



Medicare Coverage View Federal Health Reform

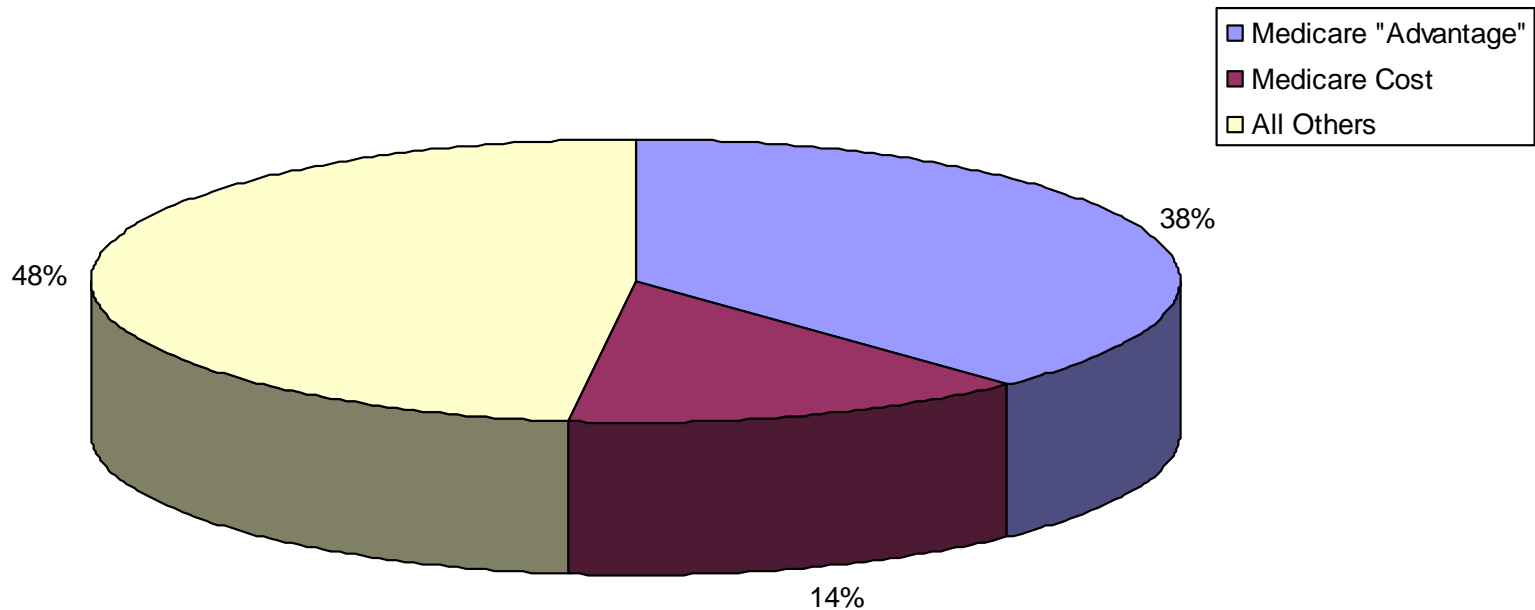
Vital Aging Network Forum
January 12, 2010

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Government & Community Relations



Medicare Coverage in Minnesota

Minnesota Medicare by Plan Type 2009
Total # Beneficiaries 770,597



Federal Health Care Reform Framework

Access	Affordability
<ul style="list-style-type: none">• Individual mandate• Tax credits for low income• Insurance market reform• Public plan or multi state national plan• Insurance exchange• Medicaid expansion	<ul style="list-style-type: none">• Medicare payment reform – “pay for value”• Hospital and physician payments• Establish “Accountable Care Organizations”• Health information Technology

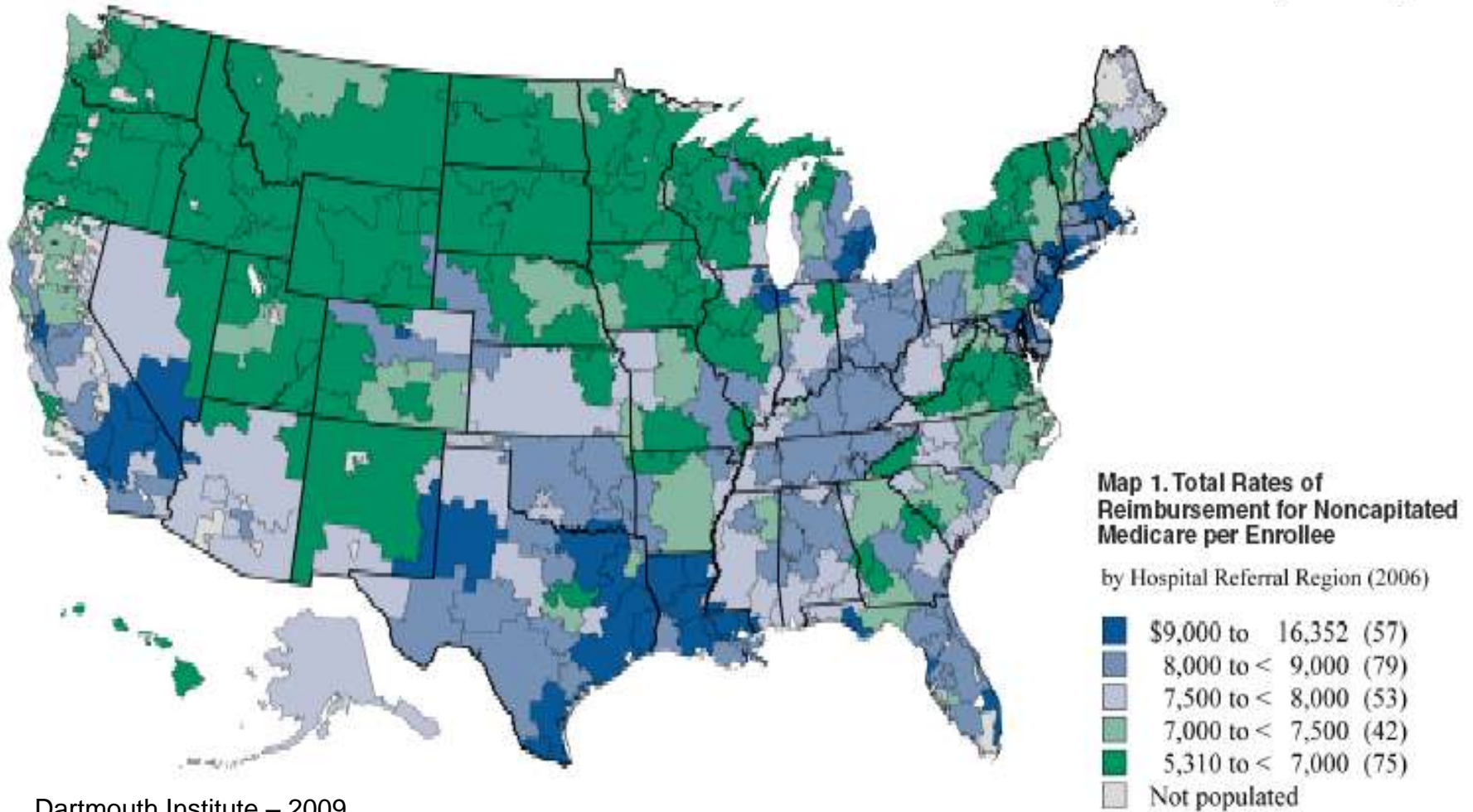
Special Issue for Minnesotans

- Medicare says:
 - Minnesota #1 for quality
 - Minnesota #40 for cost
 - Louisiana #50 for quality
 - Louisiana #1 for costs

Minnesota doctors and hospitals are paid far less than Louisiana, and less than average, for far better results.

It is poor policy and poor stewardship to do reform without changing Medicare

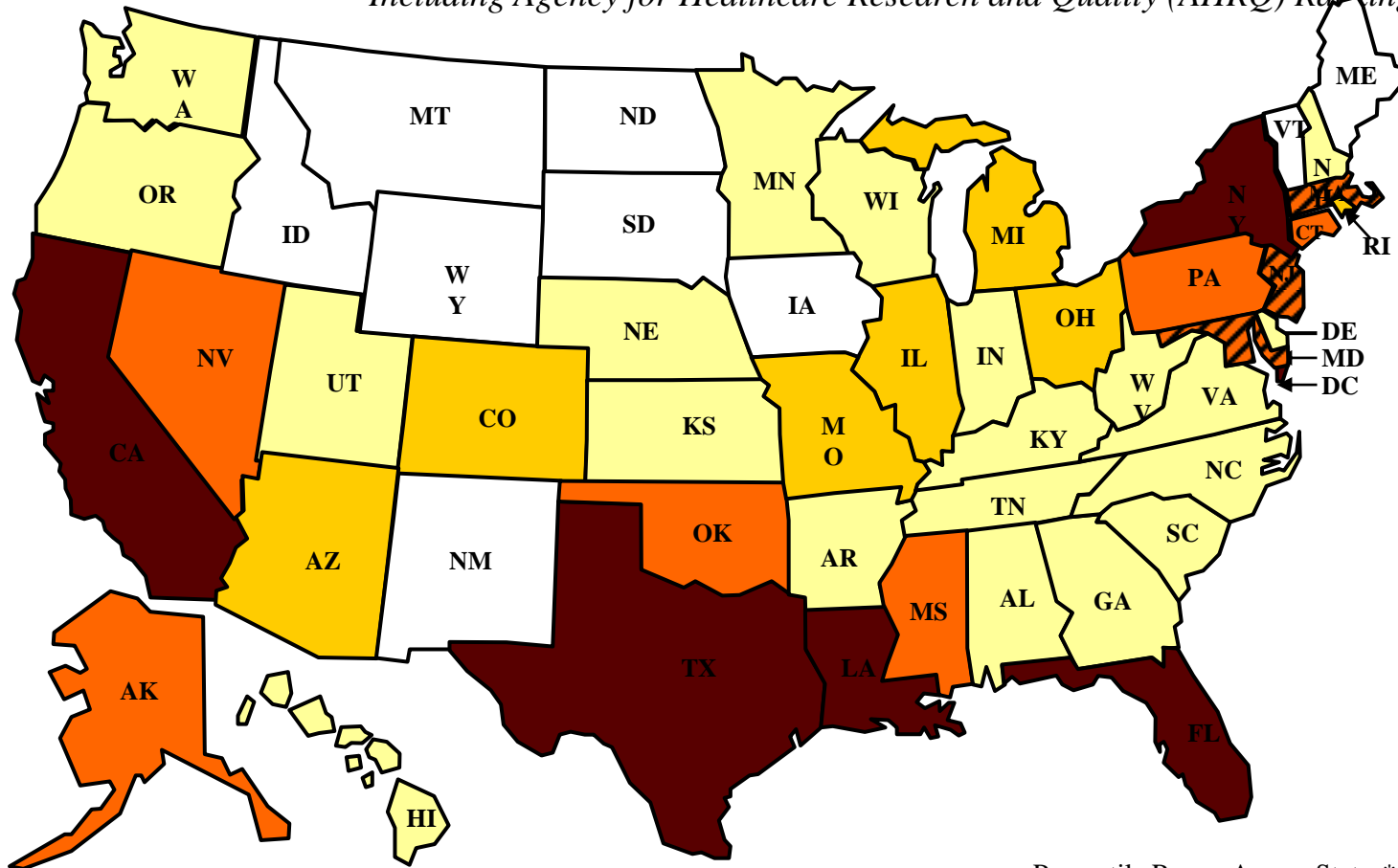
Health Care Spending – Geographic Inequities



Dartmouth Institute – 2009

2009 Medicare Advantage Weighted Average Risk Benchmark by State

Including Agency for Healthcare Research and Quality (AHRQ) Ranking¹



State*	Quality Ranking ¹
MN	66.96
WI	66.04
ND	64.02
IA	62.39
NE	62.26
MI	61.47
SD	61.39
RI	61.21
NH	60.75
MA	60.65
VT	59.72
MT	58.13
CT	58.06
ME	57.83
VT	57.62
NJ	56.7
HI	56.52
CO	55.79
WY	53.85
DE	53.7
AK	50.68
ID	50.61
WA	50.43
CA	50
KS	50
OR	49.07
PA	46.28
VA	46.25
AZ	46.05
NC	44.64
SC	43.93
MD	42.11
WV	41.96
MO	41.81
IN	40.82
NM	40.76
IL	40.74
OH	40.48
OK	40.23
AL	40.12
FL	38.93
NY	38.84
KY	36.6
NV	35.53
TX	35.1
TN	34.84
DC	33.3
MS	29.63
AR	27.98
GA	27.36
LA	18.97

< \$775	\$825-\$850
\$775-\$800	\$850-\$875
\$800-\$825	\$875+

¹The quality ranking (meter score) was calculated using NHQR measures. The total number of points assigned was divided by the total number of NHQR measures available within the respective state. (AHRQ <http://statesnapshots.ahrq.gov>)

Percentile Range Across States*

75th Percentile	58.06
50th Percentile	49.07
25th Percentile	40.23

*Table Data from AHRQ: <http://statesnapshots.ahrq.gov/snapshots/>

Medicare Policy Priorities

Health Plan Perspective

- Preserve MN Medicare coverage options
- Mitigate impact of health plan Medicare cuts with meaningful payment for quality
- Exempt nonprofits from premium tax (includes Medicare and Medicaid plans)
- Fix Fee-for-Service Medicare payment to reward performance and efficiency

Medicare Provisions

	Senate	House
Medicare “Advantage” Plans	Payments Reduced \$107 Billion Quality Incentives	Payments Reduced \$156 Billion Quality Incentives
Medicare “Cost” Plans	Access Preserved	Access Preserved
Special Needs Plans <i>(Combine Medicare/Medicaid)</i>	Extended	Extended

What will Happen?

- Final Bill may be ready by end of January or early February
- Implementation of major changes will phase in 2011-2015
- Could be an impact on number of plans, service area, benefit designs and premiums