

**Testimony by Twila Brase
President, Citizens' Council for Health Freedom
MN Legislative Advisory Commission (LAC)
October 23, 2012**

RE: Federal grant request for MMB/Dept of Commerce: Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges, Affordable Care Act (*Time: 2:08 in videotape*)
State Office Building, Room 10

Sen. Claire Robling: We had one person who asked to testify. ...

Twila Brase: Thank you Madam Chair and members of the committee. My name is Twila Brase. I'm president of Citizens' Council for Health Freedom. We have long opposed the health insurance exchange. And I just want to make sure that some of the questions that you asked, I don't know that it was a really clear response that you got, and I'm just going to say several things I know from being at the hearings of the exchange committee. So when they send in their application for the November 16th there are several things that they cannot attest to and they have said that they can't. They can't attest to having a law. They can't attest to governance, and clearly with what was said today, they are going to need the legislature to actually have funding to go forward. When you asked about the fees, they said that would be up to the legislature to decide. Clearly it means that they can't and it can't be done by executive order.

I also want you to know that there are 37 states according to PriceWaterhouseCooper that have not chosen to go forward with the state-based exchange and that report said moving toward a state-based exchange would cause an irreversible shift in how health care is paid for in this country. Also we're so concerned about this law 3.003 or 3.0035 [actually M.S. 3.3005] that says that the governor can go forward and do this without the legislature. And we believe that that law should be undone and that the next legislature should make sure that that happens because it's really - - no longer do we have a divided government making decisions. Now we just have the executive officer whether it's a Republican or Democrat who is able to supercede everyone else including the citizens because it's really - - after all you only are our representatives. The governor is there but if we don't have you as our representatives and you aren't able to do anything then what good is it.

I'd also like to say that 72 staff members means a brand new bureaucracy. I have heard from the exchange folks that their plan is to prepopulate the exchange and if you haven't looked at Exhibit D in the Maximus contract, I would encourage you to do so. It says that public data, private data, confidential data, non-public data, health records, individually-identifiable health data, tax records, chemical health information, all of this will be shared with Maximus as part of creating this entire system.

And when you think about pre-populating, the exchange is not a marketplace as it's been

sold – that was the term used by Herndon Alliance which is a liberal group to try to convince everybody that it was actually a marketplace when it isn't. What you have to understand is that this is a national registration of health insurance. The federal data services hub – all the information that goes into the exchange goes straight to the IRS. The IRS then knows, especially because it's a prepopulated database exactly who has insurance and who does not so it also becomes an enforcement tool for the IRS.

And I just want to note that one thing that was stated here, but not stated quite so well was the fact that the data – I think it might have been Schowalter or I'm not sure – who said that we have health data here. We do have health data here as a result of a very controversial peer provider grouping requirement of 2008. And there is going to be health data that is given to the exchange to try and say who's a good doctor and who's not a good doctor according to what the government determines is a good doctor. And we already found out last session that the health department didn't have a very good methodology at all and was so controversial.

So what we're talking about here with the exchange is actually a very large database. A large database for tracking insurance status – it is where you will register your exemption to the mandate. It is where you have fulfilled it by either you or your employer signing up for health insurance. And it is a place where eventually it will be the only place where you can purchase health insurance in this state. So we are very concerned about the fact that we are moving forward here.

The other thing I want to say, at one of the exchange committee, Tom Barden, the IT Director, talked about the fact that this type of project should take four to six years and that it was scary how fast they've worked on it – they've only worked on it one year. They don't even really know if it's going to work, right?

So what we're really talking about here is pushing a process and what we're talking about is not asking for that extra money. They didn't ask for it so they could come to the legislature, right? This is all about pressuring the legislature. Building the system and then pressuring the legislature to keep it going. So we don't want this system to keep going. We know what it is. It's the arm of the federal government within the state. Every exchange is a federal exchange. Every exchange can do only what the federal government does [says]. For all we know they are helping to build the exchange that every other state in this country could use if they're the first ones done with it. So I'm here to ask you to do whatever you can to actually stop the exchange, whether it is now, whether it is legally, or whether it is in the next legislative session. Thank you.

Robling: At this I don't believe this body actually has the power to stop it. We are an advisory commission. We did try and change that balance of power in the last legislative session. Rep. Holberg and I had a bill that would have been able to have the legislature put a hold on - - in fact, this body, put a temporary halt – federal grants coming into the state till the legislature was in session and had time to act on it if that was the vote of the LAC. But the governor vetoed the bill, so we're here where we are and we don't have the option of stopping that federal grant money from coming in. We can say we don't like it.....I don't know that this commission will vote today on any action because we would like to get those responses I think.