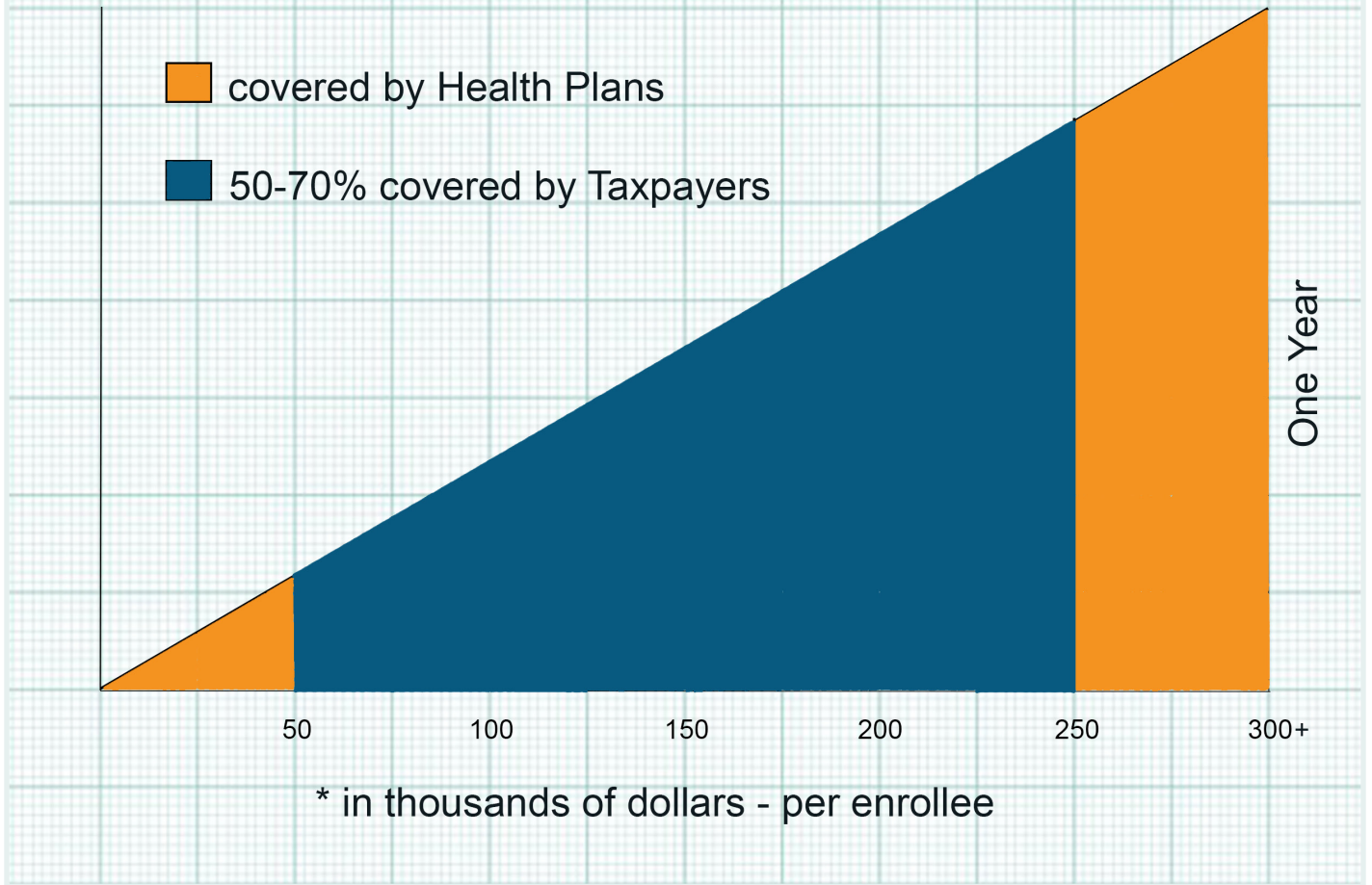


MN Premium Security Plan

“Reinsurance” - HF 5



Reasons to Oppose MN Reinsurance Legislation:

- 1) Taxpayers Become Insurers - Relieves insurers of their insurance function in the individual market and lays it on taxpayers who will pay 50-70% of all medical bills between \$50,000 and \$250,000. Taxpayers will cover up to \$140,000 of the cost of patients in the individual market after \$50,000. Insurers will likely buy reinsurance to cover all costs over \$250,000.
- 2) New Invisible Government Program - Minnesotans in the individual market will have a Medica, Blue Cross or Healthpartners card but they'll be enrolled in a government program: **MN Premium Security Plan**. They'll think the health plan is paying their bills, but as soon as their costs rise above \$50,000, taxpayers will be paying. A boon for health plans; a bane for taxpayers.
- 3) Data Shared with Government - A special health plan portal will be set up to share medical data with the government-established entity (MCHA) that will pay medical bills exceeding \$50,000.
- 4) High Cost - MCHA's peak enrollment was 38,000 people. There are approx. 250,000 in the individual market. Expected costs are \$300 million per year. The new government plan does not sunset and will use the provider tax/health care access fund, which is scheduled for repeal in 2019.
- 5) House vs Senate - SF 720 coinsurance is 80% of costs after the first \$45,000 up to \$250,000.