

## AT THE CAPITOL

# Health coverage for \$240 a month

- Aspects of a GOP privatization plan could become law, meaning low-income people could be shopping for plans with vouchers.

By WARREN WOLFE  
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In a pioneering bid to streamline the state's big health insurance programs, the Legislature's new Republican majority is poised to give thousands of low-income Minnesotans vouchers to buy coverage in the private marketplace.

Republicans say the voucher plan, contained in a huge budget bill under debate Wednesday in the House, would cap the state's liability, treat low-income people with respect by giving them responsibility for their own care, and unleash the power of competition to contain rising health care costs.

The state's growing health care programs "can't be sustained," said Rep. Steve Gottwalt, R-St. Cloud, the architect of the insurance privatization plan. "We as a state and nation can no longer afford to make promises we can't keep with money we don't have."

On Wednesday, hours before the House debate commenced, Darrell Whitaker, 41, sat down with a telephone in Minneapolis to see what a voucher would buy to replace his current coverage under the state's

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MinnesotaCare program.

Whitaker, who earns \$960 a month from a part-time job as an aide in a program helping fifth-graders succeed in school, would get a voucher for \$239.84 per month.

After calling two insurers, he discovered he could do fine — as long as he stays healthy. Blue Cross and Blue Shield of Minnesota offered a plan with a \$1,000 deductible and monthly premium of \$256. Pretty good, Whitaker said. As envisioned by legislators, the voucher would pay 90 percent, leaving Whitaker to pay \$25.60 a month, only a little more than his current MinnesotaCare premium of \$21.

But his problems could mount if he gets sick or needs prescription drugs. While the insurance plan would give him a free annual checkup and preventive care, he then would pay \$30 a time for up to three doctor visits, a \$10 co-pay for generic drugs, and all other costs until he reaches his \$1,000 deductible. After that, he would pay 20 percent of costs up to a maximum out-of-pocket total of \$4,500.

And what if he had a chronic disease — say diabetes, which runs in his family? He called Medica. That would exclude him from coverage, the salesperson said. He was directed to call the Minnesota Comprehensive Health Association (MCHA), a state-subsidized plan for people denied private insurance.

Advocates for the poor say that many people in the target groups, often suffering from chronic illnesses and struggling to make ends meet, cannot afford the higher co-pays and high deductibles of private policies and would lose coverage and seek help at high-cost hospital emergency rooms.

Supporters of the bill say

that insurers, offered thousands of new customers with vouchers, would compete to offer new forms of coverage.

Out-of-pocket medical costs might rise, they say, but commercial plans would pay more to providers and offer better catastrophic coverage, especially than MinnesotaCare, which caps in-hospital coverage at \$10,000 a year, with a \$1,000 co-pay.

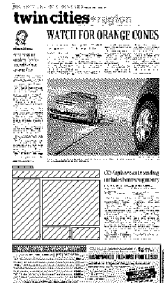
The House bill also envisions the possibility that someone like Darrell Whitaker might be redirected to MCHA, and increases the voucher by 20 percent to cover the higher-cost plans the association offers.

The House version would include anyone on MinnesotaCare earning at least 133 percent of the federal poverty guideline — \$14,484 a year for one — and replace it with a monthly voucher worth \$98 to \$536, depending on age and income.

The Senate version, approved last week, offers the same benefit starting at 75 percent of poverty, or \$8,168 a year, for people on MinnesotaCare and the state-federal Medicaid program for the poor.

The state could shift about 20,000 single adults from MinnesotaCare into the voucher program starting Jan. 1, 2012, but would need federal approval to move about 70,000 others in families with children.

Once negotiators iron out differences in the House and Senate budget bills, the result is almost certain to be vetoed by Gov. Mark Dayton, who opposes many measures in each



bill.

### Plan could become law

Some aspects of the privatization plan, however, could end up in a compromise between the governor and Republicans, some observers say — especially if it excludes the poorest Minnesotans.

“I think the governor actually could end up compromising on that one,” said Sue Abderholden, who heads the Minnesota chapter of the National Alliance on Mental Illness. “That’s why I testified against it” at a Senate hearing last month. She is concerned that mentally ill people could not afford good coverage of expensive psychotropic drugs.

Even the health insurance companies that would offer

plans to the affected beneficiaries are skeptical that their plans would be affordable, especially for the very poor.

“For some lower-income people, something like this might work,” said Dannette Coleman, vice president for individual and family business at Medica, the state’s second-largest health plan. “But they need to have to have enough financial resources, and enough ability to make good decisions, and I don’t know how you draw that line.”

After getting off the phone Wednesday, Darrell Whitaker reviewed his options and said it seems pretty simple.

“OK, I get it,” Whitaker said. “I just can’t get sick.”

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In an effort to determine what insurance he might be able to purchase to replace his MinnesotaCare coverage, Darrell Whitaker called insurance companies (at the Star Tribune’s request) at the St. Stephen’s outreach office in Minneapolis.