Will it be single-payer or an HMO plan that further monopolizes health care?

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Amidst all our bad news, economists continue to report that health care costs are rising faster than the gross domestic product, which is unsustainably for families, farms, and businesses. (See other side.)

However, there's been little reporting on the good news that the Affordable Care Act (ACA-Obamacare) provides an opportunity beginning in 2017 for any state to improve its health care system with the law's State Innovation Waiver. Two Minnesota proposals are being readied for legislative consideration.

The Minnesota Department Human Services (DHS) proposed to change health care service to Minnesotans primarily through increased use of Accountable Care Organizations (ACOs). ACOs are large physician-hospital groups voluntarily organized around cost-quality, carrot-stick incentives. Savings and risks are shared between payers and providers based on achieving selected cost and quality benchmarks.

The ACO concept was formulated about a decade ago on a premise that tightly integrated physician-hospital groups with dollar-incentivized benchmarks would produce significant cost savings without compromising quality. However, numerous pilot projects and studies indicate ACOs do not significantly reduce costs.

$51.3 billion is Minnesota's health care cost in 2016 and project to reach $76.5 billion in 2022. However, a 2015 task force legislated to find ways to reduce cost did not document savings with ACOs. Single-payer was ignored; and the risks of monopolies, misuse, and physician burnout were not addressed.

The other option is the Minnesota Health Plan, proposed by COACT and other citizen groups. This Medicare-for-all model has been well tested in the U.S., Canada, and elsewhere. It needs no pilot study. In this single-payer proposal, providers are paid directly for medical care, thus avoiding the intermediate overhead costs of multiple insurers.

All Minnesotans would be covered, have uninhibited choice of physicians, and not lose coverage with job losses or changes. There would be no deductibles, and no co-pays for primary care. The plan's volume purchasing of prescription drugs would reduce prices.

Policymakers are advised to study proposals before legislative consideration. COACT is urging legislators this session to vote for an independent comparative study of the ACO and Minnesota Health Plan proposals to determine which merits the waiver. In 2017 the legislature can begin legislation to direct the Minnesota Department of Human Services to apply to the feds for the waiver to allow enactment of what should be the cost-efficient Minnesota Health Plan rather than the costly ACOs.