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COACT initiates strategy with key groups and legislator to use HMOs' costs and mismanagement as reasons for MN Health Plan

Fighting for the single-payer Health Plan means taking on the 800 lb. HMO gorilla

With Minnesota's health care future at stake, representatives of COACT, the Greater Minnesota Health Care Coalition (GMHCC), Physicians for a National Health Plan-MN, and Conversations on Health Care met on Oct. 12 to stand up to the HMOs to show them for what they are- failures at providing affordable and accessible health care for all Minnesotans and further limiting our choice of doctors and hospitals.

The groups believe that these failures, along with waste and mismanagement of tax dollars, will make the case for the Minnesota Health Plan to merit the federal waiver over Accountable Care Organizations (HMO monopolies) to be our future health care system. Representatives of Minnesota Farmers Union and Small Business Minnesota were unable to attend.

The October meeting was initiated by COACT with Rep. John Lesch, member and past Chair of the House Civil Law and Data Practices Committee, whose experience with the HMOs' non-compliance to law motivated him to take them on. He is a St. Paul prosecutor and an infantry platoon commander in the Minnesota National Guard "Red Bulls."

Rep. Lesch addressed HMOs' non-compliance at Senior Caucus Day on the Hill Mar. 30. COACT's Helene (Terry) Berg carried on her back the HMO gorilla at single-payer events to show the HMOs' heavy toll on our health care.

Minnesotans have for decades put up with the HMOs' waste and unaccountability of tax-payer dollars, deceptive reporting of spending on state programs, non-compliance to law, and dependence on state government. In fact, 100 percent of reported profits for Blue Cross, Medica, and UCare in 2015 came from their operating the state's Medical Assistance and MinnesotaCare, according to GHMCC. This is one area where tax dollars could be saved by returning these programs to the Department of Human Services which administered them at low overhead before they were contracted out to the costly HMOs in the early 90s.

Wrestling Minnesota's health care future from the decades-long grip of HMOs

Ever since the early 70s, our precious health care dollars have been in the clutches of the HMOs. Beginning with the dubious experiment, legislated in 1973, that many competing HMOs would lower prices, they instead turned into monopolies in the 80s and 90s which failed to control costs. Nonetheless, the HMOs grew in political power in the early 90s when they were legislated to run the state's Medical Assistance and MinnesotaCare programs at tremendous profit for themselves and expense to taxpayers.

By 2016 they further concentrated their power into Accountable Care Organizations (ACOs) which has become the contending proposal vying against the Minnesota Health Plan for the federal waiver.

HMOs' power is backfiring on them

The accumulated power of the HMOs has given them control over reporting to the Legislature and Department of Human Services on their spending of billions of tax dollars that they were legislated to administer for the state programs. With that control, they've gotten away with paying amounts on Medical Assistance claims that differ from what they are reporting to the state. This misreporting has come under state and federal investigation and raises questions on their fitness for the federal waiver.

Bringing HMOs into public accountability

Although the ACO/HMOs have been getting control of the state's health care system, there is no time-line for the Legislature to determine which proposal it will recommend for the waiver. The legislative process can begin in 2017, but has no deadline.

The fact that the HMOs have come under state and federal scrutiny should make their questionable conduct a bi-partisan concern for the 2017 Legislature, regardless of party majority after the November election. Therefore, COACT and the other groups will be working with Rep. Lesch and other single-payer legislators on reform initiatives that will require committee hearings to bring the HMOs into public accountability. Such exposure will in turn help make the case for the Minnesota Health Plan while staving off the ACO/HMOs from getting the waiver.

Meanwhile, public concern over HMO premium increases of 50% to 67% in 2017 adds political support for single-payer. So far, 34 legislators are co-authors of the Minnesota Health Plan and 36 are co-authors of a study bill to determine the cost savings of single-payer vs. the HMOs. And Governor Mark Dayton has initiated $500,000 to fund the study. This growing strength will loosen the HMOs' gorilla grip on our future health care.

COACT and Minnesota Farmers Union urge continuation of the Farmer-Lender Mediation Program in the volatile farm economy

Farmers Union and Farmer-Lender leaders address Program at COACT Farm Picnic

With family farm income at a 20-year low, continuance of the Farmer-Lender Mediation Program, which emerged from the farm crisis of the 1980s, was urged by Minnesota Farmers Union President Doug Peterson and the Program's Director, Mary Nell Preisler, at COACT's 36th Annual Farm Picnic, August 21, at Pierz in Central Minnesota.

Minnesota's farm economy may not be in a crisis as it was in the '80s when family farm foreclosures were rampant, but the Program will always be needed in the volatile farm economy, they said.

MN Farmers Union President Doug Peterson speaks for the Famer-Lender Mediation Program at COACT Farm Picnic.

The Farm Picnic's annual message is "Farmers mean business on Main Street", which means that the prices paid to farmers for their milk, crops, and livestock affect local businesses.

"The prolonged 50% price drop for family farmers made this year's topic on Farmer-Lender Mediation especially relevant," said COACT President Sister Ruth Lentner, "because it facilitates the restructuring of loans when farm income doesn't keep up with rising operating costs, including rising HMO premiums and deductibles." Her two brothers are Benton County dairy farmers, and a sister and brother-in-law are Morrison County dairy farmers.

In 1986, COACT helped to enact the Program which gives farmers the right to third party mediators to help restructure their debt with lenders before they proceed with foreclosure. COACT farm leader Myrl Fairbrother was one of the first mediators. As COACT farmers helped work for the Program's enactment in the '80s, they now advocate for its continuance.

Mediation is especially needed for younger farmers working at off farm jobs to supplement their farm incomes and for health coverage. COACT, therefore, supports keeping the debt threshold at the original $5,000 level where farmers quality for mediation.

High HMO premiums and deductibles have expanded the need for the Program

Medical debt is a major cause of bankruptcy, and high HMO premiums and deductibles are major operating costs for farm families, said Program Director Mary Nell Preisler, which has expanded the need for continuing the Program.

Mary Nell Preisler was instrumental in establishing the Farm-Lender Mediation Program and became its Director in 2004.

COACT survey of Main Street businesses shows 81 percent support for the Program

Because the Program has successfully kept family farms in business for 30 years, it has been routinely extended by legislation every two years. However, legislation that extends the Program for another two years also, for the first time, created a task force of representatives of bank, business, and farm organizations to evaluate the Program and give its recommendations to the legislature by Feb. 1, 2017.

To hear the opinions of their own Main Street creditors, COACT farmers visited two banks, a co-op, and a feed-seed-fertilizer company in Central Minnesota. All agreed that the Program is still needed and should be extended because of the erratic nature of farming and the farm economy.

COACT testified on these creditors' opinions to the Senate Agriculture Committee March 23. On the other hand, banking association testimony said that since the farm crisis is over, the Program needs "modernization", and earlier they said it was a response to the crisis and only meant to be temporary.

Therefore, too hear Main Street's view, we surveyed 97 businesses and found that 81 percent of the responders support the Program; and 68 percent support keeping the debt threshold at the original $5,000 level.

A big reason for Main Street's support is that most of the business owners are from family farms, farm part-time, and/or have family members farming. They know the volatile farm economy is <u>not temporary</u>.