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# Local view: Health-care law good, Minnesota can do better

**Buddy Robinson**

The historic health-care bill is now law, enacting important advances. About 32 million uninsured will get covered, and subsidies will increase affordability for millions more, including small businesses. Lifetime limits and denial or cancelling of coverage because of pre-existing conditions will be banned. The Medicaid income limit will be raised. Wasteful subsidies to insurance companies in privatized Medicare will be reduced. The Medicare drug “doughnut hole” will phase out. The age spread in premiums will be limited to three-to-one. States will get help on costs.

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There are many other improvements. The most important: The legislation declares that has a right to affordable health care. It is a step in the right direction, and more steps can follow.

However, the patchwork law does not resolve the health-care crisis and the forces that aggravate it. Millions will remain uninsured. Premiums will keep rising. Subsidies will be inadequate for some. Insurance companies will keep profiteering, with billions in subsidies, without strong rate regulation. Medications will keep costing twice what they need to. A chunk of Medicare is still wastefully privatized. Health care will continue to cost much more than is necessary. Excessive administrative overhead and the burdens it imposes on health-care providers will keep wasting more than

20 percent of health-care dollars.

This will not be financially sustainable. The can is being kicked down the road. To achieve permanent, universal, affordable care, we still need to address the basic structural reform that can bring down costs in major ways.

The monumental struggle that engulfed Congress, dominated by the power and money of the insurance and drug companies, showed why full reform must come first from the states.

The Citizens Federation and our allies’ efforts are focused on Minnesota and, at an even more grass-roots level, Minnesota’s counties. Our policy solution is a state-level, universal, affordable, comprehensive, fairly funded system: the Minnesota Health Plan.

The Minnesota Health Plan would be a public, efficient and fair coverage program that replaces private insurance for most Minnesotans and reduces costs in several ways, including lower drug prices. Premiums would be on a sliding scale based on income. Businesses and government units would have lower costs than now. Cities like Duluth would see retiree health-care liabilities greatly shrink.

The Minnesota Health Plan bill already has 74 cosponsors. That's 37 percent of the Minnesota Legislature. The bill has passed four committees.

Some state legislators are pursuing instead market-based reforms targeted at medical providers with promises of savings that are not borne out by peer-reviewed research. Some say the state's nonprofit HMOs are very efficient, with low administrative expense. However, the only independent audit of these expenses revealed them to be twice what was claimed by the HMOs. The Minnesota HMOs sit on hundreds of millions of dollars of unregulated excess reserves, mostly from taxpayers' overpayments for public health programs.

There are ways for counties to create locally controlled, self-sufficient "public options." We are encouraging those as well.

A related nonprofit concept is the HealthShare program in Duluth, which eliminates the insurance-company middleman and gets a much better value for small businesses.

A state coverage system like the Minnesota Health Plan cannot operate as efficiently as it could on a national level. However, it would be a vast improvement over the present situation and would demonstrate how to solve the health-care crisis.

After several states implement measures like the Minnesota Health Plan, the momentum can build for Congress to construct a strong national plan and overcome the pressure from the insurance, drug, and other interests which seek to maintain enormous profits and nonproductive spending, at the expense of everyone else's health and pocketbooks.

For more about the Minnesota Health Plan, go to [mnhealthplan.org](http://mnhealthplan.org)

For more about the Minnesota Citizens Federation, go to [citizensfed.org](http://citizensfed.org).

*Buddy Robinson of Duluth is staff director of the Minnesota Citizens Federation-Northeast and is co-coordinator of the Greater Minnesota Health Care Coalition. He has more than 30 years of health-care policy experience.*