunity to discuss these recommendations and others with you at an appropriate time in the near future.

Sincerely,



Senator Allen M. Christensen
Senate Chair, Health Reform Task Force



Representative James A. Dunnigan
House Chair, Health Reform Task Force