

# ALL CARE IS LOCAL

## DATA FOR FREEBORN COUNTY

People in Freeborn County pay for care in many ways: Medicaid in many forms, MinnesotaCare, employer-sponsored and insurance people buy on their own, and Medicare. They face ever-increasing medical bills and premiums, and deductibles and copays that are uncomfortably high. Toss in daily conversations in Washington, D.C., and St. Paul and it's nearly impossible to keep track of it all.

So, we're trying to show you how it's all connected to care for Freeborn County residents by laying out some of the upcoming changes and policy conversations.

### Data to bring it home

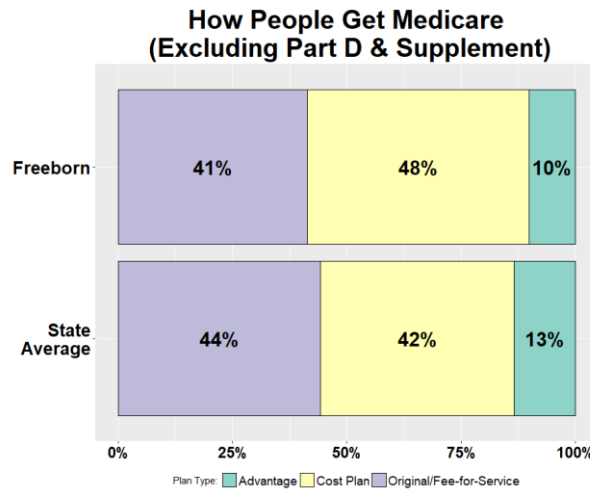
Here you'll find health insurer data, along with details that are publicly available, and help to make connections about:

- **Medicare, it's changing in two ways.** Right now, Medicare is working on major changes to how it pays clinics. And more than 300,000 people across the state will change how they get Medicare between now and 2019 under current law.
- CSRs remain a news story in Washington and here. These Cost Sharing Reductions lower deductibles and copays for low income people. And in Minnesota, **CSRs helped fund MinnesotaCare.**
- **Medicaid in Minnesota** now insures 923,400 people in the state, 178,842 of whom didn't get it before. Congress continues to talk about both pulling back the Medicaid Expansion, the insurance these people have, and other changes to Medicaid funding.
- In 2017, about 125,466 people across the state got **help to pay premiums** from the federal government to pay premiums. The average household saw a discount of \$609 each month. Another 109,000 people got help averaging \$606 from the state and health insurers through the state's Premium Subsidy Program.
- About half of the people with health insurance are worried about being able to afford care, reports the [Kaiser Family Foundation](#). We are showing you **data about the care people get**. Who pays determines how much is paid.

## MEDICARE CHANGES FOR PEOPLE, CLINICS

**Changes for people.** A specific type of Medicare, Medicare Cost, is going away in most counties nationwide as the government restructures Medicare. It effects more than 300,000 people statewide, including about **3,274 people** (48 percent) in Freeborn County.

**Changes for clinics.** MACRA. MIPs. APM. New Medicare lingo that describes changes to how Medicare pays clinics. In 2019, Medicare is scheduled to start paying clinics for the care they give, not the process of giving it. Medicare Access and CHIP Reauthorization Act (MACRA) requires the changes. They affect care people get through Medicare Part B, most often received outside a hospital. While the rules aren't final, physicians, dentists, chiropractors, registered nurses, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, physician assistants, physical and speech therapists will get some of their pay the new way.



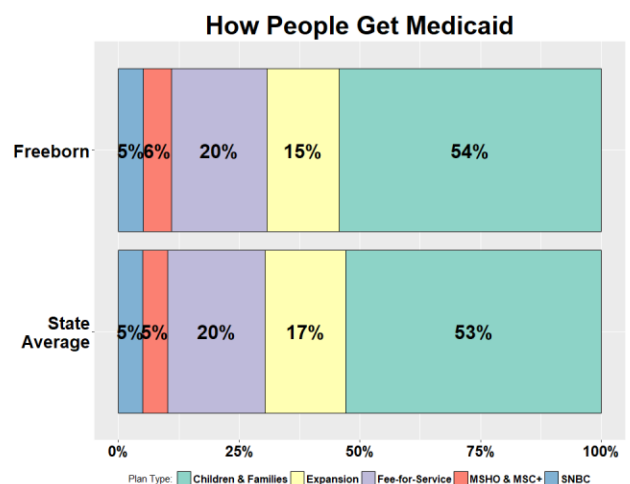
Part D & Medicare Supplement Plans (Medigap) are add ons to Original Medicare and Medicare Cost Plans. Source: Centers for Medicare and Medicaid Services, July 2017

## LOCAL EFFECT OF FEDERAL MEDICAID DECISIONS

### Rollback would cut thousands from insurance

The Affordable Care Act made Medicaid available to any resident who make less than about \$16,400 a year and doesn't get health insurance through work. Congress continues to talk about changing rules and if that happens Minnesota will decide how to fund this care on its own or drop the people who are enrolled. People get care through Medicaid in one of five ways.

- **Expansion.** Men and women without children, or who had assets that barred previous enrollment. **About 989 people**, 15percent, in the Freeborn County area get care this way.
- **MSHO & MSC+.** Minnesota Senior Health Options and Minnesota Senior Care Plus are for people who are poor, over age 65 and also have Medicare, about **382 people** in Freeborn County.



- **SNBC. Special Needs Basic Care.** People with disabilities, many of whom also have Medicare, about **337 residents** in Freeborn County.
- **Children and Families.** Women and men with children, about **3,584 people** in Freeborn County.
- **Fee-for-Service.** About **1,305 people** in Freeborn County get Medicaid directly from the state. No health plan is involved.

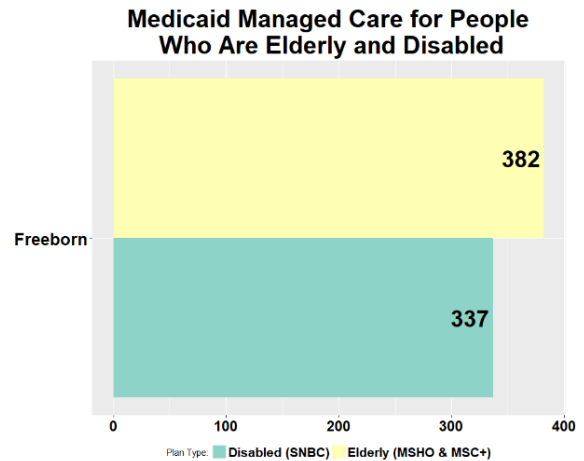
### Medicaid funding changes would affect people who are elderly or disabled

Although current legislation doesn't include funding changes like block grants, Minnesotans are especially vulnerable to any federal changes.

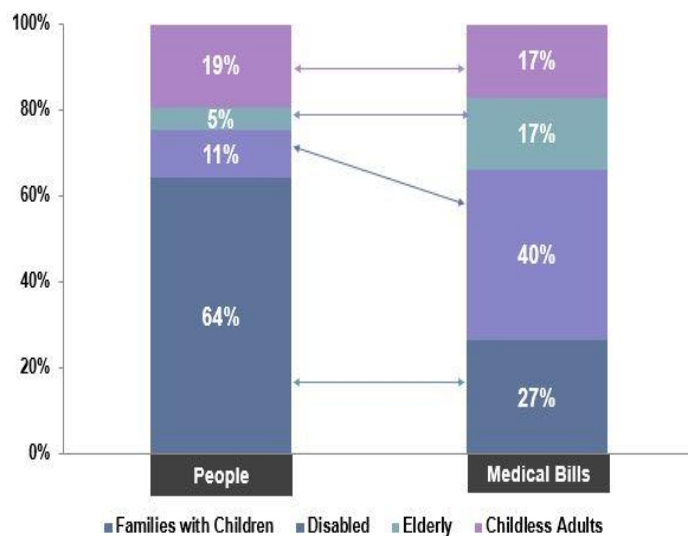
Our state has a long history of including services not federally required. If the federal government moved to funding Medicaid through a lump sum payment like a block grant, the state would have a lot of decisions to make. One would be cutting care the federal government doesn't require, such as physical, occupational and speech therapy; case management for seriously and persistently mentally ill persons and for children with serious emotional disturbances; inpatient psychiatric facility services for people under age 22; chiropractic care, hospice care, medical equipment and supplies; and personal care assistants.

Much of this care is provided in nursing homes and from personal care attendants though Minnesota Senior Health Options and Special Needs Basic Care. In 2016, for Council member insurers statewide, people in Children and Family Medicaid coverage had medical bills of \$4,823 on average for the year while people enrolled in MSHO, MSC+ or SNBC averaged \$20,269 per person for the year.

In addition to rolling back the new people with Medicaid and eliminating optional care, other changes will also be discussed including money the state gives counties to help pay for services.



Minnesota Medicaid Managed Care & Fee for Service Enrollment & Medical Bill Comparison



Source: Minnesota Department of Human Services for calendar year 2015. Statewide Medicaid spending on all who are eligible.

## CHANGES TO MINNESOTACARE ADD BUDGET PRESSURES

In most states, stopping federal Cost Sharing Reduction (CSR) payments hits just insurance companies. Here, CSRs pay for MinnesotaCare. The federal government pays insurance companies CSRs to lower deductibles or copayments for individuals with yearly income up to \$30,150 (250 percent of federal poverty level). The 2017-2019 state budget spent the “shock absorber” that could help continue to pay for care for **528 Freeborn County area residents** enrolled in MinnesotaCare while other funding options are considered. As for insurance companies here, CSR payments to help 13,000 households across the state lower their deductibles and copays for insurance they buy on their own.

## PUBLIC PROGRAM BUY-IN

Again in 2018, Gov. Dayton is proposing people who get their own insurance should be able to buy from the state. His proposal created new Silver and Gold options from the state. (MinnesotaCare’s current Platinum-plus option would remain for low income Minnesotans.) Because government plans pay doctors, hospitals and clinics less than private insurance, clinics and hospitals would get on average about \$400 per person less each month for the care they give. The only savings in the public option is from paying doctors, clinics and hospitals less. Gov. Dayton's proposal doesn't have enough detail yet to compare deductibles, copays, prescription drug costs and other details to what people buy on their own today.

| Rating Area 1  |  |
|--|--|
| People Moving from Private Insurance to Public Programs  | Hole* Created in Budget of Freeborn County Area Hospitals, Clinics, Others Who Give Care |
| 6,847  | \$32,865,600   |
| *Based on statewide average of current MinnesotaCare and private insurance payments. The number will be higher in areas of the state with higher medical expenses and lower where care isn't as expensive. |  |

## PEOPLE BUYING THEIR OWN INSURANCE

While fewer than 4 percent of Minnesotans buy health insurance on their own, those policies have garnered what feels like 100 percent of the attention of Council staff, health insurer leadership, policymakers, reporters and others. In 2017, **346 people** Freeborn County got a 25 percent discount on premiums from the state and that is gone in 2018. However, the federal government will continue to help pay premiums. In 2017, about **859 people** in Freeborn County got that help, totaling \$1,016 per household on average.

### Help Paying Premiums in Freeborn County

| Freeborn County Residents | From            | Household Average |
|---------------------------|-----------------|-------------------|
| 346                       | State, 2017*    | \$1,262 a month   |
| 859                       | Federal, 2017** | \$1,016 a month   |
| *as of September 2017     |                 |                   |
| **as of July 2017         |                 |                   |

## Reinsurance

One of the biggest influences on 2018 rates is reinsurance. It shares share high medical expenses across all Minnesotans instead of requiring the small number of people who buy health insurance on their own to pay those bills. It helped hold premiums on average to 2017 rates.

## GETTING AND PAYING FOR CARE

People worry about getting care and paying for it whether they have health insurance or not. MN Community Measurement publishes reports each year on the care people get and how expensive it is at medical groups and clinics across the state. You can also see in their reports what government payers like Medicare and Medicaid pay compared to employers and people who get their own insurance for the same tests or procedures.

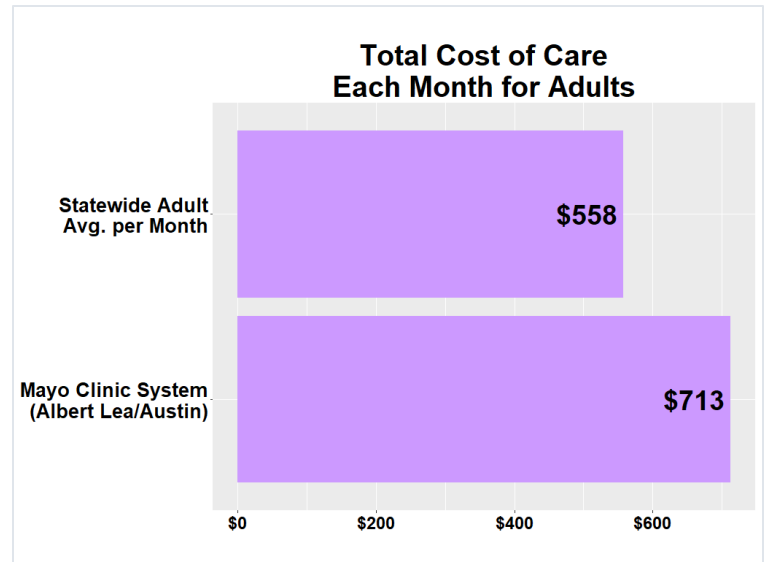
The following data are direct comparisons about the care people in the Freeborn County area get, how much is paid and how it changes depending on who pays.

### Total Cost brings together all care

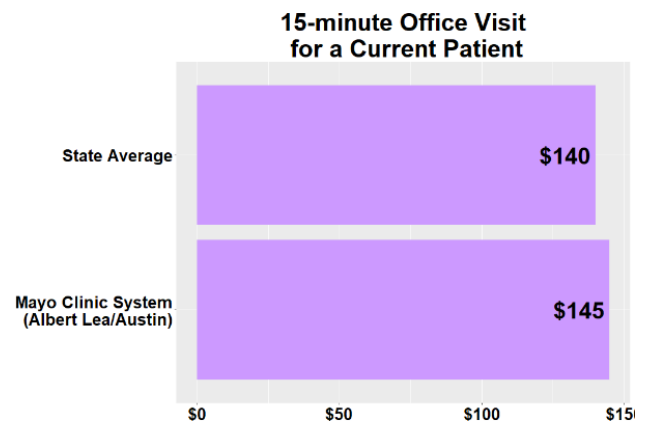
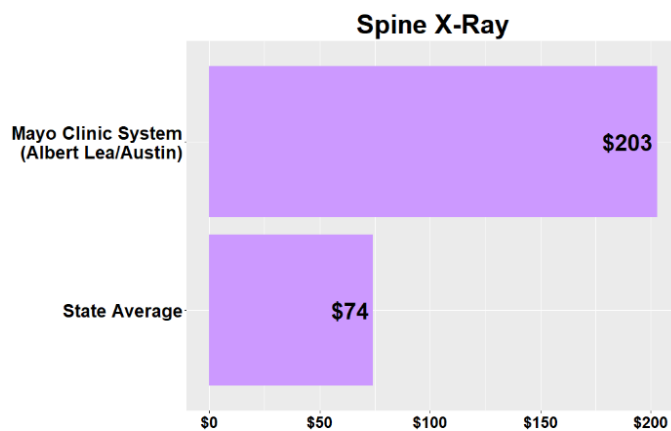
Total Cost of Care shows how a clinic provides care.

These payments wrap in all care including doctors; hospital care; prescription drugs; lab tests and scans; physical therapy and other services; and mental health care for people with private insurance.

**The average payment for common tests and procedures.** The data below are from people who get insurance through work or buy it on their own. It doesn't include government payments.



Source: MN Community Measurement, 2015. Data are risk adjusted, setting a "level playing field" across medical groups. Risk adjustment takes into account factors that can influence the outcomes of the care, such as demographics (age, gender, etc.) and a history of medical conditions (diabetes, a high blood pressure, cancers, etc.) This is done to make sure clinics that see people who are sicker aren't penalized.



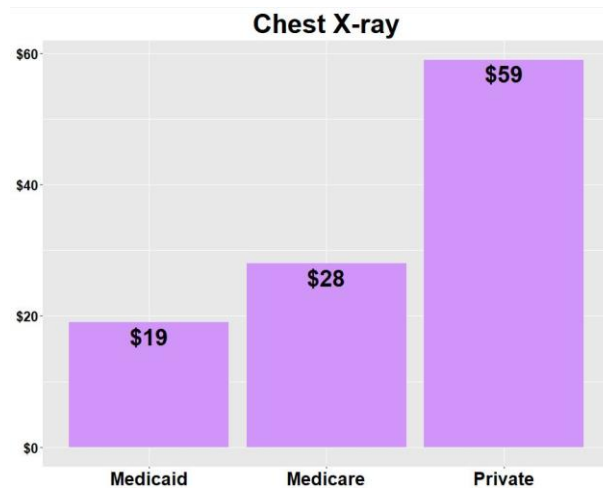
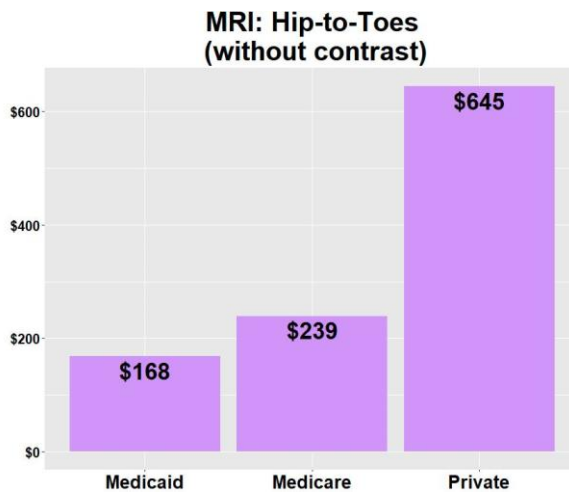
Source: MN Community Measurement, 2015

## IT MATTERS WHO PAYS

Right now, more than **6,764 Freeborn County area** residents have their care paid by Medicare. Another **5,813 people** get their care through Medicaid and MinnesotaCare.

It's no secret we're all getting older and many of us have low incomes. And it isn't a secret policymakers both in St. Paul and in Washington, D.C., are under tremendous pressure to stop spending so much money. The two facts clash on health care and it will continue.

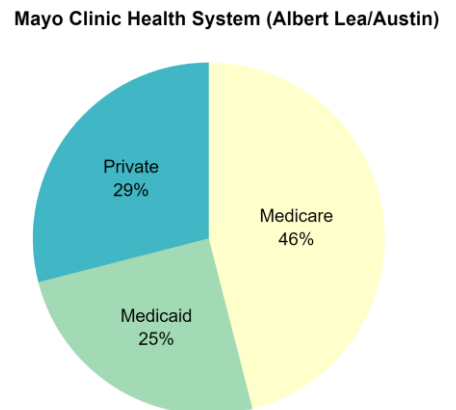
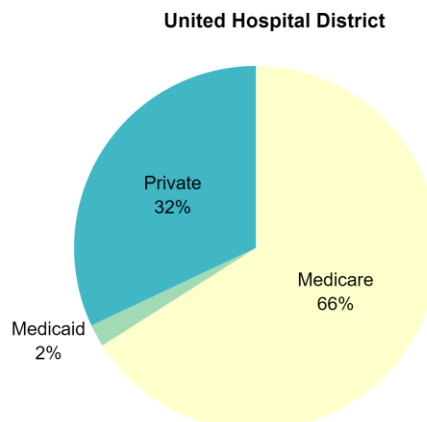
Here are examples of how government pays less than private insurers for the same care. Below you'll see how the mix of who pays impacts local hospitals.



Source: MN Community Measurement, 2015

## A LOCAL LOOK AT WHO IS PAYING

Think about what's paid. You can easily see changes in who pays is an important issue for clinics, hospitals and others who give care. At United, 66 percent of the hospital's revenue comes from Medicare; Medicare is 46 percent at the local Mayo.



Source: Center for Medicare & Medicaid Services 2016

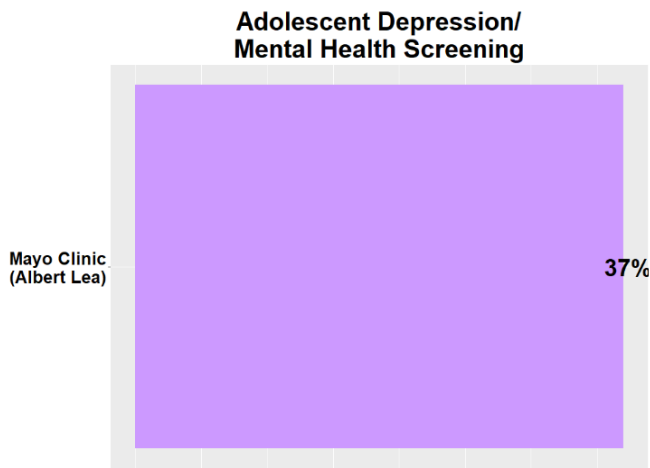
As more Minnesotans are 65 and older, the Medicare share will grow, and the private insurance portion will shrink. How will organizations like Unity, Mercy and others manage the decrease in revenue but an increase in patients and the care they need?

---

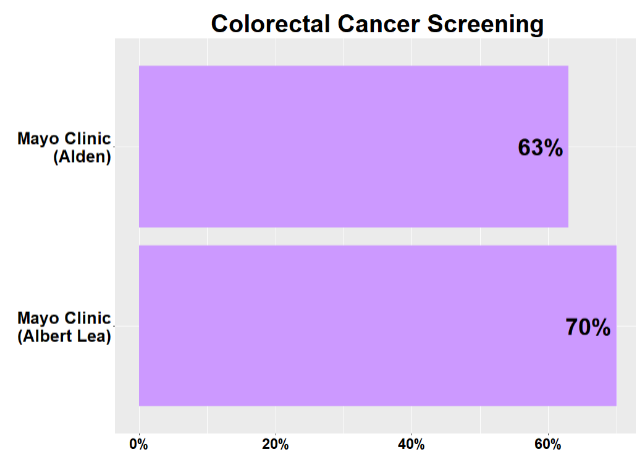
## A LOCAL LOOK AT CARE

Like medical bills, care isn't the same throughout the state. But what is good care? It means, based on the latest evidence from medical research, you're getting the types of care that work best. While each patient is different, research has shown that some types of care tend to get better results than others. It can take decades from the time medical evidence is proven to work until it becomes common practice in clinics. MN Community Measurement is accelerating that timeline so Minnesotans get the best care possible as soon as possible.

Here is a look at teen mental health and colon cancer screening in the Freeborn County area from MN Community Measurement.



Good care for youth age 12 to 17 includes screening for depression and other mental health conditions. This screening is part of well child visits and statewide on average, **73 out of 100 youth** get this important screening.



Screening tests for colon cancer look for cancer before a person has any symptoms. Statewide on average, **72 of 100 adults** between 50 and 75 who saw a doctor were up-to-date on colon cancer screenings.

---

## CONTACT

Eileen Smith • Minnesota Council of Health Plans • 612-840-4554 • [smith@mnhealthplans.org](mailto:smith@mnhealthplans.org)