**The Minnesota Health Plan**

**Moving Beyond Obamacare**

1. Title Slide
2. I am a member of Physicians for a National Health Program, a national physician’s organization that advocates for quality health care for all Americans. Here in Minnesota, our state chapter has nearly 1,000 supporters. We are enthusiastically supporting the passage of the Minnesota Health Plan, which would guarantee cost-effective and quality care to every Minnesotan.
3. My talk will be divided into 3 parts. First, I’ll speak to the major flaws of the current US health care that have led to our present-day crisis. Next, I’ll discuss the coming changes being brought by the ACA, or Obamacare, and how this law will fall far short in solving our problems. Finally, we’ll explore how Minnesota can do better—an innovative reform known as the Minnesota Health Plan, that would guarantee quality coverage to every Minnesotan while keeping more dollars in the pockets of Minnesota families and businesses.
4. The current US health care system cannot be called a “system” at all. In fact, we have a complicated mishmash of different systems—both public and private—that provide coverage to only some of us. Most Americans under 65 depend upon their employer to offer coverage —if their employer chooses to do so. The employer buys private insurance, which is increasingly unaffordable, with the costs being shared by employer and employee. If your employer does not provide health insurance, or if you are self-employed, or unemployed, then you must try to buy an individual policy from a private insurance company. This is highly problematic, for two reasons: the cost of a family policy is now nearly $16,000 a year, unaffordable for a middle class family, and if the individual or family member should have a pre-existing condition, they will typically be denied coverage by the private insurance company, who avoids covering sick people, since this negatively impacts company profits. We have a separate system for those Americans over the age of 65 -- Medicare, a federal single payer system for our nation’s elderly that is one of the most popular government programs in history. We have another system for the nation’s poor—Medicaid. Another system for our veterans—the VA. And yet another system for American Indians—the Indian Health Service. Finally, the big dark cloud looming over us is the 48 million Americans who fit into none of the above, and are left uninsured. This is a situation unknown to all of the world’s other wealthy democracies.
5. So how good is our “system”? Plenty of politicians and talking heads will have us believe that everything is just fine, that we are indisputably the best health care system in the world. How can they make this claim? They will typically cite our world-class medical centers (right here in MN we have the Mayo Clinic and the University of Minnesota Hospital), our freely available state-of-the-art technology, and some of the best-trained physicians in the world. All true.
6. But there’s another side of the story. If we look at the three standard criteria for evaluating a health system—cost, access, and quality—we see that America has far and away the most expensive health care in the world, tens of millions have no access to health care, and our clinical outcomes are mediocre, at best.
7. Cost
8. The cost of our health care leads the world by far. Health care now consumes nearly 18% of the US GDP, which is approximately double of what other western democracies spend. The cost of health care is increasingly out of reach for average Americans, with the annual premium of a family policy now at $15,700. This is twice what we were paying 10 years ago. During those 10 years, US workers’ wages have remained flat. With this in mind, it’s no surprise that unaffordable health care costs are responsible for a full 62% of personal bankruptcies in our country—more than any other cause.
9. This slide shows clearly how US health spending is approximately double of what is spent by our western neighbors, who by the way, manage to cover all of their citizens, not just some of them.
10. This slide demonstrates how the cost of a health policy has doubled in the past 10 years—both for an individual policy (orange bars) and for a family policy (blue bars). It should be noted that this slide predates Obamacare. This cost explosion has been occurring long before Obamacare, and will only continue after Obamacare.
11. Access
12. When we talk about troubles with access in our health system, we need to talk about two groups. We often hear about the uninsured, but it is important to also know about another group—the underinsured.
13. First, the uninsured. This currently includes 48 million Americans. It should be noted that in 2010 alone, 7 million Americans lost coverage. This was a time when millions of Americans were losing their jobs in the financial crisis. In a system in which your insurance is linked to your job, when you lose your job, you suffer doubly, because you also lose your insurance. Here at home, we have 446,000 fellow Minnesotans who are without insurance. And for those who take comfort in their belief that the uninsured are somehow lazy, jobless, slackers, it should be noted that a full 63% of the uninsured are working full-times jobs—sometimes 2 or 3 jobs, but typically lower-wage jobs that do not provide health insurance.
14. This slide shows how our dysfunctional health system has failed to include an increasing number of Americans.
15. A study by Harvard researchers found that every year, approximately 45,000 Americans die prematurely due to one reason alone—lack of health insurance (this is approximately fifteen 9/11’s occurring every year on our soil). Lack of health insurance is responsible for a 40% increased risk of death.
16. In addition to the uninsured, an increasing number of Americans are faced with the problem of underinsurance. These are Americans who carry health insurance coverage, but the actual coverage is poor, such that if the individual actually gets sick, they are faced with unaffordable out-of-pocket costs in the form of high deductibles and copays. The number of is increasing, as more and more Americans carry poor policies with high deductibles--$2,000, $5,000, even $10,000. As a result, when these individuals get sick, they stay at home rather than going to the doctor and getting the care they need. Someone with abdominal pain may stay home to “wait it out a few days”, only to have their appendicitis rupture and lead to serious complications, weeks in the hospital, maybe death. If people do access the care they need when they’re sick, the resulting medical expenses can easily bankrupt them.
17. This slide demonstrates the growing trend of underinsurance through high-deductible plans
18. This slide shows what happens when people are underinsured.
19. Who does underinsurance benefit? One very big and profitable industry. When people are underinsured, they don’t go in for the care they need, and the insurance companies are off the hook.
20. Quality
21. With all our spending, one would think that we certainly must also get the best clinical outcomes. Unfortunately, this is far from the case. The WHO found that US life expectancy is not first in the world, but 28th out of 193 countries. Our infant mortality is even worse—41st out of 193. Our overall system is rated not first in the world, but 37th (between Costa Rica and Slovenia). Our overall clinical outcomes are worse than almost any other advanced democracy—the only one that does worse is Mexico.
22. “Amenable mortality” refers to unnecessary, premature deaths that are fully preventable with timely health care. By this measure, the US placed dead last out of the 16 high-income countries studied.
23. So what’s going on here—how can we spend so much more than everyone else, and get such poor outcomes?
24. In a word, it’s inefficiency. A full 31% of our health care spending goes not to health care, but to administrative costs. When we talk about this administrative waste, there are two sides to the equation—the provider side (doctors, hospitals) and the payer side (insurance companies)
25. In order to get paid for the care they provide to patients, doctors and hospitals must contend with the complexities of hundreds of different insurance plans. Each patient they see has different coverage—for tests, procedures, medications—that often require pre-authorization from insurance companies. Doctors spend a significant portion of their workdays filling out paperwork and making phone calls to insurance companies, rather than treating patients. The average US physician practice spends 21 hours per week dealing with administrative requirements. The typical practice in Canada spends about 1/10th that time. Canada happens to have what’s known as a single-payer health system, rather than a complicated mishmash of private insurance companies. American hospitals need to operate huge billing departments with armies of coders and billers—just to get paid for the services they provide to patients.
26. This slide shows the considerable difference in billing and administrative costs between hospitals in the US and Canada.
27. And this slide dramatically demonstrates just how onerous the administrative drag on US health care has become.
28. The other side of administrative inefficiency in US health care clearly belongs to the private insurance industry. In the US, there are over 1,500 private insurance companies that all essentially do the same things—none of which contribute to the actual care of patients. These companies are run by executives earning exorbitant salaries. Our nation’s biggest insurers are for-profit, so at the end of the year, the billions in profit they earn is taken out of our health system and distributed to investors. The top 5 insurers took $12 billion in profits in 2009, a year when nearly 3 million Americans lost their insurance. Something is very wrong here.
29. Profits of the 5 largest insurers—just for the first 6 months of 2012. These are our health care dollars not going to health.
30. The top insurance company CEOs earn more per day than the average American earns in a year.
31. There is one insurer that does things far more efficiently than all the rest—Medicare, which is a single-payer insurer of our nation’s seniors. This might seem to conflict with many people’s belief that the government is less efficient than the private sector. However, when it comes to providing insurance, Medicare doesn’t need to engage in those wasteful functions of private insurance—advertising, marketing, underwriting, lobbying, high CEO salaries, profit-taking—so it can provide coverage far more efficiently—with a mere 3 % overhead.
32. So the obvious question is—shouldn’t we be spending our health care dollars on actual health care?
33. In 2010, Congress passed the ACA, signed by President Obama. To say it was controversial legislation is an understatement. But let’s look at the Pro’s and Con’s of the bill.
34. One of the primary deficiencies of the ACA is that it doesn’t even come close to universal health coverage. Over 30 million Americans will remain uninsured, including 250,000 Minnesotans.
35. This slide shows how underinsurance will remain, how even those Americans who get coverage under the ACA will remain highly susceptible to bankruptcy should they actually get sick and need health care.
36. The Dean of Harvard Medical School sums it up well.
37. So let’s talk about how we can do things far better and smarter right here in Minnesota. The MN Health Plan.
38. With the MN Health Plan, the complex and inefficient mishmash goes away.
39. To be replaced by a single streamlined entity known as the MHP.
40. An important feature of the MHP is that, while payment is provided by a single public entity, doctors and hospitals remain private and compete with one another, based upon their quality, service and reputation. The difference is they get paid for their services by one single streamlined payer, rather than dealing with hundreds of insurance plans. Same goes for payment for diagnostic tests, procedures and drugs.
41. The Lewin Group is an independent, nationally recognized health care consulting firm that last year studied the impact of a unified, single payer model in Minnesota.
42. The study found that adoption of a unified, single payer plan would cover every Minnesotan (both medical and dental coverage), while saving the state $4 billion in health costs in its first year alone. Over a 10-year period, savings would be at least $65 billion, and possibly well over $100 billion. Minnesota businesses and families would see significant financial benefit, with more dollars in their pockets to spend on things other than insurance and medical bills.
43. The advantages of the MHP are profound and wide-reaching.
44. We need your help!