

06/13/05

# Lyndon Carlson

STATE REPRESENTATIVE

## WEEKLY SESSION UPDATE



### HOW TO REACH

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Dear Neighbors,

Last week's edition of my legislative update took a closer look at the four K-12 Education plans that are currently being negotiated towards a compromise in this legislative session.

This week, I would like to take a look at the proposals in the area of health and human services. There are significant differences between the position of the Governor and the House Republicans and the position of the Democrats when it comes to the role of the state in reducing the cost of healthcare for Minnesotans and providing for a health care safety net for those most vulnerable in our society.

The following is a general comparison of the plans as proposed by the Governor and the House Republicans, the Senate DFL, and the House DFL.

It is a pleasure to represent our district in the House of Representatives. Please feel free to contact my office if you would like to comment on the healthcare crisis, or any other issue of state government.

Sincerely,

A handwritten signature in black ink that reads "Lyndon Carlson". The signature is written in a cursive style.

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## THE GOVERNOR AND HOUSE REPUBLICANS

The House Republicans took most of the budget recommendations offered by the Governor in the development of their Omnibus Health and Humans Services Finance Bill. This bill included some positive reforms, including a partial roll back of the increase of fees for services on the families of children with disabilities and a rate increase for nursing homes and other long-term care providers. That said their health care budget would drastically cut MinnesotaCare, which provides low cost health care to working people that do not have access to insurance through their employer. In fact, the

cuts that they are proposing from MinnesotaCare would mean that a part-time employee earning \$5.15 an hour would make too much to qualify. Under their healthcare plan, as many as 40,000 Minnesotans would lose their health insurance.

They have also sought to cut payments and increase uncompensated care, or "charity care" costs to hospitals by \$157 million, which threatens the financial stability of many hospitals. According to the Department of Health, 33 of the 140 hospitals in the state are currently operating in the negative or barely breaking even.

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## SENATE DFL PLAN

The Senate Democrats have agreed to accept a portion of the Governor's cigarette tax increase as long as 55 cent of it will be dedicated to avoiding the MinnesotaCare cuts that would eliminate health coverage for 40,000 working Minnesotans. They would preserve the Health Care Access Fund, which was designed to provide funding to ensure affordable insurance for low income and vulnerable Minnesotans that the Governor and House Republicans have tapped to divert to the General Fund to fill part of the hole in the state budget.

## HOUSE DFL PLAN

The House DFL plan would strengthen and reform the state healthcare system to reduce the cost of healthcare for working Minnesotans and the most vulnerable by improving access to care. It would protect hospitals and other safety net providers from hundreds of millions of dollars in cuts, reduce the health care provider tax by 25%, and provide a 3% rate increase to nursing homes and other long-term care providers in each year of the biennium. It would do this by taking a balanced approach to raising revenue: using a 50 cent increase in the cigarette tax, adopting \$78.5 million of the Governor's spending reductions, and increasing efficiencies within the Department of Health. The plan would not remove thousands of Minnesotans from their health insurance.