

Common Sense and Compassion in the Public Health Care Vote

By Minnesota State Senator Julianne Ortman

My vote wasn't due to a lack of compassion, but rather was motivated by a need for common sense.

We need public health insurance reform in Minnesota, and the Governor's unallotment of GAMC is the first most important step toward the necessary reform.

In Minnesota, our public health care benefits for residents are distributed in three programs:

The first program we provide is Medical Assistance (a program started in 1975) with unlimited health care coverage to 526,000 Minnesotans who have a medical designation of disability, and to families (with children) in poverty. The Governor's unallotment does not affect the benefits we provide to these people.

The second is MinnesotaCare, a public health care program started in the 1990s, which provides very affordable health care insurance for approximately 150,000 Minnesotans. Even residents with income levels up to 250% of the federal poverty level (with income levels of \$26,000 for an individual or \$54,000 for a family of four) qualify, regardless of family status. This means even working adults without children can qualify for coverage.

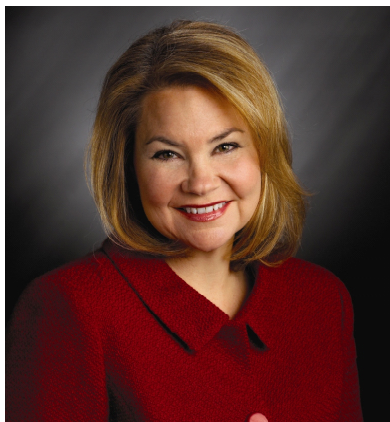
We have 5,500 new enrollees into MinnesotaCare ("MNCare") every month. Participants pay premiums on a sliding scale according to their

means; the lowest amount is \$4 per month – the top premium is \$330 per month, with medical co-pays of \$3. There is a maximum hospitalization benefit of \$10,000 per year for adults without children. So while this insurance program provides for most medical needs, it does not provide unlimited coverage, and it also sharply discourages emergency room visits by charging a deductible of \$1,000 per E.R. visit (the most expensive venue for providing medical care).

The third public health care program is General Assistance Medical Care ("GAMC"), which the Governor recently unallotted (or "un-funded"). The 35,000 enrollees affected are those who claim a disability (but have no medical diagnosis of disability), those who are chemically dependent and/or those who are adults without children, whose incomes are be-

low 75% of the poverty line. But it is critical to understand that we do not leave these beneficiaries without health care; the State is automatically transitioning all recipients of this program into the second tier program – the MNCare insurance program, by April 1, 2010. After the transition period, 93% to 94% of these persons will be eligible for MNCare and the rest would qualify for another public program. The Governor has asked the Counties to pay the premiums for their residents during the transition period – a total cost of just \$1.4 million statewide.

Moving people from GAMC to MNCare provides cost savings to the State because the MNCare program imposes reasonable limits of coverage and puts beneficiaries on a par with everyone else who needs to take premiums, co-payments and deductibles into account when



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making medical choices. Even the preventive care benefits are almost identical, including mental health treatment. The costs of care in the MNCare program are significantly less on a per-patient and per-visit basis than in the GAMC program. As we all know, when there is a promise from the State to pay all bills, for all expenses, with no limits, then there is little need or effort to economize, and costs skyrocket. That is why if we continue to fund this program as is, the cost will grow by 36% every two years. According to the Department of Human Services, General Assistance Medical Care will cost \$1 billion next year if left unchanged.

The Governor's un-allotment of GAMC is a start to much-needed reform of public health care programs in Minnesota, as well as much needed budget reform. So when the Senate voted this week to re-instate GAMC, many of my colleagues and I voted no. My vote wasn't due to a lack of compassion, but rather was motivated by a need for common sense. Most states simply have a Medical Assistance equivalent; very few have public health insurance programs of any kind. Minnesota simply can no longer afford to provide the most expensive public health care benefits in the Nation. The MNCare program is a practical and affordable way to provide healthcare

coverage for those in difficult circumstances or of limited means, and provides the safety net that we all believe is a proper role and responsibility of State government.

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