



MUHCC, COACT protest HMO administrative waste at UnitedHealth Group annual shareholders meeting

CEO's \$1.6 billion stock options justify replacing HMOs with single-payer universal health care

Responding to media disclosures of \$1.6 billion in stock options, plus excessive salaries, for UnitedHealth Group's CEO Bill McGuire, the Minnesota Universal Health Care Coalition (MUHCC) and COACT repeated the growing public demand for replacing HMOs with single-payer universal health care. See www.muhcc.org

Their latest demand was voiced in May outside United Health Group's (UHG) Minnetonka headquarters at the HMO's annual shareholders meeting. COACT's Don Pylkkanen, speaking in behalf of MUHCC, called the extravagant stock options "another example of HMO waste, when health care inflation is breaking the budgets of families, businesses, farms, and local and state government."

McGuire is the highest paid CEO in Minnesota history. According to media reports, UHG's board had given him \$1.6 billion in unexercised stock options by the end of 2005; and he exercised \$114.5 million in options in 2004, which propelled him to No. 3 on the Forbes 500 list of CEO pay.

UHG's board allowed McGuire to pick dates of his option grants to coincide with yearly low prices of UHG shares prior to 2002, which maximizes his profit when he exercises them, according to the *Wall Street Journal* and *Star Tribune*.

SEC investigating insider deal-making

In the wake of the Enron scandal, the Federal Securities and Exchange Commission (SEC) is investigating UHG's practice of allowing insiders to benefit from knowledge not available to other shareholders, which prompted UHG's shareholders to sue the HMO in U.S. District Court, Minneapolis.

Furthermore, Minnesota's Attorney General is investigating UHG after similar investigations revealed excessive executive compensation at Minnesota's major HMOs- Medica, Blue Cross, and HealthPartners.

HMOs profiteer at the expense of enrollees and employees

As HMO profits soar, enrollee care is denied and restricted, and employees are forced to pay more out of pocket for coverage. UHG's first quarter profit climbed 21 percent as revenue jumped almost 58 percent, making it the nation's second-biggest health insurer. "Maybe McGuire could give his own employees part of his millions, so we could have normal coverage like we used to," an employee said.

Scandalous CEO compensation reaffirms MUHCC bill to remove HMOs from state health programs

As HMO executives have grown rich, a record number of Minnesotans are uninsured, and millions of tax-payer dollars are wasted on HMO administration of the state's health programs:

- Over half a million Minnesotans under age 65 (585,000) are without health insurance for six months in a two-year period.
- Of the \$1.68 billion of taxpayer money spent on HMOs for state programs in 2004, 20 percent (\$336 million) was wasted on HMO administrative overhead.

A beginning solution to this waste and injustice is MUHCC's bill to remove the 20 percent HMO administrative overhead from the state's health programs and return them to direct administration by the Department of Human Services at 5 percent.

Chief author Representative Neva Walker (DFL-Minneapolis) introduced the bill in the House Health Committee last session. Although a committee vote was not taken, the bill's hearing sets the stage for next session. Specifically, it removes (deprivatizes) MinnesotaCare, Medical Assistance (MA), and General Assistance Medical Care (GMAC) from HMO administration effective January 1, 2008.

Field canvassers leading Metro-area petition drive for single-payer

The legislation to replace the state's costly HMO-run health care system with single-payer is gaining strong grassroots support from Metro-area residents, thanks to COACT's field canvassers who are bring-in news of the legislation into the neighborhoods.

The canvassers are Sarah Kramer and Camille Cyprian, University of Minnesota students, who are asking residents to sign a petition of support for legislation to set up a single-payer health care system, beginning with removing HMOs from administering the state health programs.

They report that 90 percent of residents are signing the petition. "Folks are outraged by high CEO salaries, and they appreciate the fact that 20 counties have already bypassed HMOs and are directly purchasing health services," Sarah said. "Also, they strongly oppose the Governor's recommendation to cut 41,000 adults off of MinnesotaCare; instead, they support our bill to kick the HMOs out of MinnesotaCare," Camille added.

The petition will show legislators that citizens want committee hearings on the bills next session.

Main Street supporting Citizens' amendment to keep eminent domain at its original constitutional intent

COACT's Central Minnesota poster campaign to keep the power of eminent domain at its original constitutional intent is a hit on Main Street. "Ninety-nine percent of businesses that we've visited since mid-June have put up our posters," said COACT president Jeff Kunstleben, an Albany area dairy farmer.

The poster campaign is to muster grassroots support for a citizens' amendment to Minnesota's constitution if large corporate developers sue a new state law that keeps the power of eminent domain at its original intent in the U.S. Constitution.

The original intent is for eminent domain to be used only for the public good such as roads, bridges, and parks. It was not intended to be used by developers for private profit. However, last summer's U.S. Supreme Court ruling leaves it up to the states to determine its use.

"Knowing the hunger of the Wal-Marts and Best Buys for private property, and their legal power to get the law overturned in court, property owners will be better protected by making original intent part of Minnesota's constitution," Kunstleben said.

"Therefore, our next step is to form a task force of business owners, farmers, and home owners to meet with state legislators to draft and introduce a bill for the amendment when the time comes," he said. "A super-majority of legislators voted for the law- 56-9 in the Senate and 115-17 in the House- so most of them should also support the bill for the amendment."

In addition to Main Street's display of posters, COACT's 26th Annual Farm Picnic on August 20 at Pierz in Central Minnesota promoted the amendment with the theme "Family Farms, Main Street Businesses, and development for the Public Good". Legislative candidates will be asked to support the legislation.

COACT Education Foundation (CEF) informing public on local control over large-scale dog breeding operations

The highly publicized citizen opposition to a large-scale dog breeder of 600 dogs in Morrison County has gained assistance from the COACT Education Foundation (CEF), which is COACT's public information affiliate.

CEF is extending COACT's on-going advocacy for local control over feedlot permitting by informing the public on the need for local control over large-scale breeding kennels.

COACT leader June Varner, Royalton, is helping Central Minnesota citizens Lynn Anderson and Diane Gareis use CEF to inform the public on the need for local control as they draft a county ordinance for the protection of companion animals. Meanwhile, a moratorium on permitting large-scale kennels is in effect in Morrison County due to the citizen opposition.

The proposed Companion Animal Ordinance coincides with COACT's long-standing position that local citizens and their township and county boards can best determine if feedlots or dog breeding operations should be permitted.

The ordinance would allow citizens to participate in the public process that gives local government the authority to see that animals are raised in healthy and decent environments.

In the case of dogs, most puppies in pet stores come from large-scale breeding operations where profit comes ahead of the dogs' well-being, according to Diane Gareis. Therefore, she advises prospective buyers to demand background checks on the animals. If they are not satisfied, many healthy animals are available at local humane societies, she said. Lynn Anderson recommends that buyers see the locations where dogs are raised; otherwise, there is the tragic risk of buying sick animals which require expensive veterinary care.

A deterrent to the large-scale breeders is the consumer rights statement under Minnesota Chapter 325F.791 that must be given to buyers along with information that includes the name, address, and USDA license number of the breeder and any broker; animal's birth date; date the pet dealer received the animal; animal's breed, sex, color, and identifying marks; identification tag, tattoo, or collar number; sire's and dam's name and registration number; litter number; record of inoculations, worming treatments, and medication received by the animal while in possession of the pet dealer.

To help CEF with this effort, mark "local control over breeding kennels" on the membership renewal. You can also go to www.coact.org, click on "Get Involved", then [Click here to Join us now on-line](#), to print out the form and mail in your membership.

11th Annual Membership Meeting

Saturday, October 28, 2006

10 AM – 2 PM

Minnesota COACT

Conference Room

2469 University Avenue, St. Paul

Registration 9:30 AM

Board Elections 12:30 PM

Free Lunch