

FAQ

What is the Minnesota Health Plan?

The Minnesota Health Plan is a single, statewide health plan that covers all Minnesotans for all their medical needs – and costs LESS than we now are paying.

The Minnesota Health Plan (MHP) would be created by legislation under consideration by the Minnesota Senate and House. The MHP would provide comprehensive health care for all residents of Minnesota in the most economically, efficient means possible. It ensures that health care dollars are spent on health care, not on unnecessary administrative costs.

The Minnesota Health Plan would be a single health care plan that covers everyone, from the Governor and CEOs to average wage-earners. The financing of the MHP is based on what some people have described as a “single-payer” system, enabling us to control our run-away health care costs, while providing access to all needed medical care, including many types of care that are frequently not covered now, such as dental care and nursing home care.

Why do we need the Minnesota Health Plan?

Families, businesses, and government are being bankrupted by the high cost of health care and people are not getting the care they need. The MHP provides access to quality health care for everyone in an affordable, more efficient system.

Healthcare expenses are the cause of more bankruptcies than all other causes combined. Everybody needs healthcare, yet many cannot afford it.

- 4.3% of Minnesotans have no health coverage at all.
- Perhaps a million more Minnesotans who have insurance still cannot afford the care they need due to co-payments, deductibles, and care not covered by their insurance (optical care, dental care, etc.) .
- Many people cannot work because of untreated mental or physical health problems and many businesses cannot expand and grow because they cannot afford health care for more employees, creating a drag on our economy and productivity.

The health of our economy is dependent upon the health of our residents. We need to ensure that all residents have access to health care and that the financial costs of this care do not lead to bankruptcy.

We need to fix the health care mess by providing comprehensive health care to everyone while controlling costs. This can only be accomplished by a single plan that eliminates the insurance company administrative costs and bureaucracy; a plan that ensures sufficient medical providers in every community; a plan that focuses on community and public health and wellness; a plan that covers everyone regardless of health condition or income; a plan that includes all needed medical care including things like prescriptions, nursing home care, dental; a plan that allows

people to focus their attention on their health and healing rather than worrying about what is covered and whether they can afford or get care — a plan like the Minnesota Health Plan.

What about the Affordable Care Act (ACA)?

The federal reforms have provided coverage to many of the uninsured, but they do little to control the costs for those who already have insurance, and the skyrocketing cost of health care must be addressed. By delivering health care in an efficient, common sense manner, the MHP will make health care affordable to all.

Although the federal Affordable Care Act has reduced the number of uninsured significantly, it has not saved money, and it still leaves millions of Americans uninsured. In addition, about one of every three people who **have** insurance still cannot afford needed medical care because of high deductibles and co-pays, and gaps in their coverage.

As a short-term, temporary answer, the federal law is providing health insurance to many of the people who were uninsured. It is making a life-saving difference for many.

However, the federal reform does not fix the problems in our health care system, and it costs far too much. The U.S. pays almost twice as much per person for health care as other industrialized nations do, and the ACA does not bring down the costs. In addition, unlike the MHP, the federal reform does nothing to ensure an adequate number of health providers and it does not provide comprehensive benefits.

There have been bipartisan calls for the states to be innovators in health care reform, and beginning in 2017, the ACA allows states to apply for “innovation waivers” to enable alternative approaches. Unfortunately, other health reforms proposed in Minnesota build on the Affordable Care Act, attempting to expand access to **insurance coverage**.

The Minnesota Health Plan is not about providing health **insurance** for more; it is about providing health **care** for all.

What services are covered under the Minnesota Health Plan?

All necessary medical care is covered. It is important to cover health care needs up front in a comprehensive plan, rather than to ignore them until they require more extensive care later.

Under the Minnesota Health Plan, medically needed care is completely covered, including primary care, immunizations and preventive care, dental, mental health, chemical dependency treatment, nursing home care, and hospitalization and prescription medication. Medical equipment and supplies like insulin, hospice, skilled nursing home care, home health care, substance abuse treatment, prescription glasses and hearing aids are also covered. Elective cosmetic procedures are not covered.

Who would be covered under the Minnesota Health Plan?

All Minnesotans are covered. We provide fire and police protection for everyone – why shouldn't we do that for health care?

All Minnesotans are covered.

Under the MHP, there is no denial of care because of pre-existing conditions. There is no insurance company telling your doctor how to practice medicine. The MHP provides coverage from birth until death, regardless of health, financial or employment status. Coverage follows you if you travel, retire or lose your job.

How does the Minnesota Health Plan control costs?

The Minnesota Health Plan eliminates layers of bureaucratic paperwork from multiple insurance companies and enables Minnesota to deliver health care efficiently, meeting the needs of the patients instead of the interests of insurance companies.

The MHP actually **reduces** health care costs by cutting waste, not by denying care to patients.

The MHP reduces costs through:

- Administrative efficiency and elimination of the vast bureaucracy devoted to denying care, billing and paying claims for care at different rates and with different coverage for the same procedure, elimination of insurance marketing and administration.
- Bulk purchasing of drugs and medical supplies at lower, negotiated prices
- Allocation of medical infrastructure and resources (like hospitals and surgical centers) based on a region's needs
- Annual budgets for health care facilities, rather than the current method of itemizing each pill dispensed, and each individual expense, and then billing them at different rates to different insurance companies for each patient treated.
- Negotiation of provider fees
- Increasing access to preventive services and early intervention for everyone, preventing costly emergency room and hospitalization expenses.
- More efficient delivery of care (use of school nurses to administer flu shots instead of sending each student individually to an outside clinic, not sending patients by ambulances to more distant hospitals because closer hospitals are not in "network")

Who will run the health care system under the Minnesota Health Plan?

As a public/private partnership, the Minnesota Health Plan would be free from insurance company control and independent from the governor and state legislature. It would be governed by a board that would be required, by law, to follow fundamental principles that ensure the well-being of all Minnesotans.

To keep it out of partisan politics, the Minnesota Health Board would be democratically selected by county boards from around the state, not appointed by state officials and not directly elected under our electoral system (which is heavily influenced by special interest money). The board will include health care providers and consumers.

The MHP Board runs the MHP and negotiates doctor fees and hospital budgets. It is responsible for health planning and the distribution of expensive technology, as well as working with the University of Minnesota, other higher education institutions, and local communities to ensure sufficient providers in every community. The budget for health care is set through a democratic and transparent process. This system would eliminate high CEO salaries, stock options, and bonuses based on profits, and save the money on advertising, marketing, and underwriting to compete for healthy enrollees.

The MHP Board would set the premiums (based on ability to pay) to fund the Minnesota Health Plan. Although the premiums would likely be collected by the Department of Revenue, they would go directly to the MHP, not the state, and the Governor and Legislature would have no control over them.

What is single-payer health care?

“Single-payer” refers to a system where doctors and hospitals are compensated by one health plan, rather than dealing with multiple insurance bureaucracies, as they now do.

Single-payer is a frequently used, but not very descriptive term to describe a single health plan. It is not always helpful because it doesn’t explain how the plan provides health care. Many people *know* that they support or oppose “single payer” without understanding what it means.

The term “single-payer” refers to one aspect of the MHP, the method of paying providers of health care (hospitals, clinics, and doctors or other professionals). It refers to the direct payment of providers from a single health plan rather than by the hundreds of insurance companies and public plans we have now in Minnesota. It eliminates the “middleman” — health insurance companies — and also the need for health care providers to bill different payers for every patient, thereby saving massive amounts of money. Revenues for the single-payer fund come from government, businesses and individuals.

Instead of the multitude of plans, each with different networks of doctors and different services covered, there is one comprehensive plan available to all. Ownership and management of physician groups, clinics and hospitals is unaffected. Providers in a single-payer system will continue to work in the same public and private clinics that they do now.

How is the MHP paid for?

The Minnesota Health Plan would be funded by the same sources that currently pay for health care — government, business and individuals — only they will pay less and get more.

Revenues for the Minnesota Health Plan would come from the same sources they do now — government, businesses and individuals. Businesses would pay a payroll tax instead of insurance premiums, and individuals would pay premiums based on their ability to pay. There would be no co-pays or deductibles.

Currently, government is the largest payer of health care services. On top of government funding, individuals are required to pay an ever-increasing amount in the form of premiums, co-pays, and deductibles – if they have insurance. Those without insurance and those who are under-insured, face devastating medical bills.

For most individuals and businesses their payments for the Minnesota Health Plan would be significantly less than they are currently paying in premiums to insurance companies, co-pays at the clinic, deductibles, and costs for medical services not covered by their insurance plan.

The Legislature and Governor would have no authority over the MHP revenues. This is necessary in order to prevent the use of MHP premiums to balance the state budget, and would also prevent politicians from starving the health plan of needed funds, a problem that occurs in some of the countries where politicians are responsible for funding their national health plans.

How would Individuals pay for care under the MHP?

The Minnesota Health Plan would use health care premiums based on ability to pay. This solves the biggest problem related to health care access by making health care affordable to all. This progressive premium structure is necessary for fairness, for access, and for its positive impact on public health. Everybody pays, and everybody benefits.

Under the MHP, Minnesotans would have only one health care payment: their premiums. They would not be nicked-and-dimed by co-pays, deductibles, payments for services not covered by their current insurance coverage or other out-of-pocket expenses.

While some families may pay more, the vast majority of individuals and families would pay significantly less for health care under the MHP than they currently do under our insurance-based system.

The Minnesota Health Plan premiums would likely be collected by the Department of Revenue, because the department already has a mechanism for collecting revenue, including revenue based on ability to pay (income).

Opponents might argue that the premiums paid for the Minnesota Health Plan should be called “taxes.” However, unlike taxes, MHP premiums would not go to the state treasury; they would go directly to the Minnesota Health Plan. They would only be used to pay for health care; they would not be used to balance the state budget or pay for anything else.

Essentially, instead of paying premiums to an employer or a health insurance company, premiums would now be paid to the Minnesota Health Plan.

What is universal coverage?

It's simple – “universal” means everyone. The Minnesota Health Plan is the only proposal in Minnesota that covers everyone.

Coverage that includes everyone is considered “universal.” When evaluating whether a plan is universal, one needs to consider whether truly 100% of the population is covered or whether

there are gaps in coverage because of job transitions, failure to purchase insurance, unaffordable co-pays, etc.

The MHP is universal – it covers 100% of Minnesotans for all of their medical needs. The MHP treats health care as a right, something for which you don't need to qualify. The MHP would operate like Medicare in that a single entity collects premiums and pays for all care (though unlike Medicare, the MHP would cover all care and would not require a “supplemental” policy or co-payments.)

Mandating that everybody buy insurance does not result in universal coverage, as is clear from the Affordable Care Act. Under an insurance mandate, everyone is expected to buy insurance, with the public subsidizing people determined to be unable to afford the policies. However, in reality, not everyone is covered by the insurance mandate nor are all medical needs covered by the insurance that people buy.

Why is the MN Health Plan better than an insurance mandate?

Forcing people to buy insurance when they cannot afford it, is not fair and doesn't work. And, because the mandated insurance plans exclude dental and other types of care, it is misguided to require a person who has major dental problems to spend their last dollars on a plan that won't help them.

The fundamental problem that prompted the Affordable Care Act is the rapidly rising cost of our current insurance-based system. “Universal” care through the mandated purchase of insurance does nothing to reduce costs, rather it bloats the system with more dollars to provide coverage to everyone.

The Affordable Care Act (ACA), as an insurance-based system with mandated purchase, had hoped to keep insurance plans affordable by using a basic “benefits set” that excludes coverage for many medical expenses.

In contrast, the MHP would provide comprehensive coverage for all, using the administrative savings inherent in the single system.

Because the insurance-based system offers plans that do **not** have comprehensive benefits, they cannot accurately claim to cover people whose medical needs are not in the benefit set. For example, if your medical needs are for dental work and your insurance plan excludes dental, or if the co-pays or deductibles are unaffordable, you do not have the health care that you need, despite having health insurance.

Also, some Minnesotans cannot afford, and do not purchase, health insurance despite the ACA mandate.

Finally, when there are multiple health plans, there will always be gaps in coverage during transitions between plans. If an employee with benefits loses the job and cannot afford COBRA, or the COBRA coverage runs out, or they lose coverage through divorce or aging out of their

parents' plan, there is a gap. Even with an insurance mandate, we still do not achieve universal coverage.

Is the Minnesota Health Plan socialized medicine?

No. Under the MHP, doctors and hospitals that are now privately owned would continue to be privately owned. They would compete for your business by providing superior care.

No. Socialized medicine is a system where the government employs all healthcare providers. In the MHP, like in Medicare, health care is publicly financed (through progressive premiums) but delivered through existing doctors, clinics and hospitals. Under the Minnesota Health Plan, doctors and hospitals that are in the private sector remain in the private sector.

Some opponents erroneously claim that under a single plan, the government will make the medical decisions. In reality, under the *current* system medical decisions are made by insurance plans, and in some cases by the government. With the MHP, medical decisions are left to the patient and doctor, as they should be, not by government or by insurance companies.

Won't there be "waiting lines" for health care services?

The MHP is required to ensure that there are an adequate number of health professionals to guarantee timely access to care.

Waiting lines are an indication of inadequate capacity in the health care system. The Minnesota Health Plan would increase the capacity of Minnesota's health care system, while lowering costs through administrative savings. In fact, *one of the binding principles of the MHP is a requirement that the plan ensure that there are an adequate number of health care professionals and facilities to guarantee timely access to care.*

The "wait list" issue often is brought up in reference to Canada, which has a very popular single health plan that covers everyone, despite spending only about half as much as the U.S. Although there have been problems with waiting times for some non-emergency procedures in Canada, the problem is smaller than portrayed by American health insurance companies, and the Canadian provinces are addressing the problem.

Under the MHP, we would still be spending more on health care than Canada and have a greater health care capacity.

As with our current system, there may be some "waiting lines" for those seeking certain non-emergency specialized care. For example, anyone who has tried to see a dermatologist, a psychiatrist or certain other specialists, knows that it can often take 3 months to get an appointment. It already can take several months to schedule some non-time-sensitive surgeries such as knee-replacement.

While the waiting lines would be shorter than they are now, there would, understandably, be some wait for such procedures.

Won't people from out of state move here just to get health care?

Businesses and people will be attracted to Minnesota because of the lower costs and better care provided by the MHP. While attracting business will create additional jobs, Minnesota should not be responsible for paying the costs of people coming here for health care. The MHP Board is responsible for working with the federal government to ensure that Minnesotans do not pay for people moving here to get healthcare.

The Minnesota Health Plan, with its lower costs and comprehensive coverage will attract businesses and individuals from other states.

The MHP Board is required to work with the federal government to prevent an influx of people from other states and to get reimbursement from the other states or the federal government for people that do move here for health care. Minnesota is responsible for the health care of its own residents, and other states should be responsible for their own. If people from other states move here to get health care, those states should be held responsible for reimbursing those costs.

Like every other major state health reform proposal, the MHP would require waivers and authorization from the federal government to address this issue.

The MHP would attract *businesses* from other states because it would be less expensive to expand and grow here without the worry of finding health care coverage for employees. But this is *not* a problem; it's an answer to a problem!

Will the Minnesota Health Plan cover undocumented immigrants?

The immigration issue is a federal issue and must be resolved by Congress. Undocumented people currently receive health care in Minnesota and other states, but they do so in the most expensive settings — emergency rooms and hospitals. The MHP would provide care at an earlier, less costly stage.

As a society, we share an interest in ensuring that all who live in our state are as healthy as possible. When one segment of the community does not get the health care they need, we put the rest of the population at risk. For example, if an immigrant is abusing alcohol, the failure to provide treatment puts everyone at greater risk from drunk driving and other alcohol-related crimes. For another, if a segment of the population has untreated communicable diseases – H1N1, TB, sexually-transmitted infections, HIV – the rest of the population is exposed to much greater risk.

If the people handling our food in meat packing plants or serving us burgers at McDonald's have infectious diseases, do we really want to deny them treatment and let them spread infections to everyone else?

What about consumer choice under the Minnesota Health Plan?

Patients will have complete choice in picking doctors, clinics and hospitals. There will be no more worry about whether a doctor is “out of network.”

People will be able to choose their medical providers under the MHP. In contrast, under our current system, many consumers must choose providers within their health plan network. Under the MHP, you can choose any licensed provider – there are no “networks” to worry about.

Won’t health care be “rationed”?

No. Health care should not be rationed by either government or insurance companies. The MHP is required to meet all reasonable medical needs so decisions about appropriate care are made by doctors and their patients.

Decisions about appropriate care should be made within the doctor/patient relationship, not through government or insurance company rationing.

In fact, people tend to be very good at “rationing” their own health care. When given an option, through a living will (advance directive), most people will choose not to be resuscitated when they are terminally ill and in pain. When spine doctors and their patients discuss options thoroughly, many choose not to have costly surgery, selecting alternative treatment instead.

Minnesotans’ health care is **currently** rationed:

- by insurance plans refusing to authorize doctors’ treatment plans or cover needed care
- by cost, when people cannot afford insurance or out of pocket expenses
- by lack of providers – there is a serious shortage of dental care providers, especially in many small rural communities.

Under the MHP, care would **not** be rationed by government or insurance companies. It would **not** be rationed because you are sick or unable to pay. And, the MHP is required to work with higher education institutions and provide incentives to train and recruit enough medical professionals to meet the need, so it would **not** be rationed by a lack of providers.

Will the people working for insurance companies lose their jobs?

By delivering health care in a common sense, efficient manner, the MHP will stimulate the economy and create jobs. However, there will be some who lose jobs in the transition, so the MHP contains provisions to assist those dislocated workers.

Regrettably, as with any economic change, the transition to a universal health care system would eliminate jobs of people working for health insurance companies and claims processing for medical providers. It is important not to underestimate the difficulty and challenges faced by people who lose their jobs, regardless of the reason.

Recognizing the moral obligation to assist those facing job transitions as a result of the change, the Minnesota Health Plan would provide retraining and other dislocated worker benefits to quickly move them into new positions.

The number of administrative workers in the health sector has grown exponentially in recent decades. With the simple administrative system in the MHP, many of those jobs would no longer be needed. The reality that the MHP eliminates huge administrative costs and hassles is a wonderful benefit in every way except for the fact that we no longer need people to perform many of those administrative functions.

In addition to the retraining and dislocated worker benefits that the MHP would provide, it is worth pointing out that these laid-off workers would be fully covered for all of their medical needs, the same as all other Minnesotans under the MHP. Currently, the loss of health coverage is one of the most expensive and dangerous problems laid-off workers face. Not having to worry about getting health care after a layoff is an incredible help.

Fortunately, helping those displaced workers find new positions will be easier because the MHP would create far more jobs than would be lost in the transition. Our current health care system's high costs and limited access inhibits economic growth. A 2010 survey of Minnesota employers found that the expense of health coverage was the most significant obstacle to business expansion.

Entrepreneurs, farmers, and other self-employed individuals would be able to work full-time on their business ventures rather than needing to hold another job that has health benefits. The MHP would be a strong jobs magnet, enabling Minnesota businesses to increase hiring and potentially attracting businesses from other states, providing additional new job opportunities for laid-off administrative workers.

Why not use tax subsidies to help the uninsured buy health insurance?

Our health care system is wasteful and inefficient. Rather than propping it up with more subsidies, it's time to fix the system. Tax subsidies, an important feature of the ACA, provide short-term relief for some but leave the basic problems unresolved.

Tax subsidies do not fix any of the problems with the health care system. They do not reduce costs or address the inefficiencies or administrative waste that takes dollars away from patient care. They simply shift the costs of the system.

Under the Affordable Care Act, even with tax subsidies for a "basic benefit set," moderate-income and low-income individuals still cannot afford good coverage, leaving them with modest benefits and high deductibles. The costs of unpaid medical bills due to inadequate coverage continues to be transferred to those with adequate coverage.

Why not Health Savings Accounts (HSA)?

HSA's have lost credibility because they fail to treat the underlying cause of our health care problems and actually discourage people from accessing health care until symptoms have turned serious.

Like tax subsidies, Health Savings Accounts do not fix any of the causes of the health care mess. They do not reduce costs or address the inefficiencies or administrative waste that takes dollars

away from patient care. If anything, they exacerbate the problem by taking affluent and healthy people out of the insurance pool and leaving the sick, elderly and low income people, thus driving up the price of insurance.

Also, HSAs discourage preventive care – people avoid seeking needed care if they have to pay for it out of a limited account. They defer care that isn't urgent.

Why the Minnesota Health Plan?

The Minnesota Health Plan provides comprehensive health care to all Minnesotans and brings down costs through efficiency. It's a proven formula for success.

Minnesotans need a health care system that works. The Minnesota Health Plan (MHP) will address the health needs of people, keeping them healthy so they need less medical care, and delivering the health care in a rational, efficient, cost-effective manner.

It is the only proposal that would cover all Minnesotans for all their medical needs. Patients would be able to see the medical providers of their choice when they need care. No insurance company tells you that you cannot go to your family doctor because you switched jobs and coverage. No denial of coverage for pre-existing conditions.

Coverage is fully portable, with no gaps in coverage when you switch jobs, get laid-off, or retire. All the payments, covering all of the costs, would be made by the MHP, and everyone, not 96%, but everyone, would be covered.

And the system saves money by eliminating the costly insurance bureaucracy, by delivering care in a rational, timely manner, by focusing on public health and well-being, and by negotiating fair prices that cover everyone.

The MHP treats health care as a right, not something that someone has to “qualify” for. Neither the Affordable Care Act nor any other health reform does that. The Minnesota Health Plan is the **only** health plan that:

- covers everyone.
- covers all medical needs.
- gives patients their choice of provider.
- addresses the shortage of providers.
- saves money.