

IS MN STILL A HEALTH REFORM LEADER?

A REVIEW OF THE PAST AND A LOOK TO THE FUTURE

Presentation to the MN Health Action Group

May 19, 2017

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HISTORY OF MN REFORM

HISTORY

- MinnesotaCare (1992)
- MN Eliminating Health Disparities Initiative (2001)
- Various reforms (2008)
- Federal Affordable Care Act becomes law (2010)
- Early Medicaid expansion for 84,000 Minnesotans (2011)
(formerly GAMC)
- MnSure (2012)

2008

Gov. Tim Pawlenty's Health Care Transformation Task Force and the Legislative Commission on Health Care Access both published reports in early 2008 that included recommendations to:

- Improve population health
- Better coordinate care for those with chronic and complex health conditions
- Make advances in coverage
- Improve transparency
- Lower administrative cost
- Better involve the patient and individual
- Reform how we pay for health care

2008 (CONT.)

- Health Care Homes
- All Payers Claims Database
- SHIP
- Statewide Quality Reporting and Measurement System

SINCE ACA

- Very Partisan Debate
- 2008 reforms being implemented
- Future of MinnesotaCare
- Repeal of Provider Tax
- Closing of MCHA

MISSING?

- Price Transparency
- Focus on Cost Drivers
- Collective and Bi-Partisan effort
 - On October 31, 2011 Governor Mark created two health care task forces,
 - One on broad health care reform initiatives (the Health Care Reform Task Force)
 - One to develop the state's health insurance exchange (the Health Insurance Exchange Advisory Task Force).

2017

SENATE FILE 1

- Provides 25% subsidy of monthly gross premiums
- Administered by MMB
- Individual policies only
- Uses budget reserve (\$326 million) and general fund monies (\$311 million)
- Also allows for-profit HMOs
- Creates Agricultural Cooperative Health Plans
- Provides for other market rule changes
 - Network challenges
 - Cost-sharing limitations
 - Continuation of care

HOUSE FILE 5

- Creates Minnesota Premium Security Plan, a state reinsurance plan
- Uses old MCHA administrative structure to run this new plan
- Attachment point at \$50,000 or more; coinsurance rate at between 50 percent and 70 percent; and the reinsurance cap at \$250,000 or less.
- Takes 1% gross premium tax from general
- Takes MCHA reserves
- \$80 million from Health Care Access Fund
- Total of \$600 million of monies previously used for public health insurance

IDEAS FLOATED

- Mandate Free Policies
- Changes to Pre-existing conditions coverage
- MinnesotaCare buy in
- Minnesota Health Plan (single payer)
- HMO conversion oversight

PUBLIC PROGRAMS

HHS Omnibus Bill

?

IMPACT OF AHCA ON MN

DHS estimates:

- About 1.2 million low-income Minnesotans will face cuts in coverage or a loss of coverage altogether.
- Loss of billions of dollars in federal funding (approximately \$2.5 billion a year)
- Maintains Medical Assistance as an entitlement program but cuts the federal government's share of the cost
- Reduces federal funding for Medicaid program

IMPACT ON EMPLOYERS

- More uncompensated care?
- Essential health benefits?
- Provider Tax?
- Impact of lost public programs on employer takeup?
- Increase in compensation to offset no mandate?
- HSAs and FSA impacts?

FUTURE

ENHANCE USE OF ALL-PAYER CLAIMS DATABASE

- In 2015, MDH directed to provide public use files
- Files available in 2016
- More to be done?
 - Governance
 - Costs
 - Technical challenges

HEALTH CARE HOMES

- Part of 2008 reform
- Primary care model focused on disease prevention and team-driven care
- U of MN 2016 study show costs were 9% less than traditional clinics
- Care also more effective for asthma, vascular disease and other chronic conditions

<http://www.health.state.mn.us/news/pressrel/2016/hchomes020916.html>

OTHER IDEAS

- All payer ratemaking ala Maryland?
- Look at drug prices
- Is managed care still the way to go?
- How to transition retirees to Medicare?

QUESTIONS?