

Bill mandates health coverage for Minnesotans

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Bill mandates health coverage for Minnesotans
By Patricia Lopez

Every Minnesotan would be required to have at least minimal health insurance and every insurer would have to offer such a plan under a far-ranging health care overhaul bill offered by the Minnesota Medical Association on Tuesday... which was introduced with bipartisan support in the House and Senate...

Dr. Michael Gonzalez-Campoy, MMA president, said that the plan was the result of "months of work," and that health providers briefed on it had been enthusiastic.

At its core, the plan would set out an as yet undefined set of "essential benefits" that would provide minimal coverage with an emphasis on prevention.

Dr. Judith Shank, a dermatologist and former MMA president who led the organization's health reform committee, said that while no guarantee of a subsidy exists in the bill, there is a presumption that "there would have to be subsidies for people who cannot afford" even the essential benefits coverage on their own.

Some additional money would come from the thousands of young people who are uninsured either by chance or choice. Shank has argued that "it is unfair for people who assume they are young and healthy to opt out" of health insurance, as some do. By requiring them to have some type of coverage, risk would be spread as broadly as possible, she said.

(Sen. Sheila) Kiscaden said that under the bill Minnesotans might be required to offer proof of coverage when they filed their income taxes or applied for a driver's license. By the same token, insurers would have to offer the essential benefits and could not reject anyone because of age, gender or health history. Preexisting health conditions, a common reason for rejection for traditional policies, could not be taken into account.

Gonzalez-Campoy said the mandatory requirement would bring another

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374,000 uninsured Minnesotans into the system, resulting in earlier treatment, more prevention and more affordable care. Ultimately, he said, "health care costs will be lower."

<http://www.startribune.com/stories/587/5318643.html>

Comment: The Minnesota Medical Association and the Minnesota state legislature are to be commended for placing comprehensive health care reform on the political agenda. My critique of their proposal should not be allowed to detract from their sincere support of much needed reform. But we should look at what their "months of work" on the policy issues has produced.

The plan begins with a core of "'essential benefits' that would provide minimal coverage" for everyone. But this presumes that there are additional beneficial health care services to which lower-income individuals are not entitled. Rather than defining a core of basic benefits, it would be more appropriate to define those health care services that should not be universally accessible.

Once you list items such as vanity cosmetic surgery or hospital penthouse suites, it becomes more difficult to define the care that you would deny. Since the purpose of reducing access to care is to control spending, it would be much more rational to use mechanisms that shift spending from useless or detrimental services to spending on all beneficial services for everyone. The spending on useless administrative services, on high tech excesses, and on other inappropriate services have been estimated to be 50% of our health care budget. Single payer policies would recover more of that waste than would be required to pay for the current gap in universal access to beneficial services.

Perhaps the most difficult political hurdle is to broker an agreement on how you pay for universal coverage. Acknowledging that subsidies will be necessary for people who cannot afford even the essential benefits is important, but there already is near universal agreement on that point. Leaving funding out of the bill reveals the fear of advancing a proposal that involves the government and taxes. Again, there is agreement across the political spectrum that reform must involve both government and taxes since there is no other way to equitably fund access to reasonably comprehensive services. That bull is charging us, and we have no choice but to grab it by the horns... now!

It would be nice to believe that a significant source of funding would be the young and healthy who are uninsured by choice. But since most of them actually are uninsured because they cannot afford coverage, no juice will be forthcoming from that turnip. For the few free riders who can afford to pay, an equitable system would ensure their compliance.

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Requiring individuals to offer proof of coverage is the equivalent of requiring uninsured individuals to pay for their own coverage (individual mandate), an impossibility for those who do not have the funds yet fall above the levels qualifying for subsidies. An effective policy would be to automatically cover everyone, then the need to provide proof of coverage would be eliminated.

With our current system of multiple private plans, community rating and guaranteed issue drive up premiums, making plans unaffordable for those with low or even modest incomes. Again, the problems of community rating and guaranteed issue would be eliminated by the adoption of a single payer system.

The primary reason for providing comprehensive coverage for the uninsured is that it does improve health care outcomes. But does it really save money? Earlier intervention does prevent spending on some more expensive interventions that would otherwise result from deferred access to essential care, but there is an offset through the costs of improved access to care. Although the net financial impact is difficult to quantify, any savings would not be enough to rely on to fund the gaps in coverage. Either we will have to spend much more money, or we will have to adopt a system that spends what we already have much more effectively, providing us with greater health care value. Of course, that's what a single payer system is all about.

Another quote from this article is appropriate:

"Rep. Jim Abeler, R-Anoka, the bill's House sponsor, said that even if the MMA proposal does not pass this year, it 'puts a whole lot of ideas on the table for us to look at.'"

We just hope that their aversion to politically charged policies do not prevent them from looking at all policy options, including those that would provide affordable, comprehensive health care coverage for everyone.

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