From: Rick Rayburn
To: Patrick McQuillan
Subject: Written testimony for HF 3363
Date: Friday, March 18, 2022 3:33:26 PM

I am writing in support of Bill HF 3363

I'd first like to quote an agreement Medicaid enrollees must attest to when applying through the mnsure application,
Located just above the signature line.

If anyone on this application is eligible for medical assistance, I have read and understand that the state may claim repayment for the cost of Medical Care, or the cost of premiums paid for care, from my estate or my spouse's estate.

This sounds like a loan, not insurance
Why does the application say this?
Because the state or federal government may, in the future decide they want the money back!
The government can and has done this before! These recoveries if implemented we'll go retroactive and since claim histories of all expenses ever paid to a Medicaid recipient are currently kept indefinitely, the more expenses incurred the more their heirs can be required to repay out of the estate.
so why would a Medicaid enrollee wish to choose Fee-for-service over monthly premiums paid to a Health maintenance organization?

Here's an example why to choose fee-for-service.
A couple on Medicaid are on fee-for-service, they are both healthy and go for an annual checkup which cost about $300 each. For that year the total amount that could potentially be taken from their estate is a mere $600.

The same couple on Medicaid is enrolled in a Health maintenance organization.
Monthly capitation amounts can easily be $800 per person per month. In this scenario adding up the capitation amounts, the same annual checkups would amount to $19,200 which could potentially be taken out of their estate.
This latter scenario is what happened to our family in 2014 and 15.
We have a claim history at the DHHS of approximately $30,000. Had we been on fee-for-service it would have been approximately $5,000.

Why should healthy people who can only qualify for Medicaid through the exchange, a government program be held liable for huge monthly premiums to a private insurance company?

This only makes sense from the insurers point of view.
Doing the math:
The federal government pays $0.90 for each dollar spent.
The state of Minnesota pays $0.10 for each dollar spent.
The enrollee isn't allowed to pay so it ends up 0 cents per dollar spent.
The insurers receive 100 cents of each dollar spent by the government.
On the flip side when recovery is made.
the federal government gets $0.50 back on the dollar.

The state of Minnesota gets $0.50 back on the dollar, a good investment.
The Medicaid enrollees estate pays back 100 cents per dollar on the Medicaid loan.

Not good insurance from the Medicaid recipients heirs point of view. Not very equitable either.

With the Fee For Service option the citizen can only be held responsible through recovery for services rendered.
No services used, No debt generated.

Passage of Bill HF 3363 would allow a citizen to opt out of the in equitability of Managed Care organization monthly premiums.

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