

Legislative Contacts

QUESTIONS?

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Links noted in Talking Points:

- 1: <https://mn.gov/commerce>
- 2: <https://mn.gov/commerce/consumers/your-insurance/health-insurance/rates/rate-filings/2019/>



SAVE THE DATE:

Insurance Day 2019

MONDAY, MARCH 11, 9AM - 6PM
ST. PAUL RIVERCENTRE

Insurance Day is a chance to talk to legislators about how the insurance industry protects the financial security, property, and health of Minnesotans and the important impact our industry has on the Minnesota economy. Insurance Day is free of charge and includes training seminars, meetings with legislators, lunch, transportation to the Capitol, and a reception at the end of the day with key legislators and door prizes. Continuing education credits available pending approval.

REGISTRATION BEGINS JANUARY 28

Check the MAHU website for information on membership, speaker/CE meetings, and legislative updates.

MAHU | www.emahu.org
**Insuring, Protecting, Educating
& Advocating for Minnesotans**



MAHU TALKING POINTS – REINSURANCE & MNCARE BUY-IN

Minnesota
Association of Health Underwriters

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Talking Points You Can Use

Minnesota Premium Security Plan (Reinsurance) – MAHU Supports

- For decades before the ACA was passed, Minnesota maintained a high-risk pool (the Minnesota Comprehensive Health Association or MCHA). The MCHA program was supported by the MCHA Assessment, a tax on all fully-insured policies (individual and group). Since this has been a shrinking segment of the marketplace, MAHU has long sought a broader funding source. The new Reinsurance plan that is currently in effect did just that.
- The current reinsurance plan has been successful in providing a broader, fairer funding source.
- The current reinsurance program has objectively reduced premiums. According to the ¹[Minnesota Department of Commerce](#), the plan reduced premiums by 20% for 2018 compared to rates that would have been in place without the program. In addition, the Reinsurance program is a large factor in the reduction of ²[rates for 2019, which are projected to be reduced by up to 27.7%](#).
- The market segment covered by the plan is critical to new business creation since it is where entrepreneurs get their coverage when they start a new business. Reinsurance is pass-through funding to help pay for expensive medical bills.

None of the funding goes to the insurers' bottom line. Unused money stays in the re-insurance fund to be used in the future.

- With the state's receipt of federal funding for this program (projected to be \$254 million in 2022), there is more than enough funding that was previously allocated to the program to extend funding through 2022, the date that the federal waiver and funding extend.

MinnesotaCare Buy-In Program – MAHU Opposes

- Such plans will mean severe cuts to local doctors and hospitals, especially in rural Minnesota. This is because programs like MinnesotaCare pay doctors and hospitals about 50% of the rate paid by private insurance, often below the cost of providing services.
- Cost Shifting - Hospitals and clinics cannot pay their bills and keep their door open when the payment does not cover the cost of providing the service. What do they do then? They are forced to shift costs onto the rest of us who have private insurance.
- Limited Access - Doctors and hospitals may have to limit the number of patients they see on those underpaying programs. This means you may well have a difficult time getting in to see the doctor of your choice or will have to drive hundreds of miles to find a doctor who can see you.
- Even the Dayton Administration understood their plan underpays doctors

and hospitals when they changed their original proposal for the MinnesotaCare Buy-In from using Medicaid rates to using Medicare rates. This change alone produced a whopping 46% increase in the projected price for this program, yet they are still paying doctors less than the cost of providing the services.

- Fewer options, not more - Once the government steps into the market with a cut-rate plan fueled by artificially low payments to doctors, don't expect the other competitors to stay in the market for long. Consumers will be left with just one choice – buying from the government.
- Killing the small-group market too - When small employers find it cheaper to send their employees to MinnesotaCare, there will be little incentive for them to offer health benefits that are not required by law. This will further reduce revenues for doctors and hospitals.
- It's not really MinnesotaCare - MinnesotaCare Buy-In program, other than the name, it is not really MinnesotaCare. The deductibles, co-pays, and premiums will all be much higher than the MinnesotaCare program people now know. Consumers will find that to keep the plan price low, the network will include fewer doctors and fewer benefits will be covered. It's the kind of bait and switch plan that is illegal in the private sector.