

## Executive summary

# Unfinished business: A discussion paper on the need for universal health coverage in Minnesota

*Bill has diabetes and without health insurance, he doesn't see a doctor to find out how to treat it. If he gets very sick, he will go to the emergency room. His health is getting worse and he's not able to work.*

*Joan worries that if her strong, fit, uninsured 25-year-old son has an accident, his financial future will be ruined by medical bills.*

*Mike and Ellen's teenaged daughter is resisting treatment for her condition because she knows the family already owes \$38,000 to the hospital.*

The effects of going without health coverage can be devastating to Minnesotans personally. And the costs to Minnesota's businesses and its overall economy are just as heavy. For example:

- Uninsured adults have a greater chance of experiencing a major health decline than insured adults
- Uninsured children are four times more likely to go to an emergency room than insured children
- Providers pass along the costs of uncompensated care, reflected as higher premiums for those with coverage
- An estimated \$65 billion to \$130 billion of productivity is lost each year in the United States due to absences or diminished ability to function, related to the effects of being uninsured

Minnesota has been a national leader, coming closer to achieving coverage for all than any other state. But our rate of uninsured is rising, "safety-net" providers are being stretched thin, and more than 383,000 Minnesotans remain without health coverage.

## We're in good position to close the gap

Surveys and forums conducted with Minnesotans show strong support for the idea that everyone should have health care coverage, and they are willing to make some sacrifices to achieve that goal. And much work is being done to make our systems more efficient, improve health, and give people more information and power in their own health care experience.

Health coverage for all in Minnesota is within our reach, with a strong history, a vibrant individual insurance market, committed employers and the expressed wish of Minnesotans to work through a public/private partnership.

Blue Cross and Blue Shield of Minnesota is committed to providing thorough research, seeking input from all stakeholders, and presenting flexible model options for how universal health coverage can be achieved in our state.

## Past efforts form a strong base

Visionary health policy leadership helped create the MinnesotaCare Program, a first-of-its-kind subsidy for low-income working people and their families passed into law in 1992. The MinnesotaCare law also adopted a series of insurance reforms that allowed employers greater access to affordable coverage for their workers. With the passage of MinnesotaCare, Minnesota saw its uninsured rate fall to a low of 5.4 percent in 1999. But a recent survey conducted by the University of Minnesota shows that Minnesota is losing ground, and the percent of uninsured has risen to 7.4 percent.

To solve this problem, Minnesotans want to build on our past success. In a series of Blue Cross forums held across the state, participants identified key values of the health care system they want: fairness, cost control and affordability, a combination of private (market-based) and government roles, and choice. Discussions conducted through a governor's task force were consistent with these values.

## Research results inform future models

Research results discussed in the “Unfinished Business” discussion paper include:

- Who are the uninsured?
- Reasons people don’t have health coverage
- Where Minnesotans get their health insurance
- What is affordable?
- What difficulties does the safety net face?
- Employer-based health care funding
- An example from Massachusetts

## Components of a framework for Minnesota

Blue Cross has identified the following components as important ones for achieving health coverage for all in Minnesota — model options show that as various components are removed, both state spending and the number of people covered would decrease:

- A requirement that all Minnesotans have coverage, with an enforcement mechanism that uses payroll systems and the state’s tax system
- New and existing subsidies for individuals and families
- A requirement that insurers must accept individuals who apply for their products, with a risk adjustment mechanism for insurers taking on high-risk cases
- New ways for employers to help assure that their employees get coverage
- New roles for employers to help refer their employees to coverage and help collect “fair share” penalties
- Access mechanisms to do outreach and enroll eligible people in public programs, calculate subsidies or noncompliance penalties, help people find appropriate coverage, and help individuals maximize tax deductions for health coverage

Many state organizations, such as the Minnesota Medical Association, Hospital Association, Council of Health Plans, Chambers of Commerce and Business Partnership and government and public policy leaders, are working to simplify the system, improve quality of care, give people good information and strengthen the safety-net structures. Achieving coverage for all Minnesotans is both the reason for, and a vital link in that work.

Blue Cross is prepared to help build a coalition to design and promote a universal coverage strategy. We are prepared to contribute to Minnesota’s solution to cover everyone by modeling options for consideration. We see ourselves as experts on insurance reform, but mostly as collaborators in an important cause. No one of us can do this work alone. We hope the reform framework we have built will allow for lively discussion and decisive action.

*The complete discussion paper including more details on the framework for reform is available at [bluecrossmn.com/public/access](http://bluecrossmn.com/public/access).*