

To: Members
Minnesota House of Representatives

From: Minnesota Hospital Association

Subject: Omnibus Health and Human Services Budget Negotiations

Date: May 15, 2010

As negotiations on the Health and Human Services budget bill continue, the Minnesota Hospital Association would like to comment on what early enrollment in Medical Assistance and the care delivery reform mechanisms would mean to Minnesotans, hospitals and physicians; their number one priority.

This is about providing coverage for the lowest income Minnesotans, as we have done for decades. The only thing that is new is that additional federal dollars will now come back to Minnesota instead of going to other states.

We have spoken to several House Republicans who have told us that it is inappropriate to participate in "ObamaCare". We know that there are several portions of the federal health care reform legislation that are controversial from conservative legislators' perspective; national exchanges, subsidies for people with higher incomes and the mandate for insurance coverage. Those are the controversial provisions of "ObamaCare". What we are discussing today, is instead a provision that allows states to participate in MA (as has been an option for many many years.) but without filling out the paperwork for a waiver. Coverage for very low income individuals without children has been done by several states via waivers now it can be done without a waiver.

Connecticut was the first state to take advantage of this opportunity. In a public statement, Republican Governor Rell spoke about the early MA option saying, "We are moving aggressively to take advantage of the new legislation on behalf of both state tax payers and vulnerable residents in need of health coverage."

What hospitals are asking you to do is to help Minnesota to take advantage of the option to participate in MA for the poorest people in the state, bring to Minnesota federal matching dollars and pay providers more fairly. We are achieving all of this in the HHS Omnibus bill and it is fully paid for.

We would like to address some of the statements that have been articulated during negotiations:

1. This bill does not contain controversial elements of Obama care. This is not socialized medicine.
2. Early MA enrollment will not break the Minnesota budget. Starting in October 2013 the federal government pays 100% of the program cost. We need only to pay the 50% match for a 3 year period. The Health and Human Services Bill makes various program cuts to do just that. It's paid for.
3. This proposal saves jobs and is better reimbursement for Minnesota's hospitals and physicians, who are already under serious economic pressure to eliminate services that threaten their economic viability and care of patients in their communities. For every \$1 million in losses in health care, there are 20 good paying jobs lost in your local community.
4. The current GAMC program much more closely resembles Canadian style health care with limited/block granted funding that is so severely limited it will be impossible for patients to receive the care they truly need.
5. By rejecting MA enrollment, we are sending a message to local voters "you can send your tax dollars to Washington D.C., but we will make sure none of it comes back to Minnesota for jobs and health care." This is not the message we want to send to our communities.
6. Minnesota has for several years provided health care coverage to Minnesota's low income populations who have not been able to get coverage through their employer or the private market. We have made a commitment to this population with state funding and now have an opportunity to leverage federal funding to replace existing programs and coverage. This is not new. Other states have covered this same population without children through state waivers.

Your community needs your support.