

Testimony of Edward P. Ehlinger, MD, MSPH

Health Care and Human Services Policy and Oversight Committee

Minnesota Health Plan

HF 135

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I'm Dr. Edward Ehlinger. I am a physician who has been practicing internal medicine, pediatrics, and public health for nearly 4 decades. I have practiced in rural and urban areas throughout the country. For the last 29 years I have practiced in Minneapolis with the Minneapolis Health Department and Boynton Health Service at the University of Minnesota. In each of these settings I have been a provider and consumer of care, an administrator of programs, a health services researcher, and an advocate for underserved populations. These perspectives have allowed me to evaluate our health care system from multiple angles and convinced me that our health care system is in need of significant change.

Much has changed in health care since I began practicing. But one thing has remained constant – the year after year call for reform because the concerns over the cost and quality of health care and problems with access to that care have not changed. Those calls for reform have brought us managed care with its attendant alphabet soup of HMOs, PPOs, EPOs, IPAs, and MSOs. They have also brought us for-profit health care, managed competition, consumer-directed health care, and numerous other iterations of market-based reforms. Despite the call for significant reform, none of these efforts have strayed from the notion of an employer-based and insurance company administered system which presumes that the power of the market will bring about the needed changes. These reforms have also failed to veer from an incremental approach because of the fear that any major reform would not be politically feasible.

So after 4 decades of effort, what have we achieved? The most expensive health care system in the world, 75 million people without insurance or with inadequate coverage, poor health outcomes compared to other industrialized countries, maldistribution of resources, a threatened primary care system staffed with many disillusioned physicians, an underfunded public health system, employers unable to compete because of health care costs, employees unable to change jobs fearing the loss of health care coverage, an inadequate long-term care system, over 50% of bankruptcies caused by medical debt, average medical school debt of \$180,000, administrative costs of over 20%, and health care corporations making huge profits.

To me, the data and the stories I hear every day tell me that our reform efforts have failed. Over 40 years of wishing and hoping that the market would resolve our access, quality, and cost issues have brought us no closer to our goal than we were in the 1970s. Now, when our struggling economy is starkly manifesting the shortcomings of our health care system, we cannot afford more of the same incremental attempts at reform. Now, when the demand for significant reform is being made by all but those with vested interest in the status quo, we are offered an opportunity to act boldly and to seriously consider what most people accept (including over 60% of physicians) as the rational next step in addressing our health care needs – an affordable, non-employer-based, single-payer system that provides universal coverage to high quality care. Ideally, this system should be national in scope, but Minnesotans can't afford to wait for that to happen. That's why I encourage you to support House File 135 which establishes the Minnesota Health Plan.

The Minnesota Health Plan will help us effectively address the numerous problems with our health care system that I have observed and experienced over the years. First of all, it is designed to guarantee universal access to care (not 95% coverage like that in Massachusetts). Everybody in, nobody out, including people like those I served in the Minneapolis Health Department clinics who had low incomes, limited English skills, preexisting conditions, and complex medical and social problems and who have been systematically excluded from mainstream medicine because of their high cost.

It will provide coverage regardless of employment status allowing people the freedom to change jobs to meet their personal and professional goals. And it will allow employers to focus their energy and talent on their business rather than brokering health care plans.

It allows patients to choose their own providers thus reducing the multiple barriers that have been constructed between patients and providers. It will help reestablish the direct doctor-patient relationship that has been strained by managed care and limited provider networks.

It will facilitate rational planning so that new technologies and facilities are distributed effectively. It will also allow the redirection of funding toward much needed primary care and public health and preventive services which are being starved by our current system.

And it will do all of this, and more, while controlling costs by reducing the administrative overhead that adds limited, if any, value to our health care system. Boynton Health Service which serves students at the University of Minnesota is a good example of this. We employ close to 20 people in our student insurance and billing offices. We have more people in our insurance and billing offices than we have physical therapists, nutritionists, dentists, and optometrists combined. We need this number to send bills to hundreds of insurance plans throughout the country and administer the university-sponsored insurance plan that had to be developed because students not covered on a parental employer-sponsored plan could not purchase adequate insurance at an affordable price. Available plans in the community had pre existing condition exclusions, low coverage levels, exclusions for alcohol-related injuries, and numerous other limitations.

A single-payer system would allow us, and thus the students, to save over \$¼ million each year. But more importantly, it would allow us to focus more attention on the provision of health care rather than the business of health care.

In his speech to Congress last night, President Obama highlighted the importance of moving forward with healthcare reform. He said: “The cost of healthcare eats up more and more of our savings each year, yet we keep delaying reform...The cost of our healthcare has weighed down our economy and the conscience of our nation long enough...Now is the time to act boldly and wisely.”

Health care reform that makes incremental changes to a malfunctioning system is not acting boldly. Continuing to support a health care system that spends 17% of our GDP yet excludes millions of people is not acting wisely. The time is now to support a radical, yet totally rational, change in our health care system that will finally allow us to provide high quality affordable health care to all people in Minnesota. Now is the time to implement the Minnesota Health Plan.