

Anti-disclosure HMOs expose the need for single-payer transparency

COACT joins session-ending battle for sunshine legislation

Facing exposure of unaccounted spending of our tax dollars, HMO contractors of the state health programs scrambled at the end of the legislative session, May 23, to be exempt from sunshine legislation requiring all tax-funded contractors of state programs to disclose their spending.

Meanwhile, the HMOs continue to undergo federal and state investigations for unaccounted tax dollars they receive annually for running the state health programs, which were outsourced to them by the Department of Health and Human Services in the early 90s. The annual amount is now \$4 billion.

Unwilling to let these HMOs- Blue Cross/Blue Shield, Medica, HealthPartners, UCare- off the hook, COACT, Land Stewardship Project, and Greater Minnesota Health Care Coalition appealed to single-payer legislators to champion the disclosure bill (SF 1770) without exception for any contractor.

Despite the gallant fight by Reps. David Bly, Carolyn Laine, Tina Liebling, John Lesch and others to stop exemption amendments, the HMOs' million dollar lobbying bought them a one year reprieve.

Nevertheless, the HMOs' frantic opposition to disclosure further exposed the need for transparency in health care spending, which is a basic principle of the single-payer Minnesota Health Plan (MHP).



COACT ED Don Pylkkanen (left) and Vice-President Charlie Quick (center) strategize with MHP author Sen. John Marty on keeping HMO exemption amendments out of the disclosure bill.

Although HMO disclosure is postponed for one year, they must explain in 2015 why an outside audit by the Segal Company reports their overcharging the state \$327 million by inflating their price data.

Legislators of both parties are dismayed that the HMOs are not reporting fundamental financial data on the programs they run, which amount to 20% of the state's general fund budget. Replacing HMO secrecy with single-payer transparency is long overdue.

Federal waiver gives state the right to enact a single-payer plan

Bypassing Congressional gridlock over single-payer, state supporters fanned out to their district and state conventions this spring to make the federal waiver in the Affordable Care Act (~~Obamacare~~) a top priority for their state legislators.

The provision allows states to apply for a State Innovation Waiver to create their own health care programs as long as they cover as many people as comprehensively and affordably as the federal program. Also, it cannot add to the federal deficit. The Minnesota Health Plan (MHP) bill accomplishes this, and Vermont's legislature already passed their single-payer bill and will apply for their waiver.



COACT Executive Director and other supporters flyer delegates to vote for the MN Health Plan resolution at the state convention.

The MHP legislation calls for a single, statewide program that covers all Minnesotans for all their health care needs. Patients will see the doctors of their choice, and coverage will always continue regardless of employment. Insurance premiums currently paid by employers and employees will be eliminated, along with co-pays and deductibles.

A portion of the plan will be funded by all Minnesotans, based on their ability to pay. The rest will be funded by consolidating federal and state dollars currently funding public programs, such as MinnesotaCare, Medical Assistance, and Medicare.

But for Minnesota to be able to enact the MHP, the state legislature must first pass enabling legislation that directs the Department of Health and Human Services to apply for the State Innovation Waiver.

State-by-state creation of single-payer programs in the U.S follows Canada's province-by-province creation of their single-payer system in the early 70s.