



## WEEKLY SESSION UPDATE

*January 18, 2019*

Week two of the legislative session might have been relatively uneventful from a political standpoint, but the halls of the Capitol did not show it. Lobbyists, constituents, and special interest groups buzzed about the capitol complex seeking meetings with legislators, checking in on Department overview presentations in committee hearings, and navigating the tunnels to monitor the various press conferences taking place in the basement press corps offices.

Amid the chaos, however, the big issues of the session are beginning to bubble up. Senate Republicans announced their series of health care efforts including bills aimed at pharmaceutical price gouging, developing a system for direct primary care, and legislation building off price transparency work from last session. House Republicans also addressed their goals for maintaining the sunset on the provider tax, with House DFLers pushing back with their calls for a stable funding stream for the HCAF. Governor Walz, too, had his fair share of time in front of the press as he highlighted his plans to shelter Minnesota from the ongoing Federal government shutdown.

Here are some of the other happenings around Capitol as we head into the long weekend.

### **Patients First Initiative**

Key members of the Senate GOP led a press conference on Wednesday outlining their upcoming health care legislative initiatives with an emphasis on lowering costs and empowering patients. Some of these issues are repeats from last session, including Senator Draheim's continued work on facility fee disclosure and Senator Abeler's commitment to protecting those with pre-existing conditions, but other concepts are new. Senator Kiffmeyer and Senator Benson announced an effort to develop direct primary care relationships by allowing physicians to bill patients a flat monthly rate for access to care. They argued that building these relationships has proven to lower costs and increase health outcomes, while also ensuring payments to providers. Senator Jensen also unveiled legislation that would regulate PBMs and remove the contractual gag clause that prevents pharmacies from sharing cost-savings opportunities.

For further reading, check out these articles from the [StarTribune](#) and [Pioneer Press](#).

### **Provider Tax Debate**

This week, the provider tax was a hot topic, with House Republicans holding a press conference about the provider tax and the importance of allowing it to sunset as scheduled. The GOP said that restoring the tax which would increase the cost of health care by more than \$600 million for Minnesotans. Over the past week, Governor Walz called it a "nonstarter" to end the tax, DFL House HHS Finance Chair Tina Liebling said it was "essential" to restore it or replace its revenue. Legislators outlined the impacts of the tax, and discussed potential alternatives to prevent the \$600+ million tax increase—more than \$1 billion over the next two years.

Minority Leader Kurt Daudt and other GOP caucus leaders stated that they reduced health care costs over the last two years with the reinsurance program, and that there are other ways to fund MinnesotaCare rather than continuing the provider tax, including the \$1.5 billion surplus, and fixing the problem of waste and fraud.

House Democrats were quick to respond in a press conference immediately following the Republicans', saying that the Republican plan will result in dire consequences, that there will be a \$1 billion hole in the budget by 2023 if the provider tax is allowed to sunset. They also said that reinsurance is not sustainable, and that 1/3 of health care costs goes directly to administrative overhead, so we need to simplify and streamline the system, which will help save money right away. Health and Human Services Finance Chair Tina Liebling said we need to introduce a universal system where there aren't

different private companies intervening between patients and providers, and don't have companies whose job it is to just make a profit.

Conversations will certainly continue as session progresses, where we will continue to hear from both Democrats and Republicans as to how to address health care costs and access.

For further reading, check out this post from [MPR News](#).

### **Unpaid Hospital Bills on the Rise**

via Glenn Howatt, [StarTribune](#)

Unpaid hospital debt in Minnesota increased by 25 percent in 2017, which is the increase is the biggest jump since the Affordable Care Act (ACA) took effect in 2013, according to a [report](#) released Wednesday by the Minnesota Hospital Association. Altogether, hospitals wrote off \$467 million in bad debt and provided \$224 million in charity care in 2017 which amounts to the highest totals in five years.

According to the article, the narrowing of networks by insurance companies is fueling this growth:

*Insurance plans are shrinking the size of their provider networks, meaning inpatient care at some hospitals is no longer covered. This becomes a problem when a patient arrives at an emergency room of an out-of-network hospital and is then admitted to the hospital for surgery. Under the ACA, the health insurer must cover the emergency care. But under the plan's rules, it won't pay for the inpatient care.*

The size of networks and patients' access to care has been a recurring theme at the legislature, and with the dissemination of this report will definitely be a topic of conversation again this session.

### **Walz Takes on the Shutdown**

Via Jessie Van Berkel, [StarTribune](#)

Standing alongside Minority Leader Daudt during a press conference on Tuesday, Governor Walz announced the state's dedication to ensuring that vital services in Minnesota will continue regardless of the federal government shutdown with adequate funding through February 15<sup>th</sup>. Including in these services are highway funding, Medicaid, veteran's health care, and many social welfare programs. In addition, the administration is coordinating with Native American tribes to find ways to assist, as well as encouraging the congressional delegation to help the impacted Minnesotans in any way they can. Should the administration need to make a formal funding request to the legislature, Governor Walz noted that nothing would be passed without ensuring reimbursement from the federal government.

### **Senate special election heats up**

via Torey Van Oot, [Star Tribune](#)

The race for the open senate seat vacated by now-DHS Commissioner Tony Lourey has ramped up, with money and political ads rushing into the 11<sup>th</sup> Senate District, located just south of Duluth. Democrat candidates Stu Lourey (former congressional aide and Tony Lourey's son), and Michelle D. Lee (former news anchor and Eighth Congressional District candidate) are facing a primary this Tuesday. Lourey has reported raising over \$30,000, which included a \$4,000 transfer from his father's campaign, and Lee has reported around \$2,400 raised. Republican state Representative Jason Rarick has reported over \$5,000 in contributions, which includes a \$3,000 transfer from his state House account. Rarick and third party Legalize Marijuana Now candidate John "Sparky" Birrenbach will face the winner of the Democratic primary on February 5<sup>th</sup> for the general election.

### **MNsure sign-ups hit record numbers**

via the [Associated Press](#)

Minnesota's health insurance exchange, MNsure, has reported an increase a [slight increase](#) in enrollment this year, with 123,732 Minnesotans signing up during open enrollment, which is nearly 400 more than the record set during the previous year. MNsure CEO Nate Clark noted lower premiums, an extended open enrollment period, and strong outreach program as contributing to the increase.

## **Bill introductions of interest**

[SF 131](#) (Draheim) – Health care facility fee disclosure requirement

[SF 237](#) (Jensen) – Health plan company contractually preventing a pharmacist from informing a patient of a price differential prohibition

[SF 277](#) (Jensen) – Direct primary care service agreements establishment

[HF 149](#) (Bahner) – Health plan company prohibited from contractually preventing a pharmacist from informing a patient of a price differential

[HF 197](#) (Schultz) – Health maintenance for-profit organizations required to pay the two percent premium revenue tax, and clarifying changes made

[HF 198](#) (Lucero) – Health insurance premium subtraction provided