CONCURRENT RESOLUTION ON THE PATIENT PROTECTION AND AFFORDABLE CARE ACT AND STATE HEALTH CARE REFORM

2013 GENERAL SESSION
STATE OF UTAH

Chief Sponsor: Ken Ivory
Senate Sponsor: J. Stuart Adams

LONG TITLE

General Description:
This concurrent resolution describes the impacts of the federal Patient Protection and Affordable Care Act on Utah families, employers, insurers, health care providers, and the state, and urges actions to ensure the continued success of state-based health care innovation and reform.

Highlighted Provisions:
This resolution:
- describes the impacts of the federal Patient Protection and Affordable Care Act (ACA) on Utah families, employers, insurers, health care providers, and the state;
  - urges the state's Congressional delegation to continue its efforts to arrest the devastating impacts of the ACA using all means possible, including repeal of the act;
  - urges Utah's Congressional delegation to work cooperatively with others to develop workable alternatives to the ACA;
  - affirms the state's policy that no person in this state should be required to either sponsor or enroll in health insurance;
- urges the Legislature's Health Reform Task Force to continue working cooperatively with the Governor's Office to ensure that ACA implementation rules address the
Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:

WHEREAS, the federal Patient Protection and Affordable Care Act and its companion legislation, the Health Care and Education Reconciliation Act of 2010, referred to jointly as "the Affordable Care Act," "the ACA," or "Obamacare," were enacted in March 2010;

WHEREAS, under the ACA, Utah families, employers, manufacturers, and insurers will pay at least 18 new or increased taxes and fees that over 10 years will transfer $500 billion from the private sector to the public sector, suppressing economic growth and reducing employment in the state;

WHEREAS, Utahns will suffer further reductions in employment growth and economic activity as employers comply with uncompensated regulatory burdens imposed by the ACA;

WHEREAS, Utah families will also pay more for goods and services as employers, insurers, and medical providers pass along various costs imposed by the ACA;

WHEREAS, health insurance premiums for certain younger, healthier Utahns will more than double in 2014 as the result of various ACA provisions, including a prohibition on medical underwriting and restrictions on the use of age-based premiums;

WHEREAS, the cost of insurance for many other Utah families will go up as well in response to ACA provisions that are known to drive up costs, including prohibitions on pre-existing condition exclusions, annual benefit limits, and lifetime benefit limits;

WHEREAS, the ACA will penalize Utah employers that have more than 50 employees if they do not offer health insurance to their employees, even if an employer cannot afford insurance or chooses instead to compensate employees with higher wages, larger retirement contributions, or other employee benefits;

WHEREAS, working Utah families will have fewer full-time employment opportunities as employers replace full-time workers with part-time workers to avoid ACA
penalties;

WHEREAS, some Utah families will be unable to keep their current health insurance and may have fewer options as employers abandon plans not meeting minimum benefit and affordability requirements in order to avoid ACA penalties;

WHEREAS, working Utah families will find it even harder to secure employment with health insurance benefits as premium increases continue unabated in response to both the ACA and long-term cost drivers not addressed by the ACA;

WHEREAS, many Utahns will face increased premiums as their insurers attempt to fund $81 million in losses created by the ACA’s transfer of individuals from publicly funded high-risk pools to the private insurance market;

WHEREAS, many Utah families with insurance offered by small or midsize employers could be threatened with higher premiums or no insurance at all if commercial insurance risk increases too much as the result of employers dropping coverage or switching to self-insurance arrangements;

WHEREAS, Utah families who lose employer-sponsored coverage under the ACA may find exchange plans unaffordable because federal premium and cost sharing subsidies are based on 70/30 plans for single, not family, coverage;

WHEREAS, there is a high likelihood that many Utah families will experience higher premiums due to the ACA’s minimum benefit requirements, which threaten to ratchet up plan costs both inside and outside health insurance exchanges;

WHEREAS, Utah families will pay higher insurance premiums because of ACA provisions that subsidize states with high-cost, poorly managed health care plans at the expense of states like Utah that have low-cost, better managed plans;

WHEREAS, Utah seniors will likely have fewer care options due to Medicare provider payment reductions made by the ACA;

WHEREAS, Medicaid enrollees will likely have greater difficulty making appointments with health care providers as Medicaid enrollment expands under the ACA, particularly after the two-year enhanced reimbursement rate for primary care providers ends;

WHEREAS, Utah hospitals will suffer as a result of ACA reductions in funds paid to hospitals that serve a disproportionate number of low-income individuals;

WHEREAS, state funding for education, roads, public safety, and other important
services will be crowded by a $46 million annual liability to pay for the ACA's mandatory Medicaid eligibility expansion;

WHEREAS, we and our children must one day pay the price for entitlements Congress has created but failed to realistically fund, including the ACA;

WHEREAS, that price already includes tax increases and cost shifting to our posterity, and will likely include benefit reductions and even currency devaluation;

WHEREAS, that price will tend to include the shifting of greater fiscal responsibility for government programs--including Medicaid--from Washington to the states, even further crowding out funding for education and other essential state services;

WHEREAS, the real cost of more Utahns having insurance under the ACA will be a far greater dependence on government, not less;

WHEREAS, under an optional Medicaid expansion the state would incur large, ongoing funding liabilities and both the state and its citizens would be more dependent, not less dependent, on a fiscally unsustainable federal government;

WHEREAS, Utah has refused to exacerbate the federal fiscal crisis by choosing not to implement the ACA's federally subsidized health insurance exchange, which makes people dependent on large government subsidies and gives priority to publically funded, rather than privately funded, coverage;

WHEREAS, because of the ACA, Utah employers, insurers, and health care providers will face more regulation, not less regulation, and will have fewer options, not more options, for addressing the underlying challenges faced by our health care system;

WHEREAS, notwithstanding the ACA's focus on preventive care and its acknowledgment of alternative payment and delivery systems, many Utahns will see little relief from premium increases driven by underlying problems the ACA fails to address, including reliance on payment and delivery systems that promote over consumption of health care;

WHEREAS, implementation of the ACA will tend to completely destroy the private market for health insurance and move families, insurers, and health care providers ever closer to a single-payer system of federally controlled health care;

WHEREAS, the state, its citizens, employers, insurers, and health care providers will all suffer as the ACA fails to bring unsustainable health care spending under control and metastasises instead into greater federal regulation and control of not just health care, but most
aspects of Utahns' and Americans' daily lives and activities;
WHEREAS, the ACA disregards state jurisdiction over health care policy and
constrains the state's efforts to develop and implement meaningful health care reform; and
WHEREAS, the Legislature and the Governor believe that successful reform of health
care's most vexing problems will require more--not less--state flexibility and innovation:
NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
Governor concurring therein, urges the state's Congressional delegation to continue its efforts
to arrest the devastating impacts of the ACA on Utah's economy, its citizens, its employers, its
medical providers, and its insurers, using all means possible, including repeal of the act;
BE IT FURTHER RESOLVED that the Legislature and the Governor urge Utah's
Congressional delegation to work cooperatively with other members of Congress and officials
of this state and other states to develop workable alternatives to the ACA that encourage state
innovation, preserve states' policy-making jurisdiction and regulatory authority, and lead to
greater enrollment in affordable health insurance;
BE IT FURTHER RESOLVED that the Legislature and the Governor affirm by this
resolution the state's policy that no person in this state should be required to either sponsor or
enroll in health insurance, particularly under threat of federal penalty;
BE IT FURTHER RESOLVED that the Legislature and the Governor urge the
Legislature's Health Reform Task Force to continue working cooperatively with the Governor's
Office to ensure that ACA implementation rules address the needs of Utah families, employers,
health care providers, insurers, and insurance regulators;
BE IT FURTHER RESOLVED that the Legislature and the Governor urge all
stakeholders in Utah's health care system--including families, employers, health care providers,
and insurers--to continue working cooperatively with the Governor and the Legislature to
develop state-based health care reforms with the greatest potential for increasing consumerism,
improving quality of care, constraining spending growth, and promoting enrollment in
affordable health insurance, regardless of how ACA implementation unfolds;
BE IT FURTHER RESOLVED that this resolution be sent to the United States
Secretary of Health and Human Services, the Governor, the Legislature's Health Reform Task
Force, Utah's Congressional delegation, the Utah Health Policy Project and other consumer
advocacy groups, the Salt Lake Chamber of Commerce and other employer associations, the
Utah Hospital Association, the Utah Medical Association, Utah insurers, the Utah Association of Health Underwriters, and the Speakers and Presidents presiding over the legislatures of each of the 49 other states.

Legislative Review Note
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Office of Legislative Research and General Counsel