

2018 and Beyond

The Minnesota Health Care Landscape

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What makes Minnesota unique?

Minnesota has been a longtime national leader in expanding coverage and access to health care and, as a result, boasts one of the highest rates of insurance coverage in the nation. Minnesota was the **first state** to expand Medicaid under the Affordable Care Act, building on the success of the state's historic MinnesotaCare program, which was enacted in 1992 to provide a coverage option for low and moderate income workers who did not otherwise qualify for insurance. **94% of Minnesotans** have health insurance, which is higher than the national average of 91%. Minnesotans, on average, are also healthier than those in other states. According to the **Kaiser Family Foundation** 12.7% of people in Minnesota report having fair or poor health, which is lower than the national average of 17.8%.

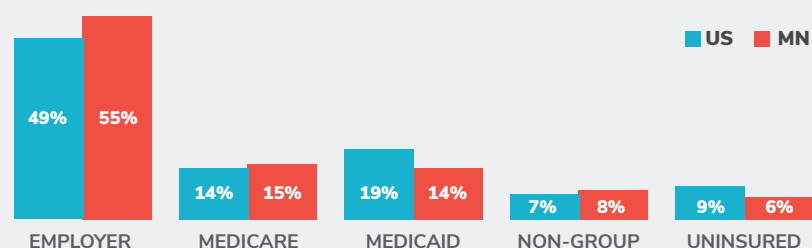
Minnesota's Health Care Agenda

Minnesota has a long history of bipartisan cooperation to improve the state's health care system. Those elected to public office will confront an immediate challenge next year, along with several other short-term and long-term challenges and opportunities. Successful solutions will require continued collaboration and creativity.

Address Immediate Issue: The Approaching Funding Cliff

Health Care Access Fund: The Health Care Access Fund (HCAF) is responsible for funding Medical

How are People in the US and Minnesota insured?



Kaiser State Health Facts, 2016

Assistance (MA-Medicaid), MinnesotaCare, and other public assistance programs. In 2020, the 2% provider tax that fuels HCAF is set to expire, leaving a hole in the Medical Assistance budget.

Without the tax, HCAF will not be able to continue operating at its current capacity. Minnesota's elected officials will need to make difficult decisions to decide how to fill this funding gap.

Reinsurance: In 2017, the Minnesota legislature enacted a \$542 million, two-year reinsurance program which will expire in 2019. The program provides funding to issuers to cover extremely expensive claims, helping to reduce premiums for enrollees.

2018: Premiums decreased as much as 15%, while comparable plans around the country rose by up to a third.

2019: Based on initial rate filings, premiums for the individual market next year will be between 7%-12% lower than 2018.

With the looming expiration of reinsurance, legislators will need to take action and find additional funding if they want to continue the reinsurance

program in 2020, or pursue other tools to stabilize Minnesota's individual insurance market.

★ ★ Early engagement on these issues will be critical to building a consensus approach.

MINNESOTA HEALTH CARE TO DO LIST:

- Address immediate issue**
 - Approaching funding cliff
- 2019 health care priorities**
 - Modernize access to patient information
 - Drug Pricing
 - Future of Medical Assistance
- Long term priorities**
 - Substance Abuse and Mental Health
 - Access to care in Rural Areas
 - Health Equity

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2019 Health Care Priorities

Modernizing Access to Patient Information

Minnesota is one of two states that requires patients to give individual consent to each medical provider to share their information with other medical providers; other states rely on the federal Health Insurance Portability and Accountability Act (HIPAA).

- ★ According to a [report](#) by the Minnesota Department of Health, the extra step of obtaining this patient approval makes it more challenging for health care providers in Minnesota to coordinate care, and providers sometimes repeat unnecessary tests.
- ★ The legislature previously considered legislation to align the Minnesota Health Records Act with HIPAA, but it was not enacted.

★ ★ **This issues could reemerge on the agenda next year as a way to help health care providers better coordinate Minnesotans' health care.**

Drug Pricing

- ★ **Many Minnesotans** report skipping or skimping on their doses because the costs of their medications are so high
- ★ In the 2018 legislative session, 8 bills to address prescription drug prices were introduced, including proposals on price transparency, pharmacy benefit managers, rate setting, and price gouging. None of the proposals were enacted.

★ ★ **Minnesota's elected officials can learn from successful legislative efforts in many other states. Many of these proposals may reemerge on the agenda in 2019.**

Future of Medical Assistance

The Minnesota state legislature debated and rejected legislation to create a work reporting requirement for those receiving Medical Assistance (Medicaid). Other states are contemplating similar policies, and this issue could reemerge on the legislature's agenda in 2019. There are some important considerations for elected officials as they consider this policy, including the administrative costs that implementation can require.

- ★ Enforcing this type of requirement can require a state to update their data systems and hire additional administrative staff
- ★ **The Center on Budget and Policy Priorities** estimates that Minnesota counties (which determine Medicaid eligibility) would have to spend \$121 million in 2020 and \$163 million in 2021 to implement work requirements

Counties estimate that it will take on average 53 minutes to process each exemption, 22 minutes to refer a client to employment and training services, and 84 minutes to verify non-compliance and suspend Medicaid benefits

★ ★ **Successful alternative approaches may suggest a path forward. Montana** has implemented a work promotion alternative which offers employment services, like career counseling, on-the-job training programs, and subsidized employment

to Medicaid enrollees who are not currently working or who are looking for better jobs.

- ★ **22,000 Montanans** have enrolled and received employment services in the program's first three years.

Long Term Priorities

Substance Abuse and Mental Health

Along with the rest of the country, Minnesota is struggling with the rising incidence of opioid related overdoses and deaths and deaths from suicide.

- ★ **In 2016**, 395 people died from an opioid overdose, an 18% increase from the year before. 2,074 experienced a non-fatal overdose
- ★ Drug, alcohol, and suicide related deaths are **projected** to rise by 37% in the next 10 years in Minnesota
- ★ On average, it costs \$22,178 to care for a person with a drug, alcohol, or suicide related diagnosis in MN, while the per person cost of health care for an average Minnesotan is \$8,871 (**From Pain in the Nation: The Drug, Alcohol, and Suicide Crises and the Need for a National Resilience Strategy**, November 2017)

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Access to Care in Rural Areas

Minnesota residents living in rural areas face unique challenges, even though the state as a whole ranks highly in health-related statistics. According to the [Minnesota Department of Health](#):

- ★ Those in greater Minnesota are less likely to visit a doctor each year than those in urban communities due to transportation, uninsurance, and provider network gap issues
- ★ 12% of rural Minnesotans rely on free or sliding-fee scale public clinics. We expect that cuts to safety net providers would be especially harmful to rural parts of the state
- ★ 1 in 4 rural Minnesotans are covered by Medical Assistance or MinnesotaCare. This growing number is a reflection of many factors, including higher rates of poverty, self-employment and small employers in rural communities. Nearly a quarter of rural Minnesotans are still struggling with paying medical bills
- ★ 1 in 5 rural Minnesotans are not getting needed health services because of cost

Health Equity

Minnesota as a whole ranks high in measures of coverage and health compared to other states but dramatic disparities still exist within the state. While health care access is important, medical care accounts for only 10-20% of outcomes. The other 80-90% is driven by non-medical determinants of health such as the availability of transportation and affordable housing and access to healthy foods.

A Health Care Agenda for Minnesota

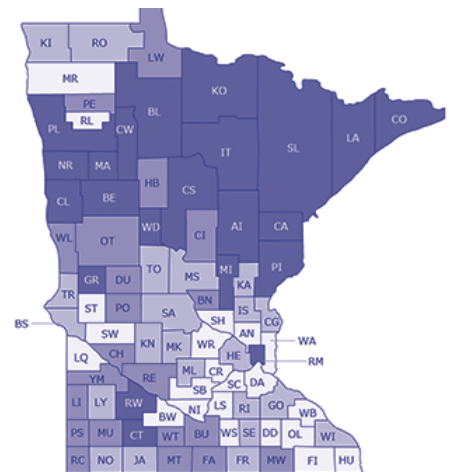
When faced with the task of formulating solutions to address Minnesota's health care needs, we encourage policy makers to consider three questions:

- ★ Will the agenda help Americans gain or maintain access to an affordable, regular source of care?
- ★ Will the agenda create financially sound policies that will allow people to receive necessary care without fear of financial devastation?
- ★ Is the agenda politically and economically sustainable?

Building a health care agenda requires tough decisions. As political leaders create their visions for state health care policies, we urge them to challenge themselves and those they work with to build policies that answer "Yes" to all of these questions, ultimately creating an insured America.

Between 2014 and 2016, the Minnesota Department of Health gave \$10.3 million in grants to projects devoted to addressing health inequities

The map shows how Minnesota's counties rank in health outcomes. Measures are based on length and quality of life. Lighter shades of blue and white represent a better performance in the measurement and ranking



From County Health Rankings, University of Wisconsin Population Health Institute