

Minnesota's Health Care Market and Opportunities for Reform

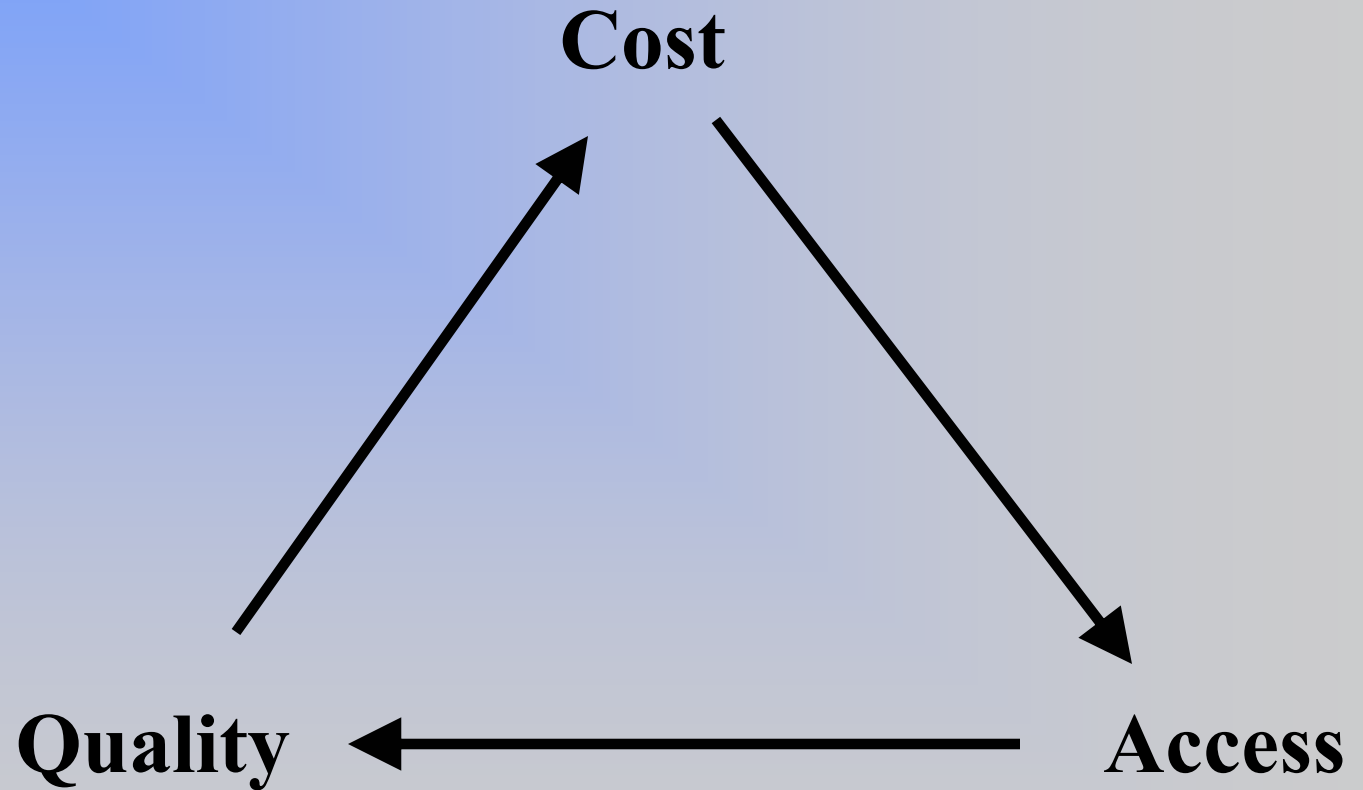
Scott Leitz, Assistant Commissioner
Minnesota Department of Health

November 15, 2007

Overview of Presentation

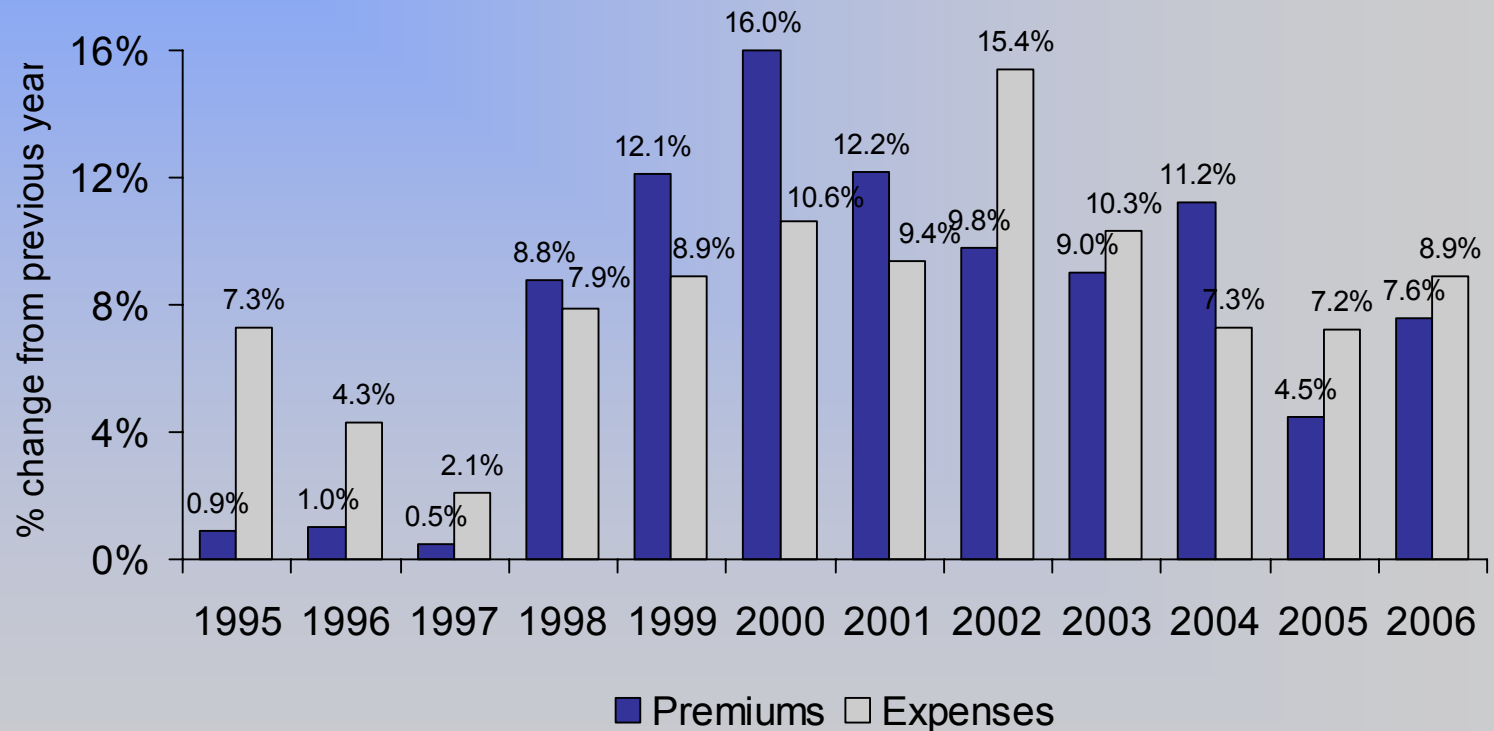
- ★ Trends in Minnesota's private health insurance markets
- ★ Access
- ★ Quality
- ★ Health care reform discussions
 - Efforts around disparity reduction

The Cost, Quality, and Access Triangle



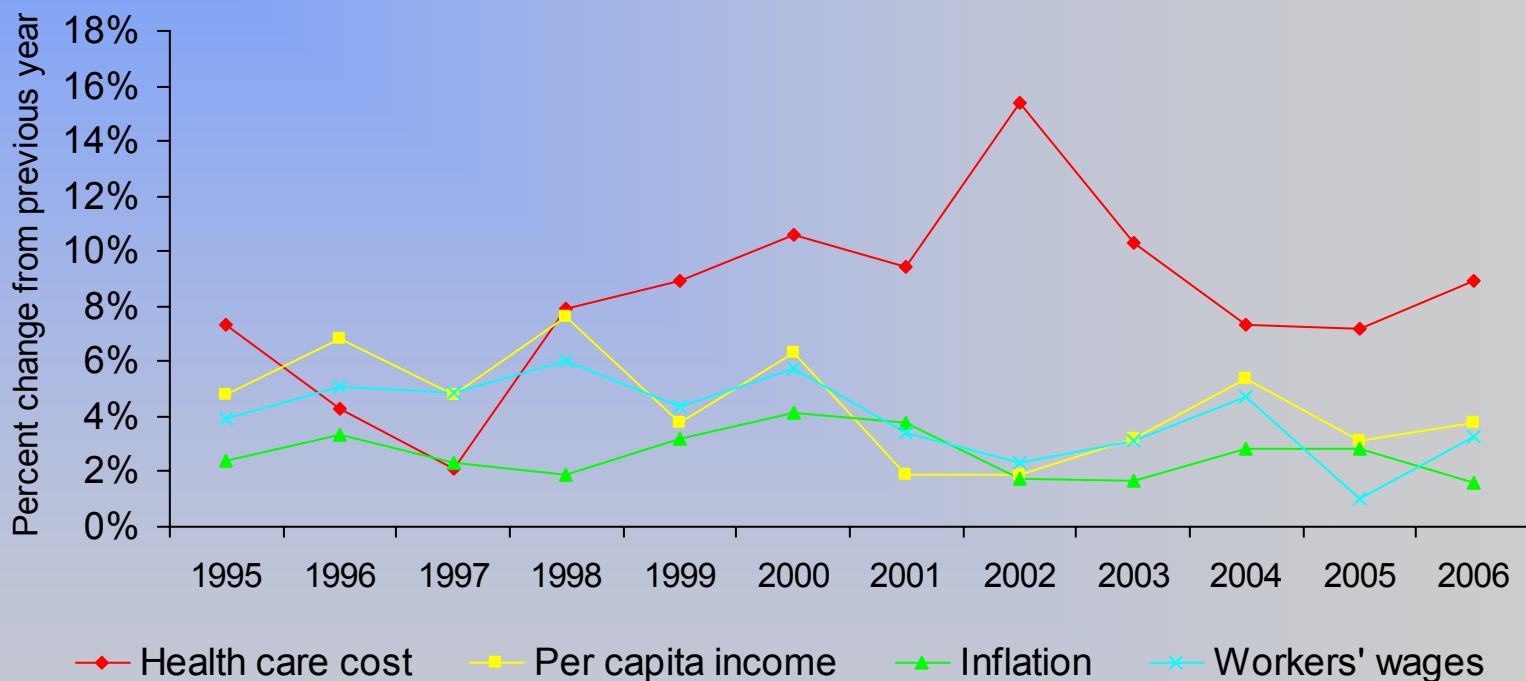
Private Health Insurance Premium and Spending Trends, 1995 to 2006

Per Minnesota Resident With Private Health Insurance



Source: MDH Health Economics Program. Fully-insured market only.

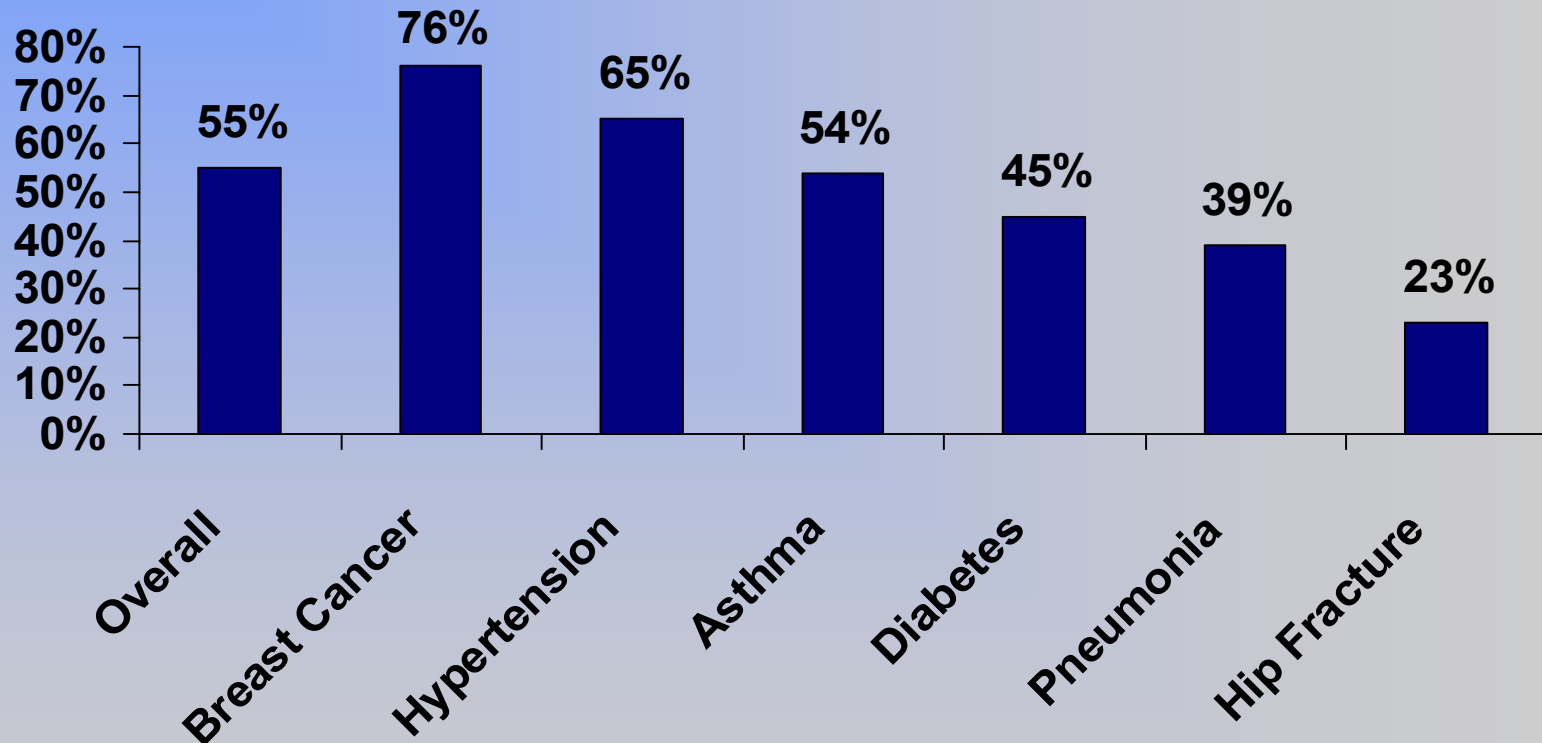
Key Minnesota Health Care Cost and Economic Indicators, 1995 to 2006



Notes: health care cost is MN privately insured spending on health care services per person, and does not include enrollee out of pocket spending for deductibles, copayments/coinsurance, and services not covered by insurance..

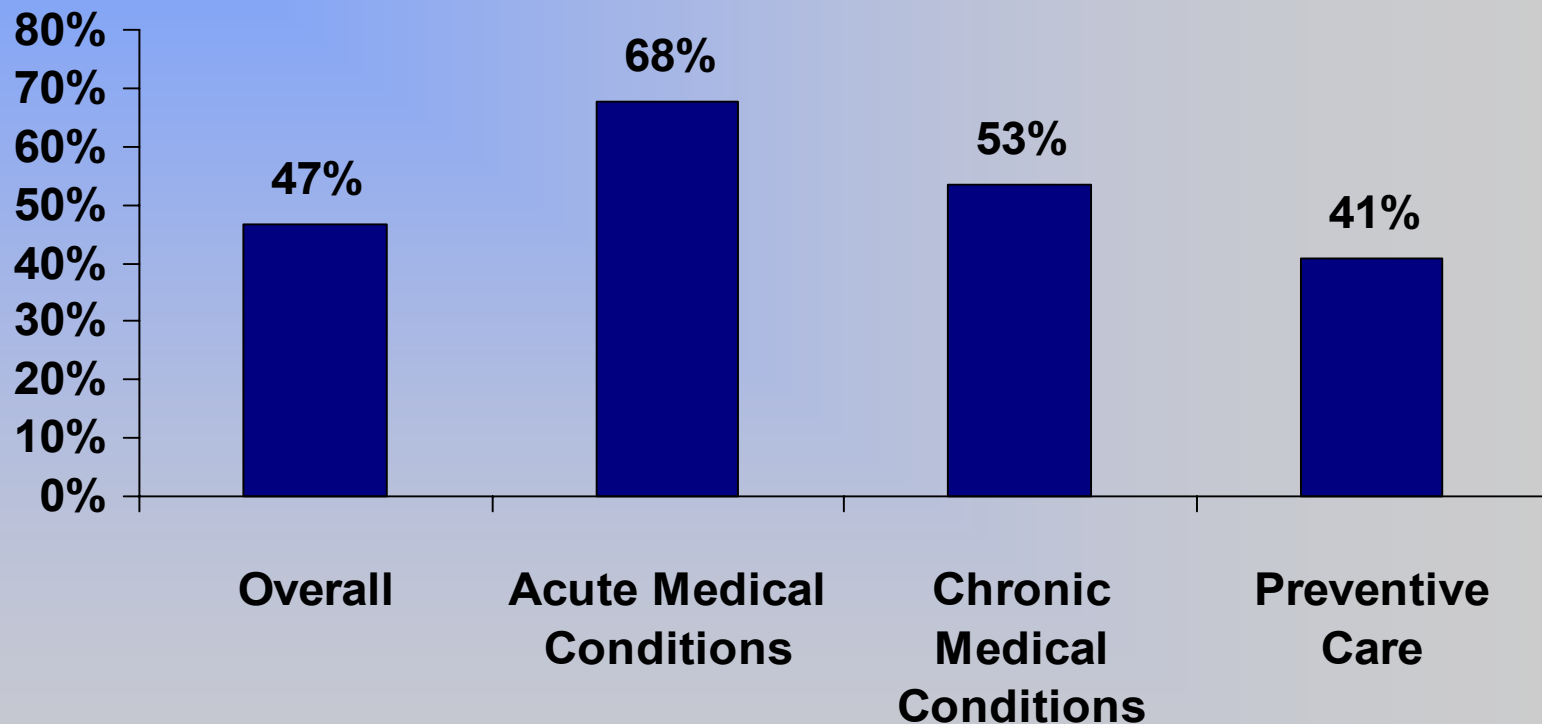
Sources: Health care cost data from Minnesota Department of Health, Health Economics Program; per capita personal income from U.S. Department of Commerce, Bureau of Economic Analysis; inflation data from U.S. Bureau of Labor Statistics (consumer price index); workers' wages from MN Department of Employment and Economic Development

Percentage of U.S. Adults who Receive Recommended Care for their Conditions



Source: Elizabeth McGlynn et al., "The Quality of Health Care Delivered to Adults in the United States," *The New England Journal of Medicine* (June 26, 2003).

Percentage of U.S. Children who Receive Recommended Care for their Conditions



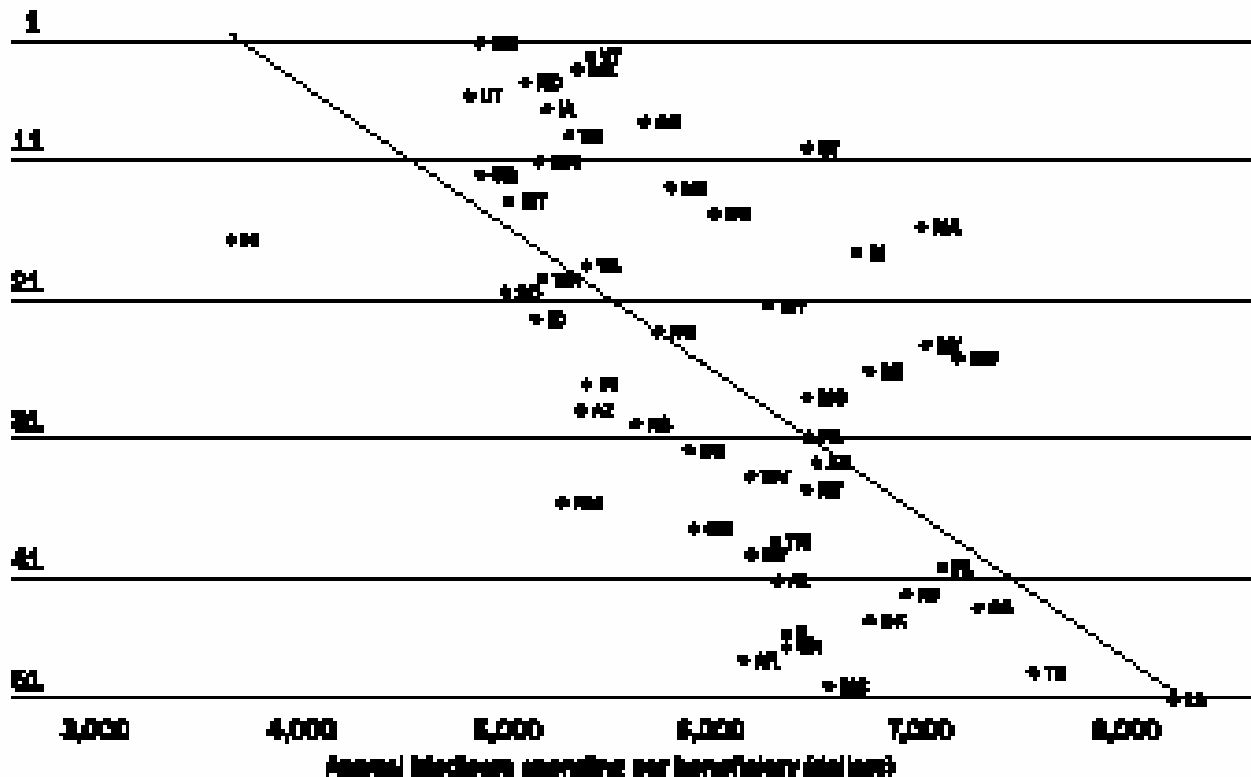
Source: The New England Journal of Medicine 2007; 357, 1515-23.

Medicare Quality and Spending Correlation

EXHIBIT 1

Relationship Between Quality And Medicare Spending, As Expressed By Overall Quality Ranking, 2000-2001

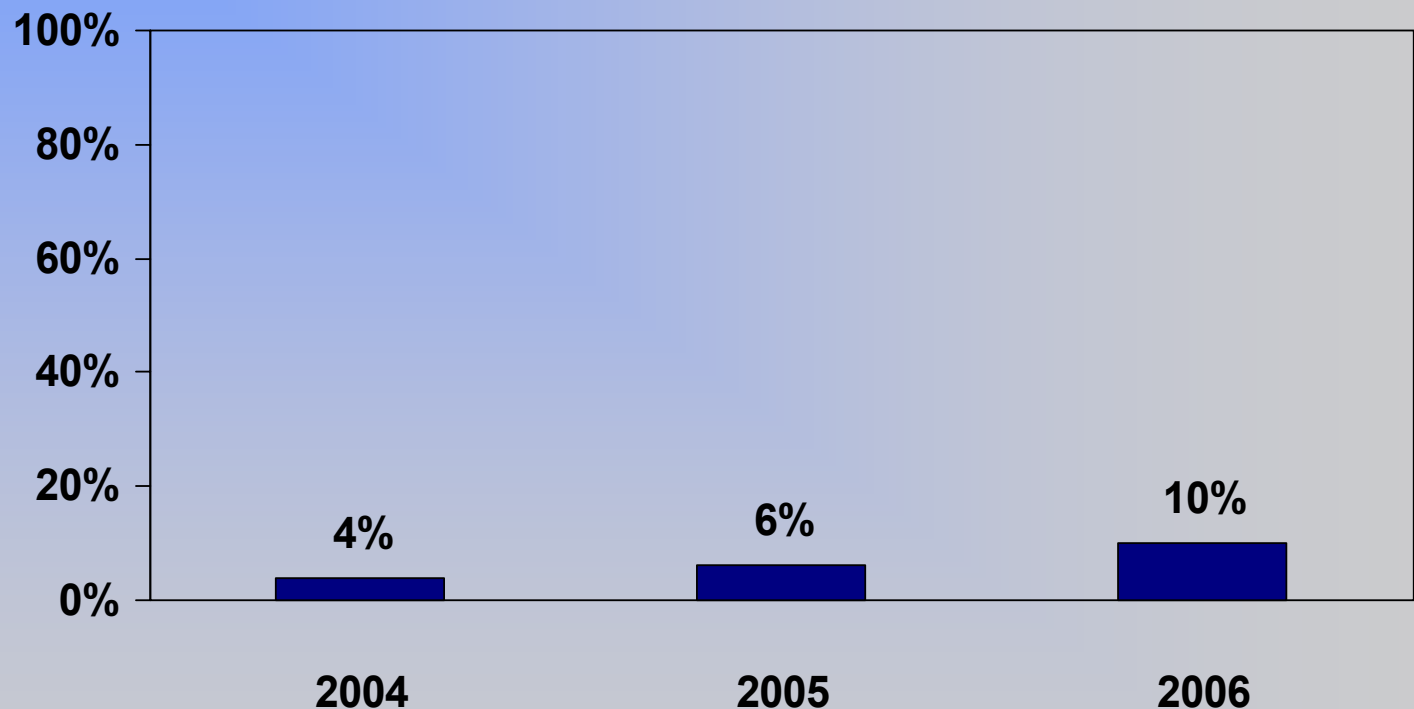
Overall quality ranking



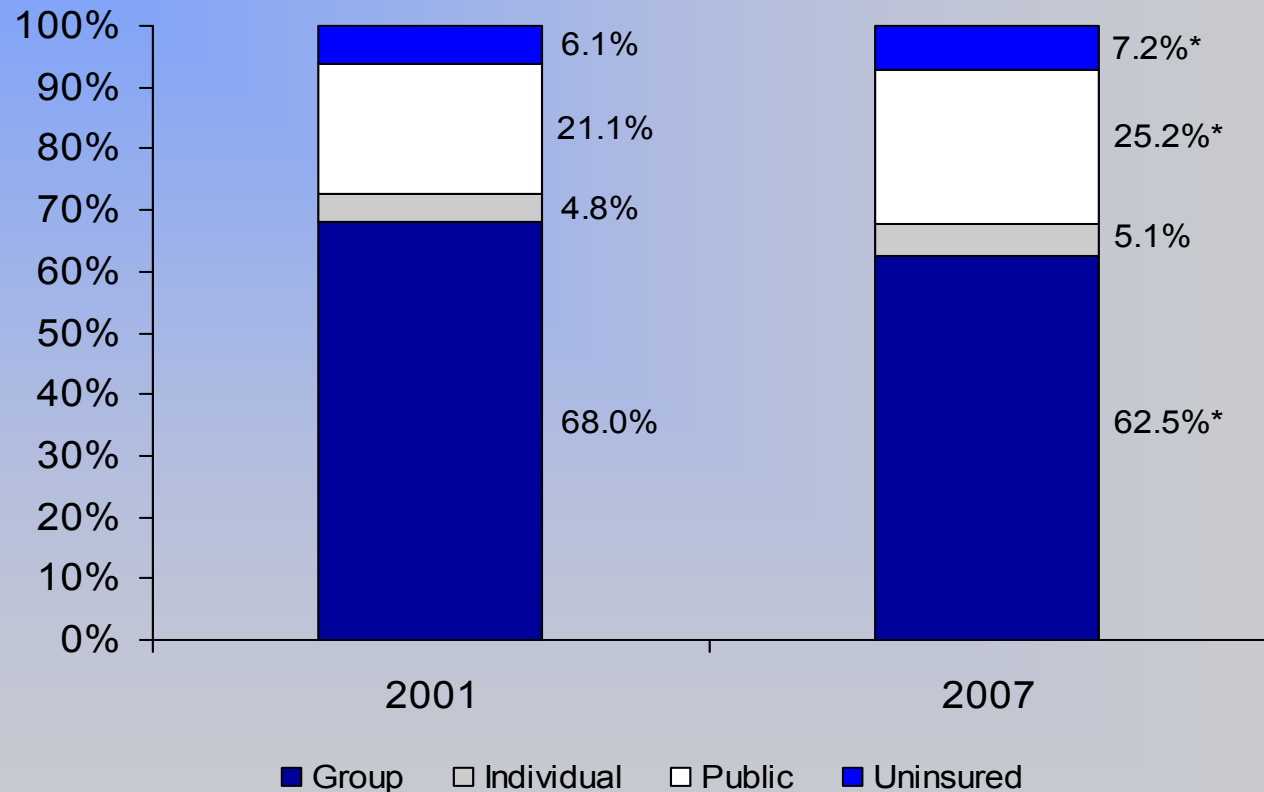
MINNESOTA Medicare claims data; and B.A. Jorles et al., "Change in the Quality of Care Delivered to Medicare Beneficiaries, 1999-2000 to 2000-2001," *Journal of the American Medical Association* 284, no. 8 (2000): 908-912.

NOTE: For quality ranking, smaller values equal higher quality.

Percent of Minnesotans with diabetes receiving optimal care



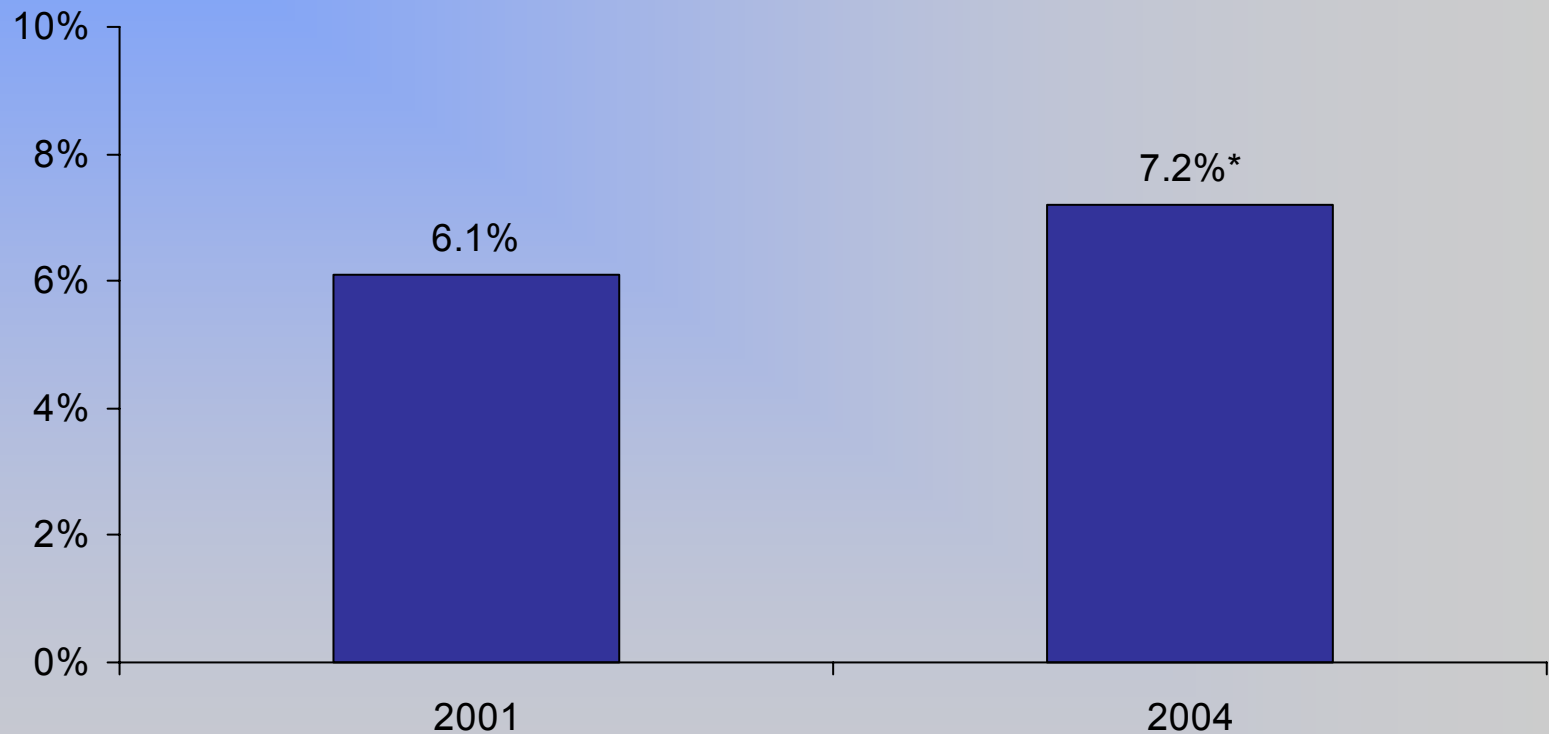
Sources of Insurance Coverage in Minnesota, 2001 and 2007



* Indicates statistically different at 95% level from 2001.

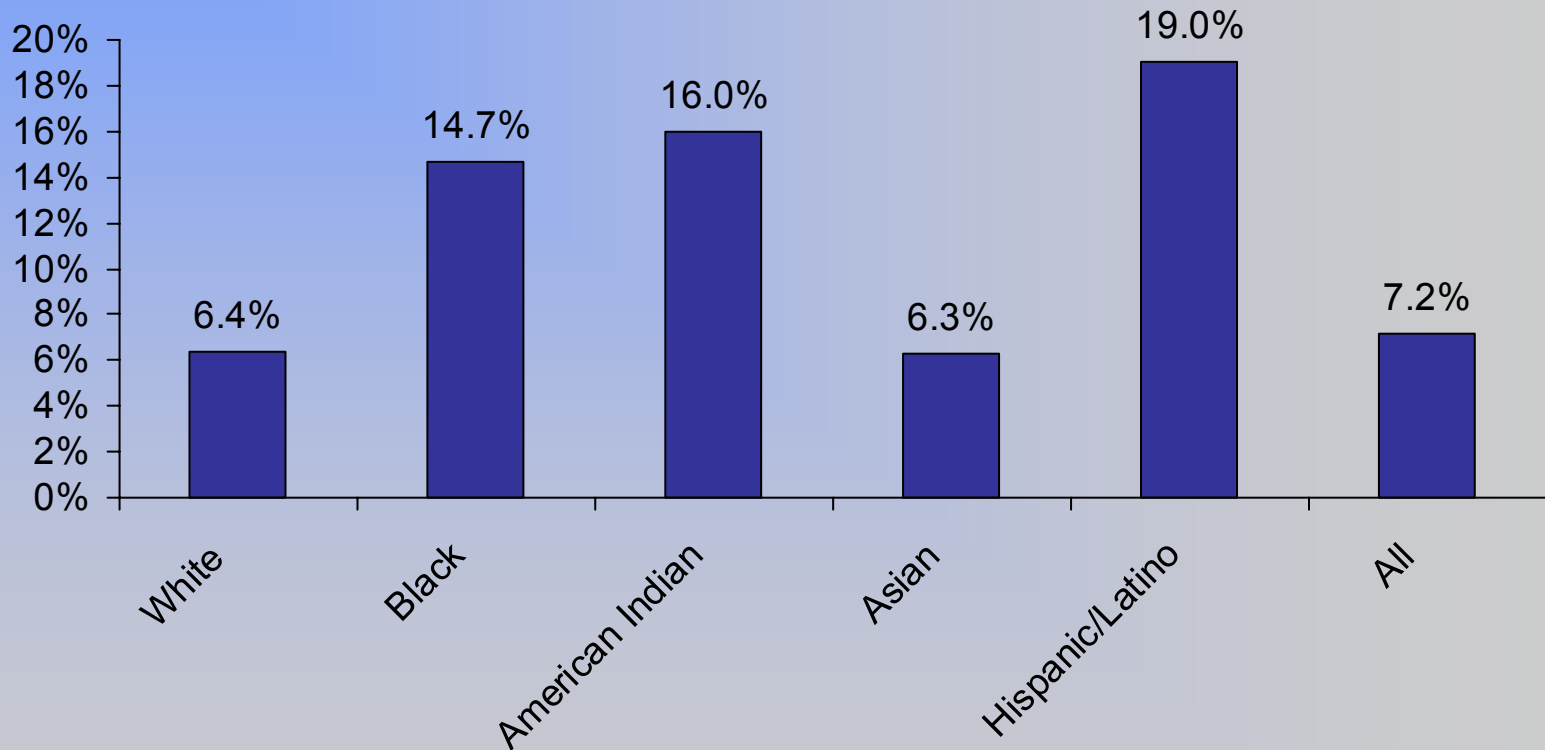
Source: Minnesota Health Access Surveys, 2001 and 2007 (preliminary). Estimates that rely solely on household survey data differ slightly from annual estimates that include both survey and administrative data.

Uninsurance Rate Trends in Minnesota



*Indicates statistically significant difference (95% level) from prior survey year.
Source: 1995, 1999, 2001, 2004 Minnesota Health Access Surveys

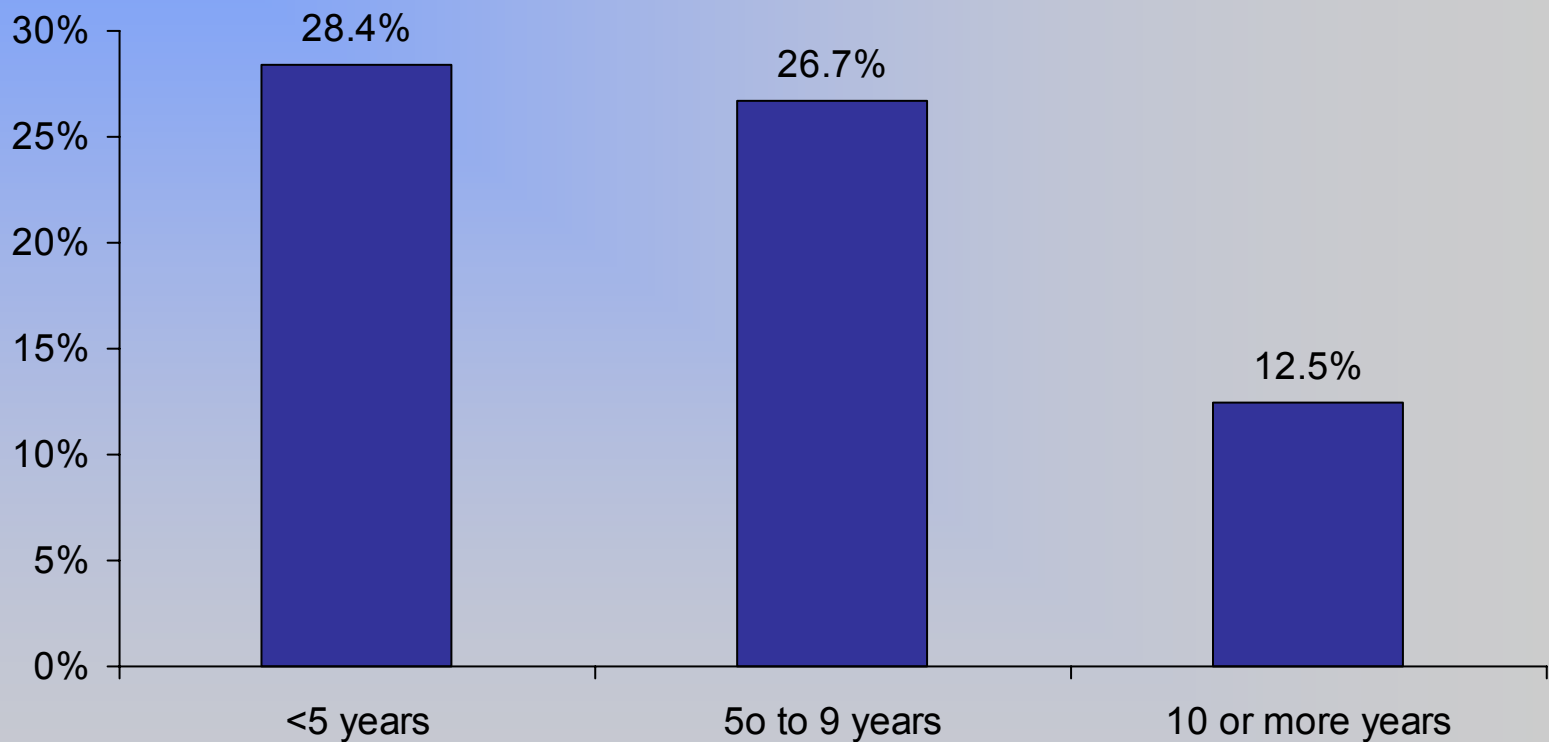
Uninsurance Rates, by Race/Ethnicity



*Indicates statistically significant difference (95% level) from prior survey year.

Source: 2007 Minnesota Health Access Surveys

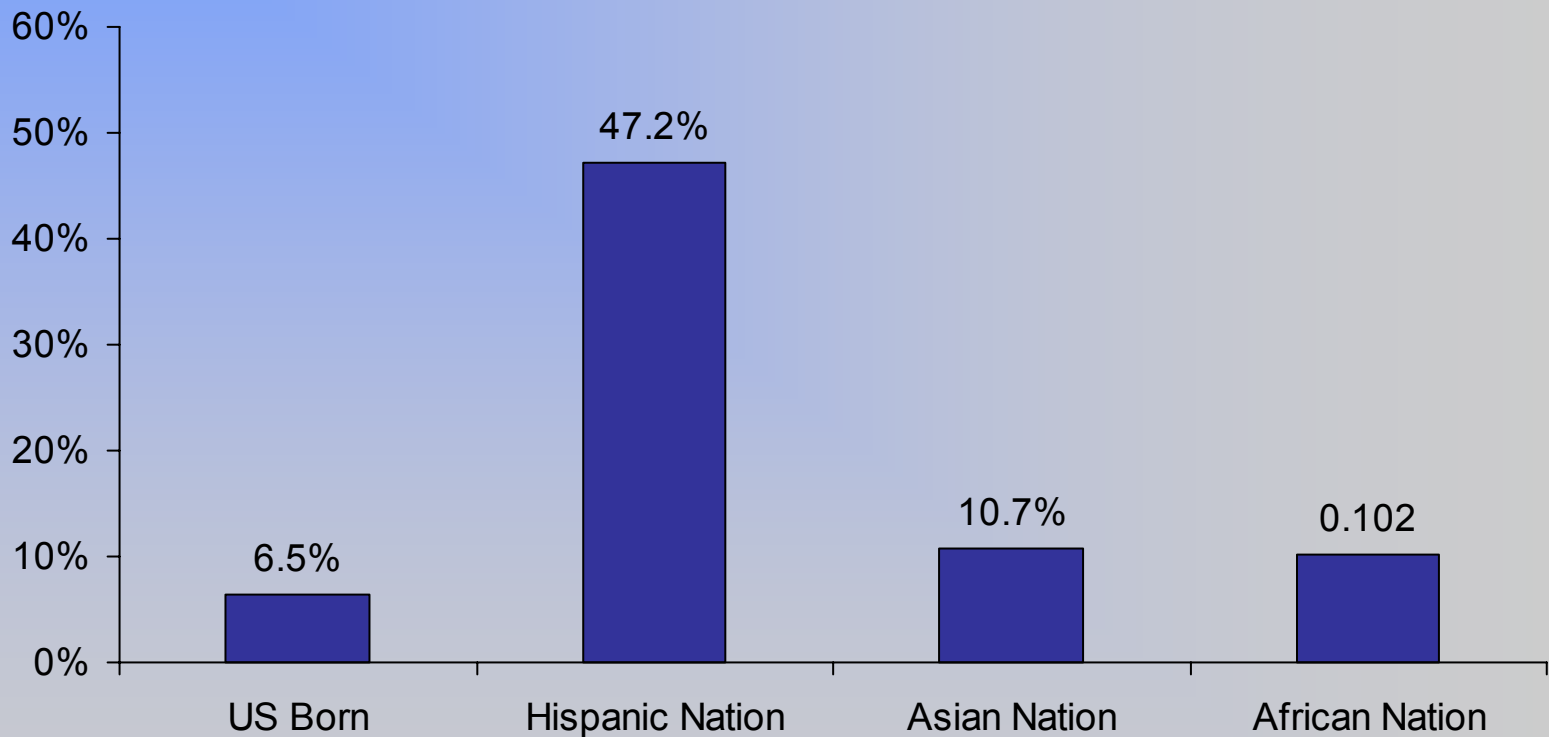
Uninsurance Rates, by Length of Time in U.S.



*Indicates statistically significant difference (95% level) from prior survey year.

Source: 2007 Minnesota Health Access Surveys

Uninsurance Rates, by Birth Nation



*Indicates statistically significant difference (95% level) from prior survey year.

Source: 2007 Minnesota Health Access Surveys

Obesity and Health Consequences

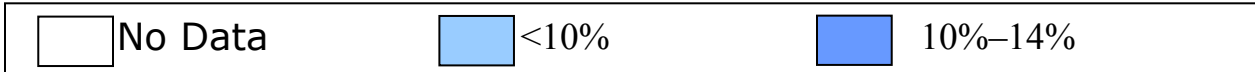
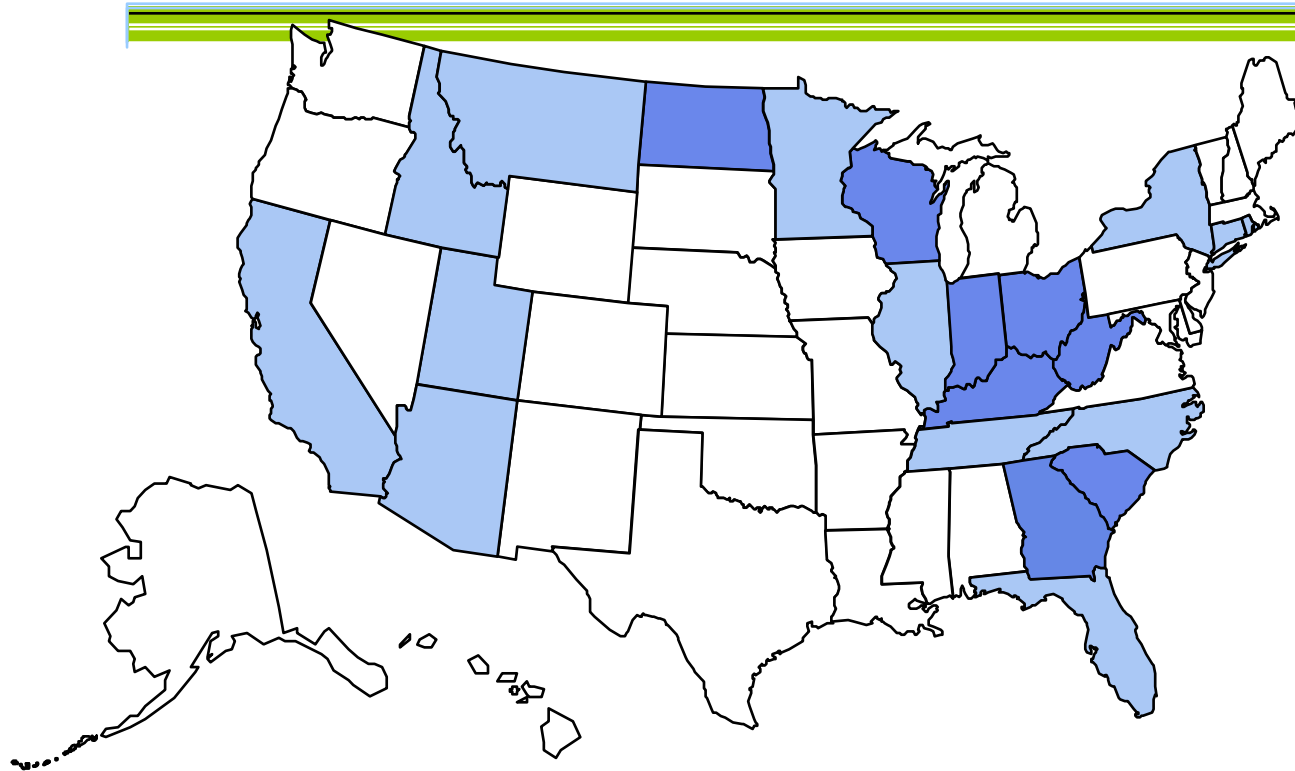
Overweight and obese individuals are at increased risk for many diseases and health conditions, including the following:

- ★ Hypertension (high blood pressure)
- ★ Osteoarthritis (a degeneration of cartilage and its underlying bone within a joint)
- ★ Dyslipidemia (for example, high total cholesterol or high levels of triglycerides)
- ★ Type 2 diabetes
- ★ Coronary heart disease
- ★ Stroke
- ★ Gallbladder disease
- ★ Sleep apnea and respiratory problems
- ★ Some cancers (endometrial, breast, and colon)

Obesity Trends* Among U.S. Adults

BRFSS, 1985

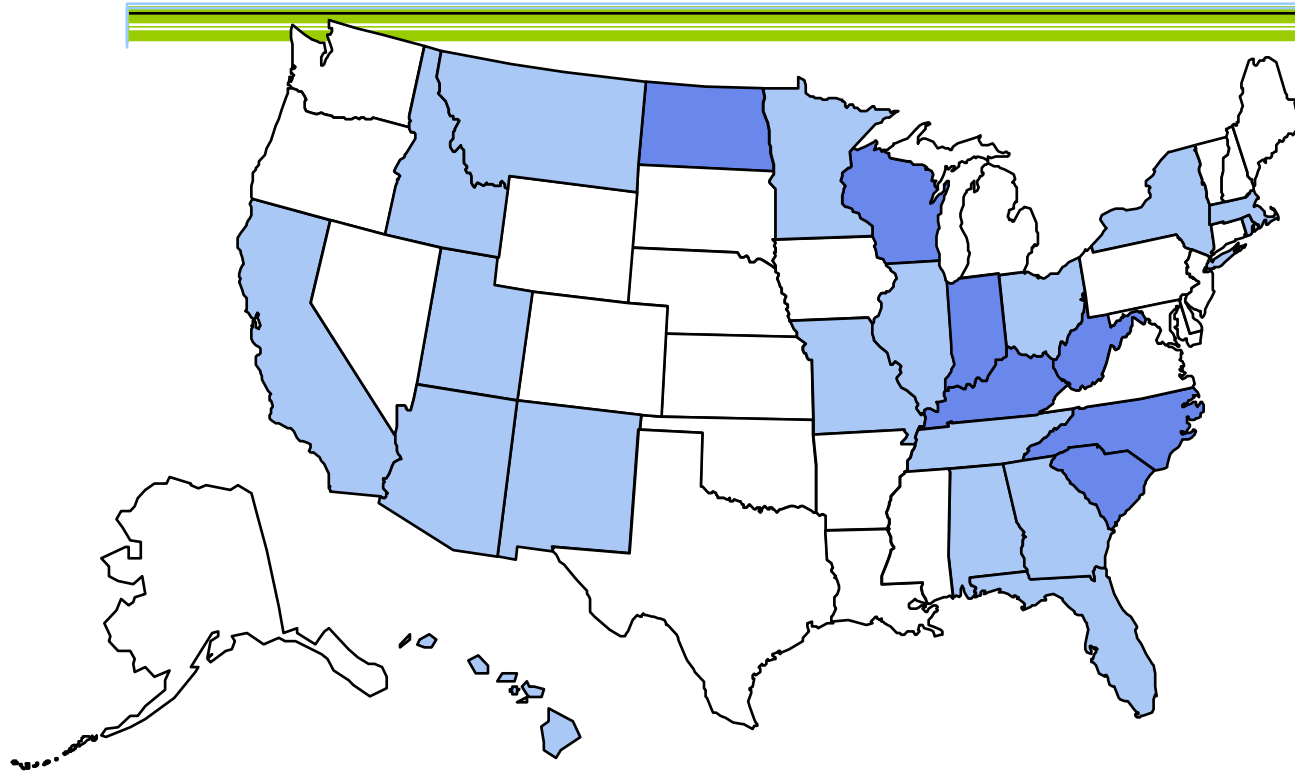
(*BMI ≥ 30 , or ~ 30 lbs overweight for 5' 4" person)



Obesity Trends* Among U.S. Adults

BRFSS, 1986

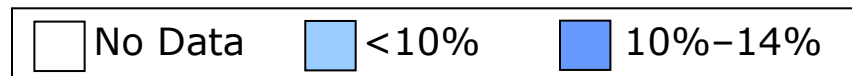
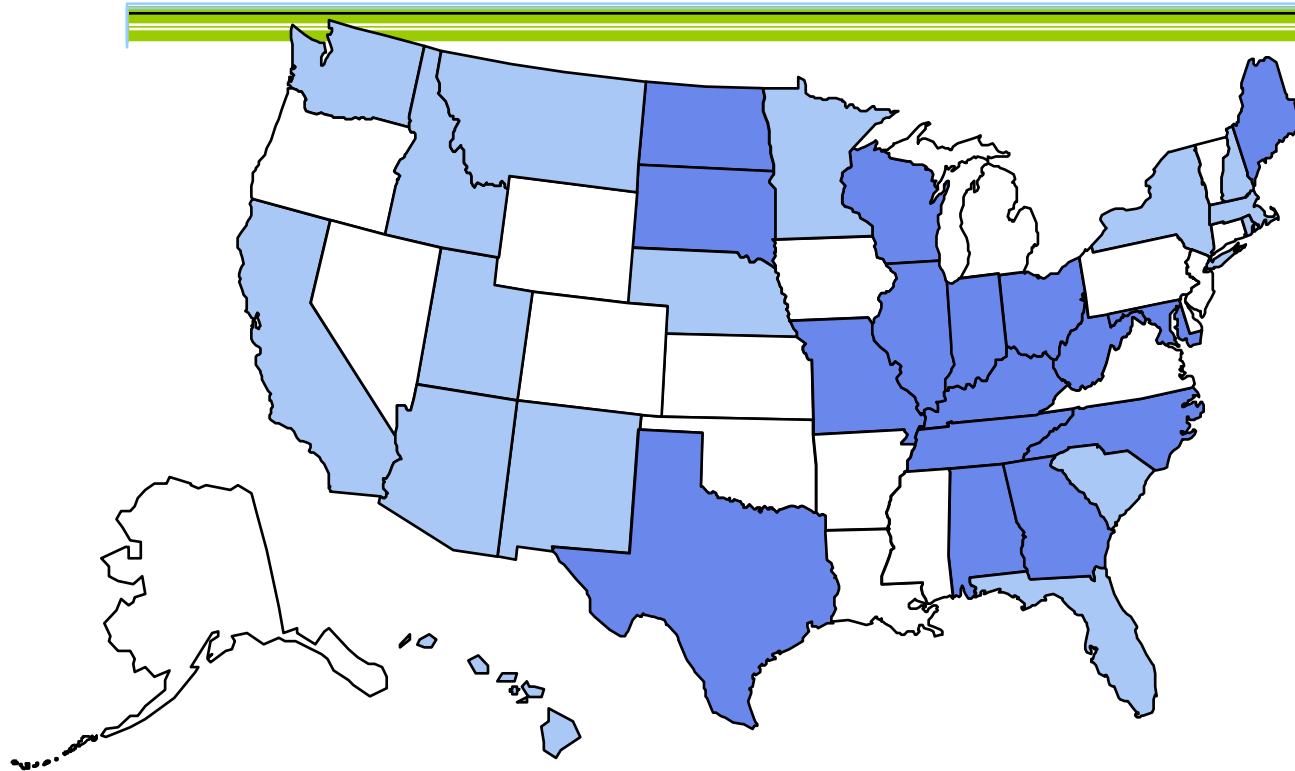
(*BMI ≥ 30 , or ~ 30 lbs overweight for 5' 4" person)



Obesity Trends* Among U.S. Adults

BRFSS, 1987

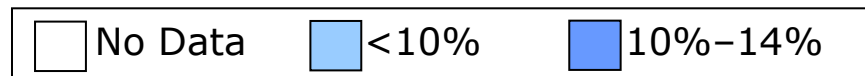
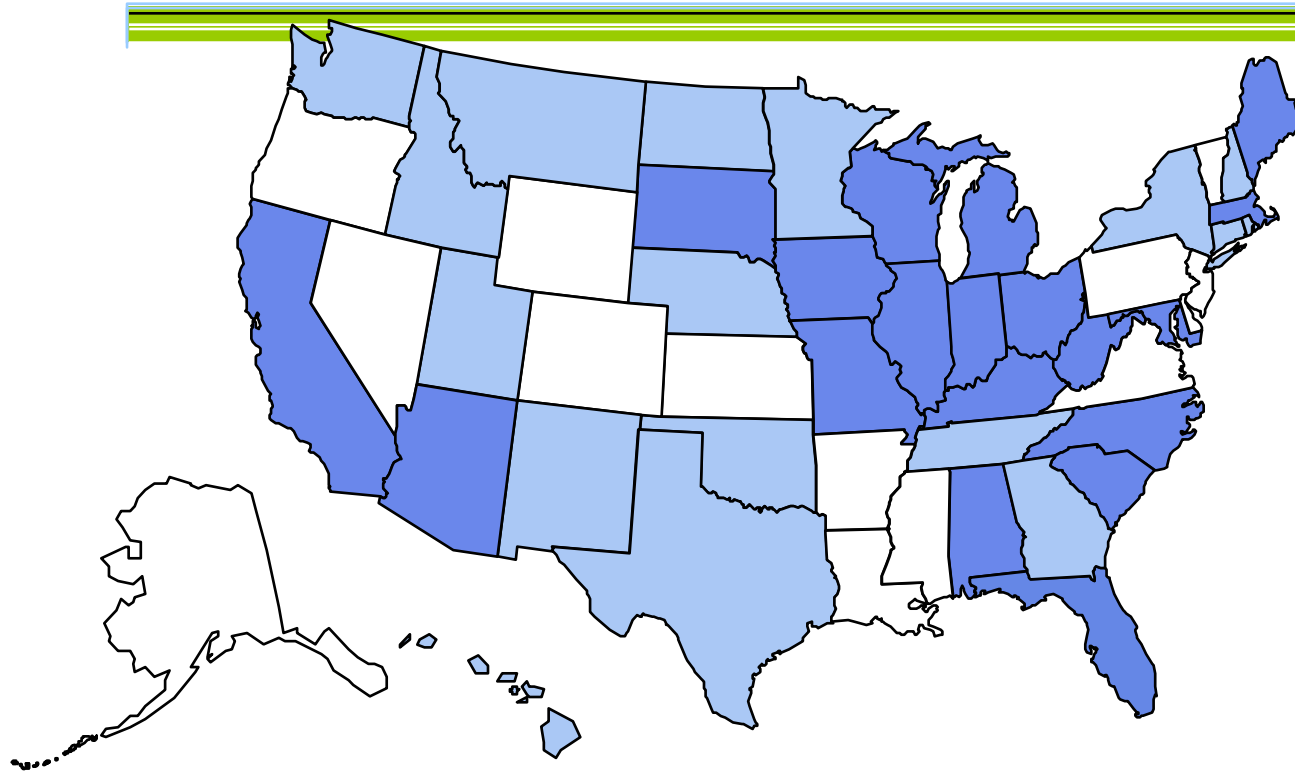
(*BMI ≥ 30 , or ~ 30 lbs overweight for 5' 4" person)



Obesity Trends* Among U.S. Adults

BRFSS, 1988

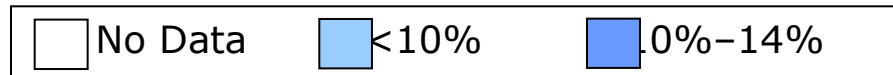
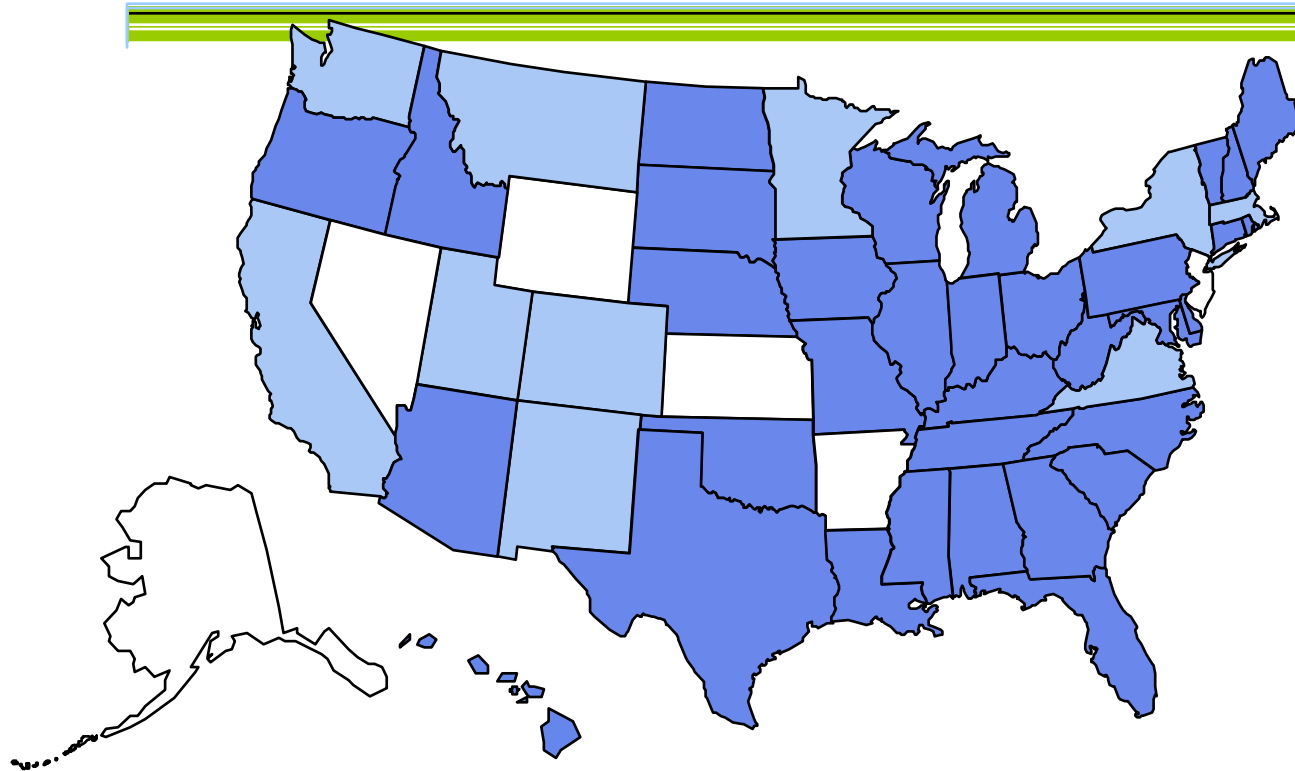
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Obesity Trends* Among U.S. Adults

BRFSS, 1990

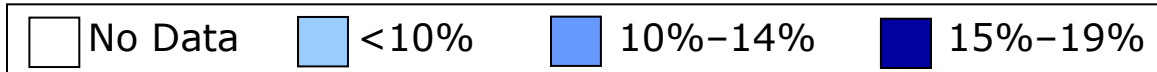
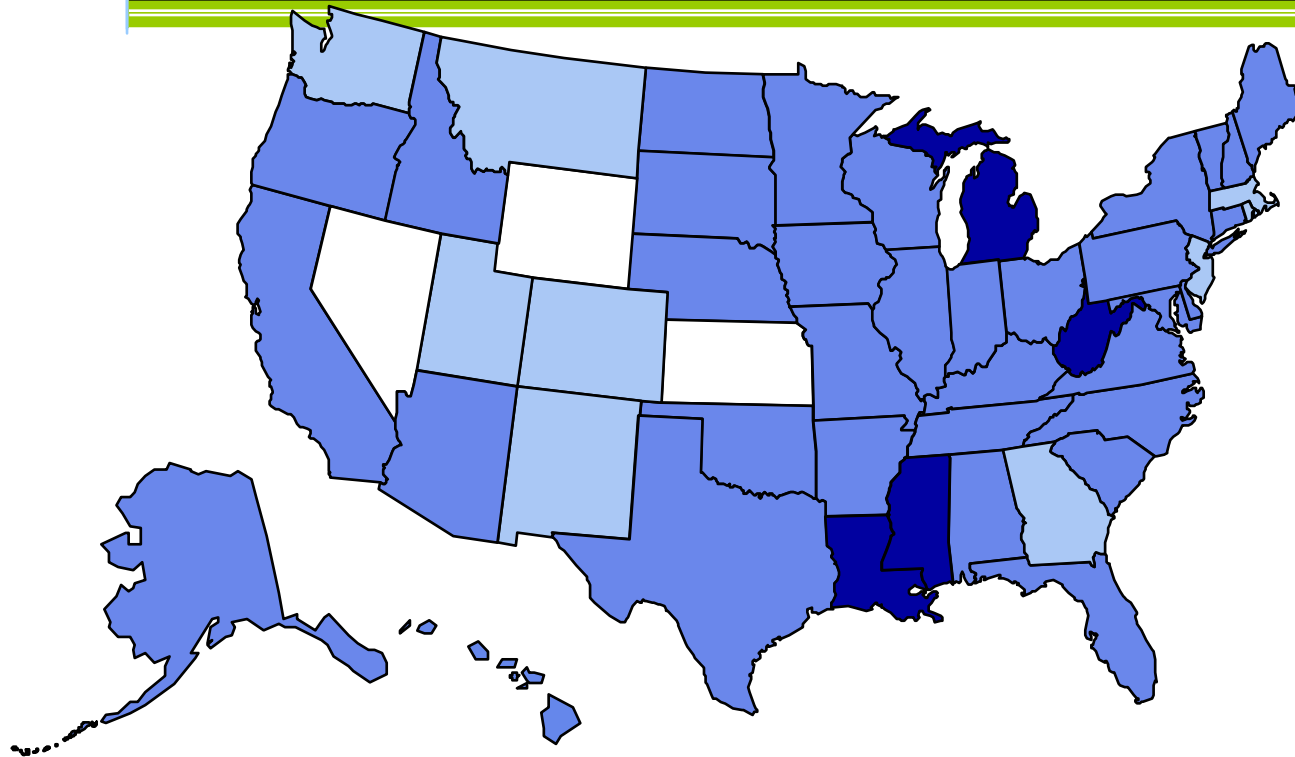
(*BMI ≥ 30 , or ~ 30 lbs overweight for 5' 4" person)



Obesity Trends* Among U.S. Adults

BRFSS, 1991

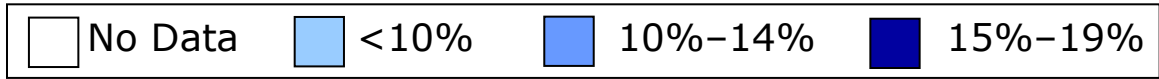
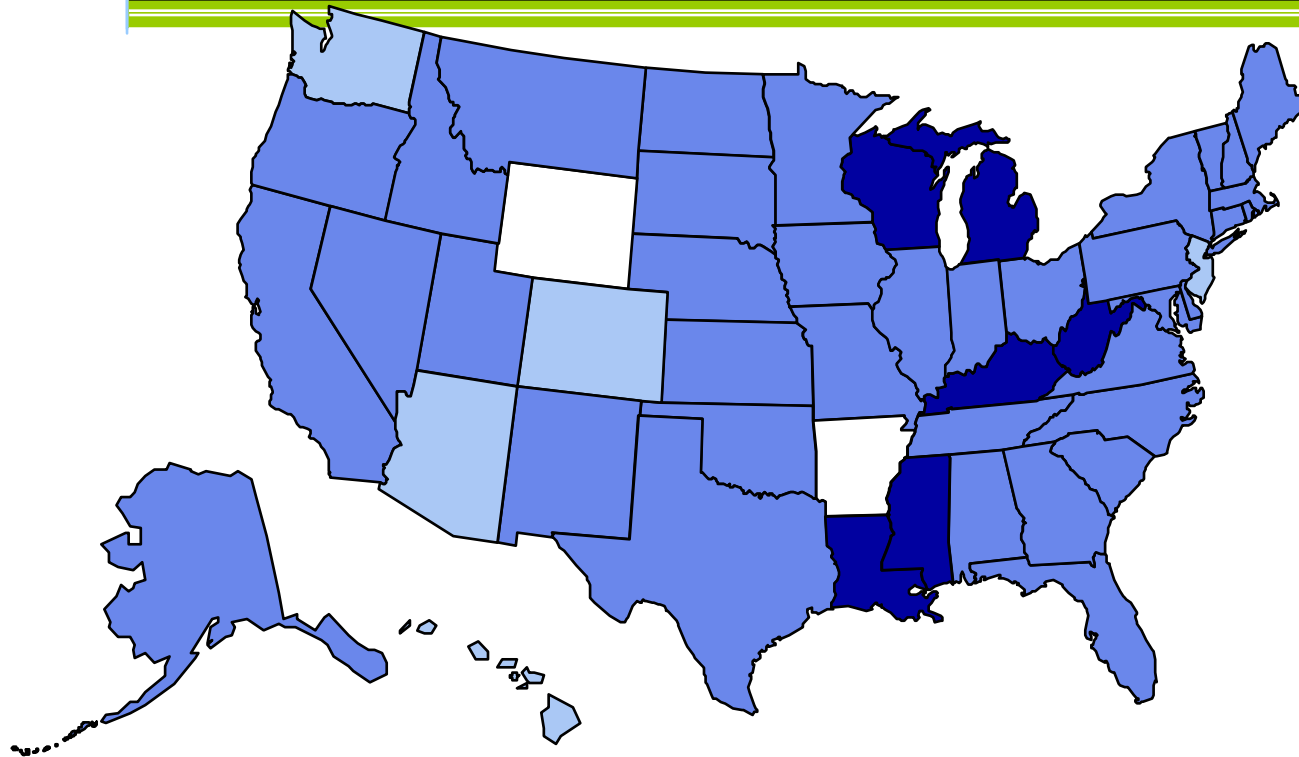
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Obesity Trends* Among U.S. Adults

BRFSS, 1992

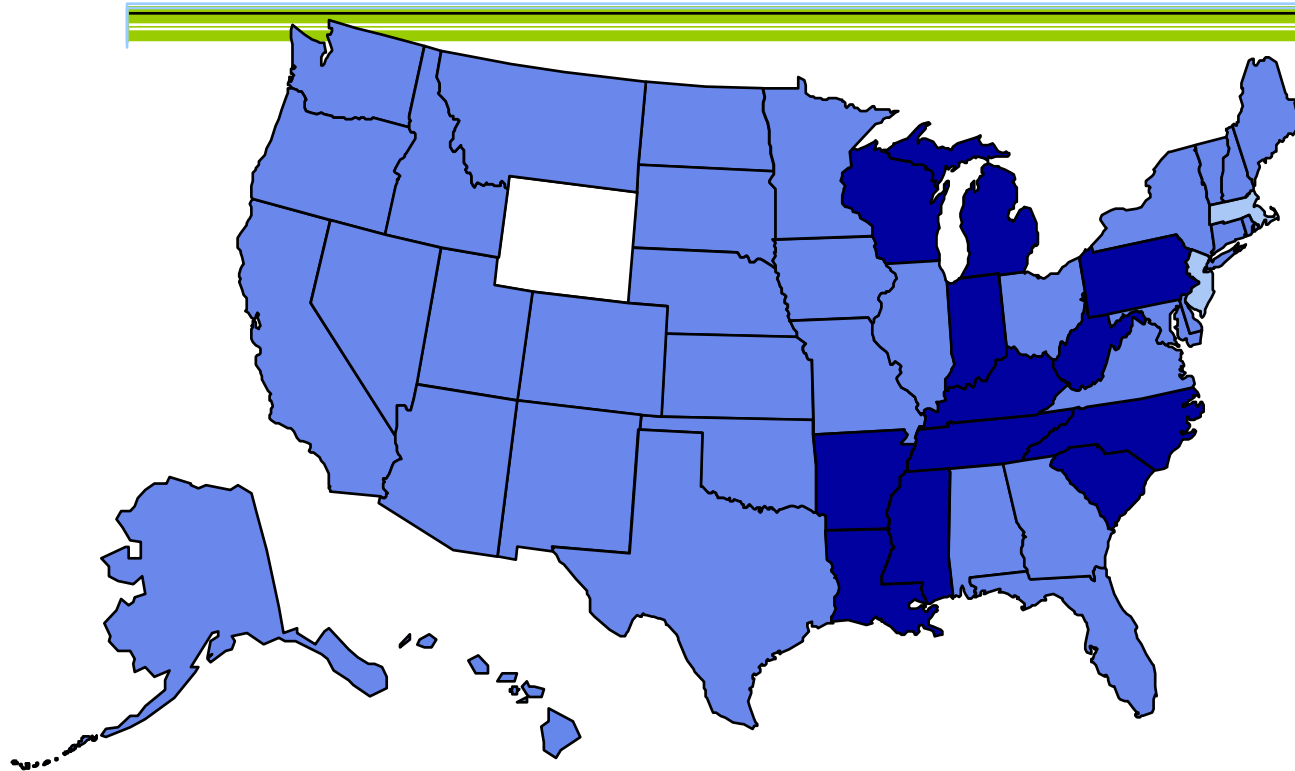
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Obesity Trends* Among U.S. Adults

BRFSS, 1993

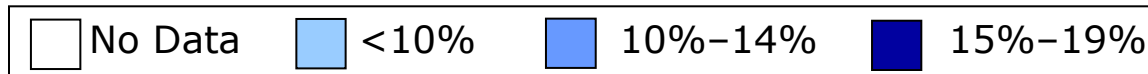
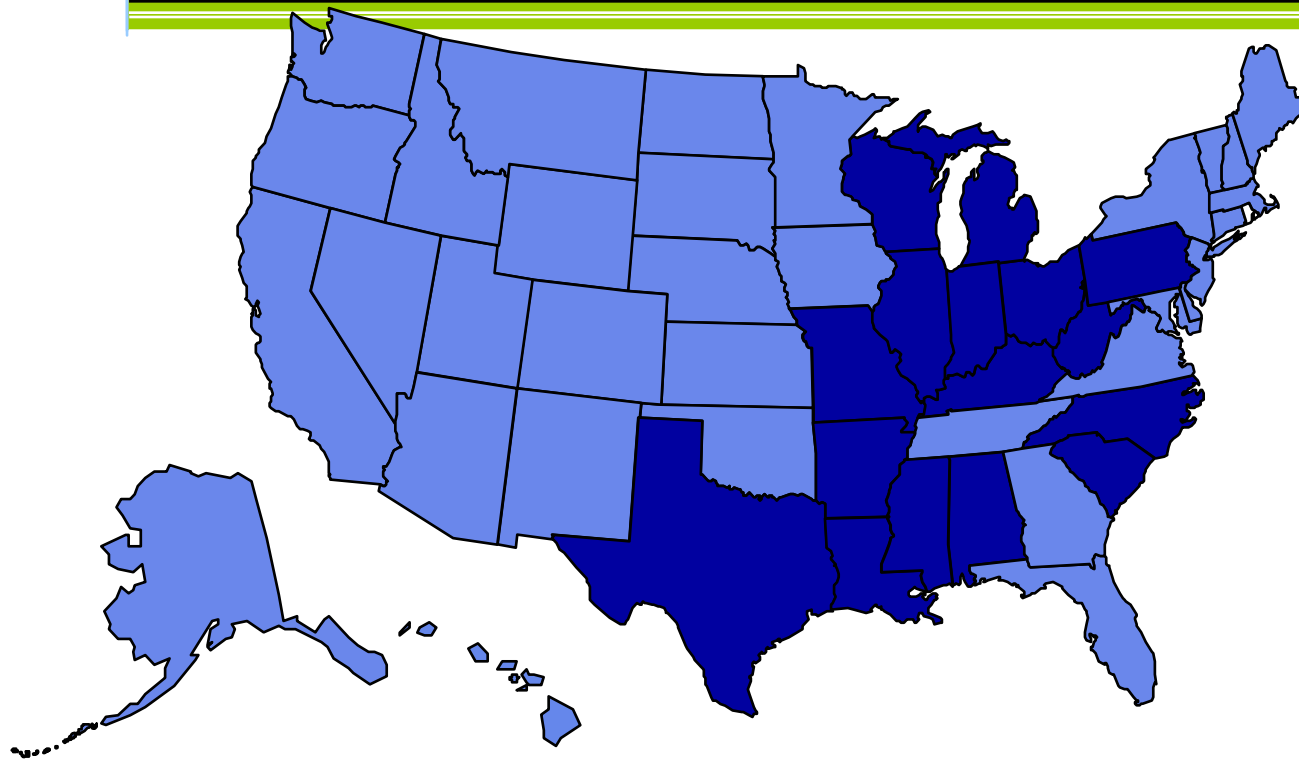
(*BMI ≥ 30 , or ~ 30 lbs overweight for 5' 4" person)



Obesity Trends* Among U.S. Adults

BRFSS, 1994

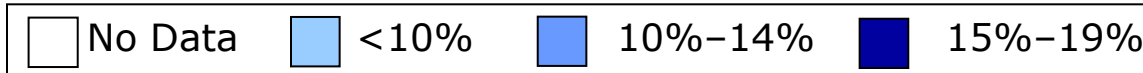
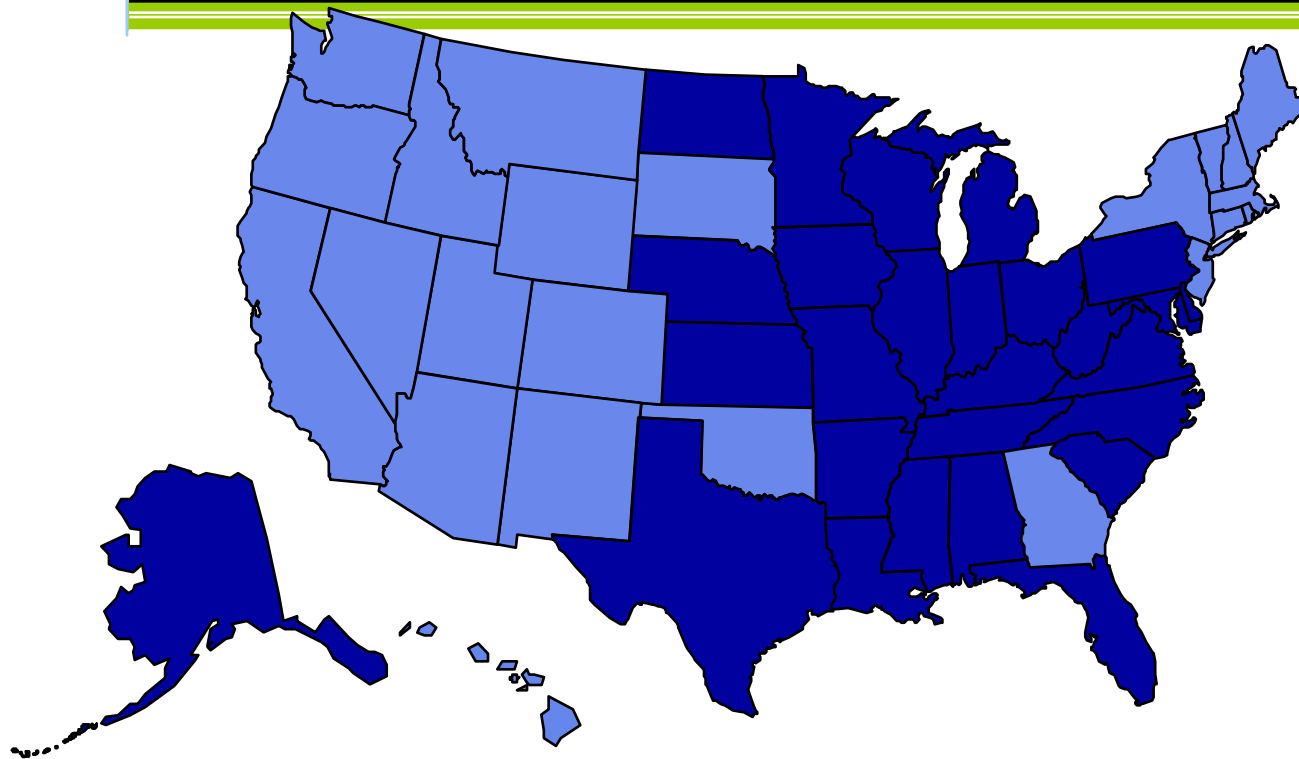
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Obesity Trends* Among U.S. Adults

BRFSS, 1995

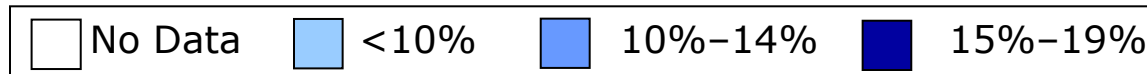
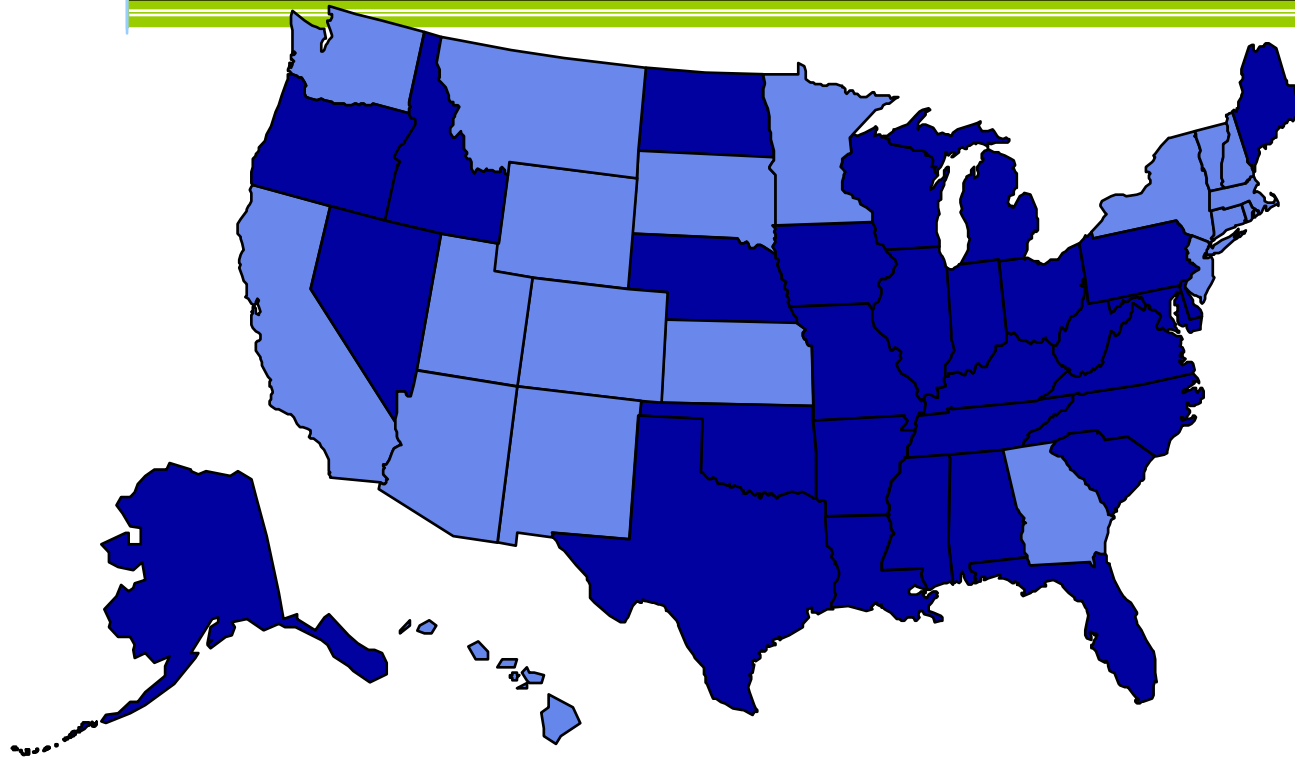
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Obesity Trends* Among U.S. Adults

BRFSS, 1996

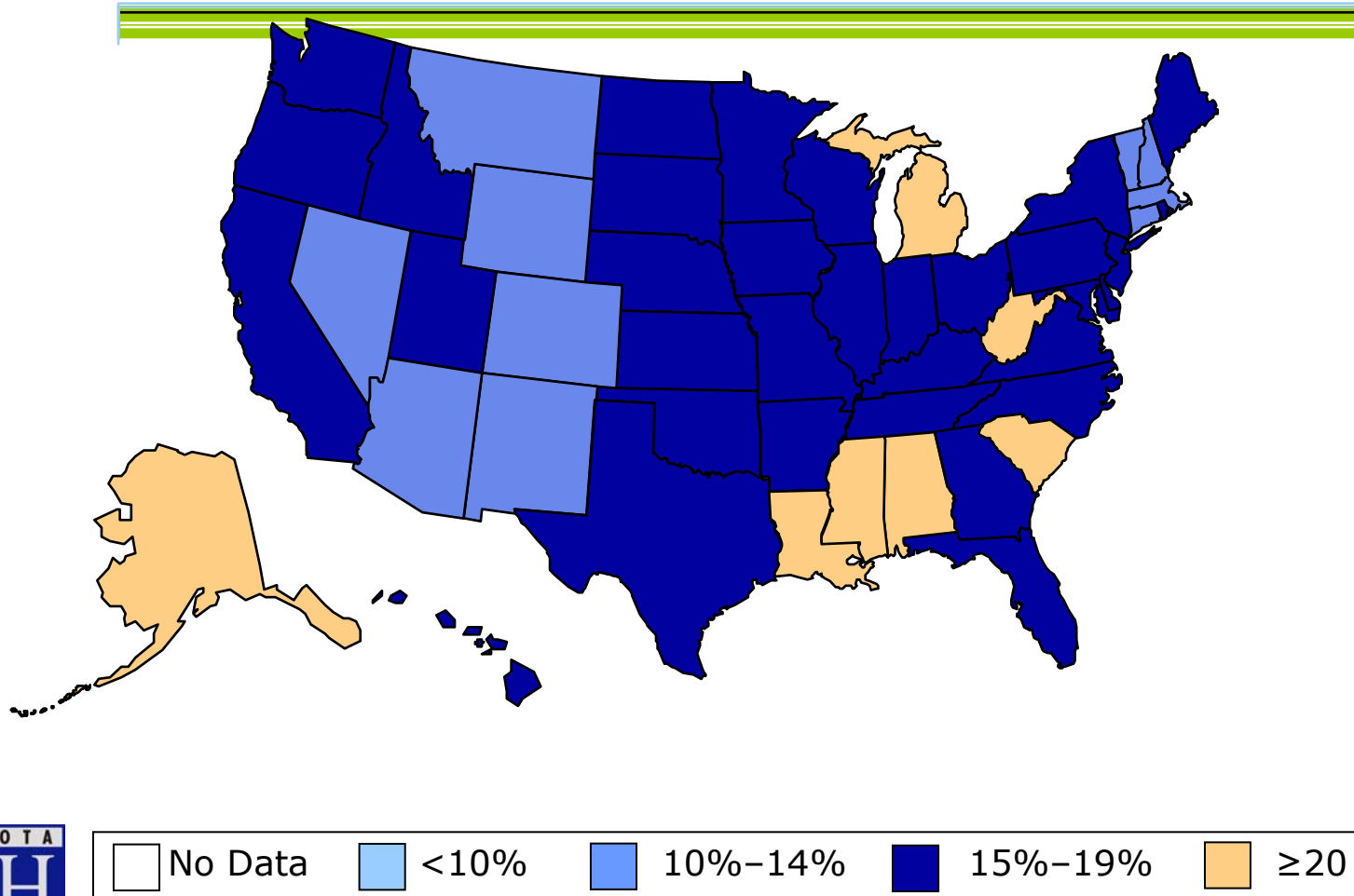
(*BMI ≥ 30 , or ~ 30 lbs overweight for 5' 4" person)



Obesity Trends* Among U.S. Adults

BRFSS, 1998

(*BMI ≥ 30 , or ~ 30 lbs overweight for 5' 4" person)



Obesity Trends* Among U.S. Adults

BRFSS, 2001

(*BMI ≥ 30 , or ~ 30 lbs overweight for 5' 4" person)

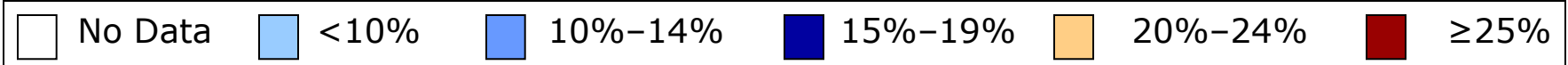
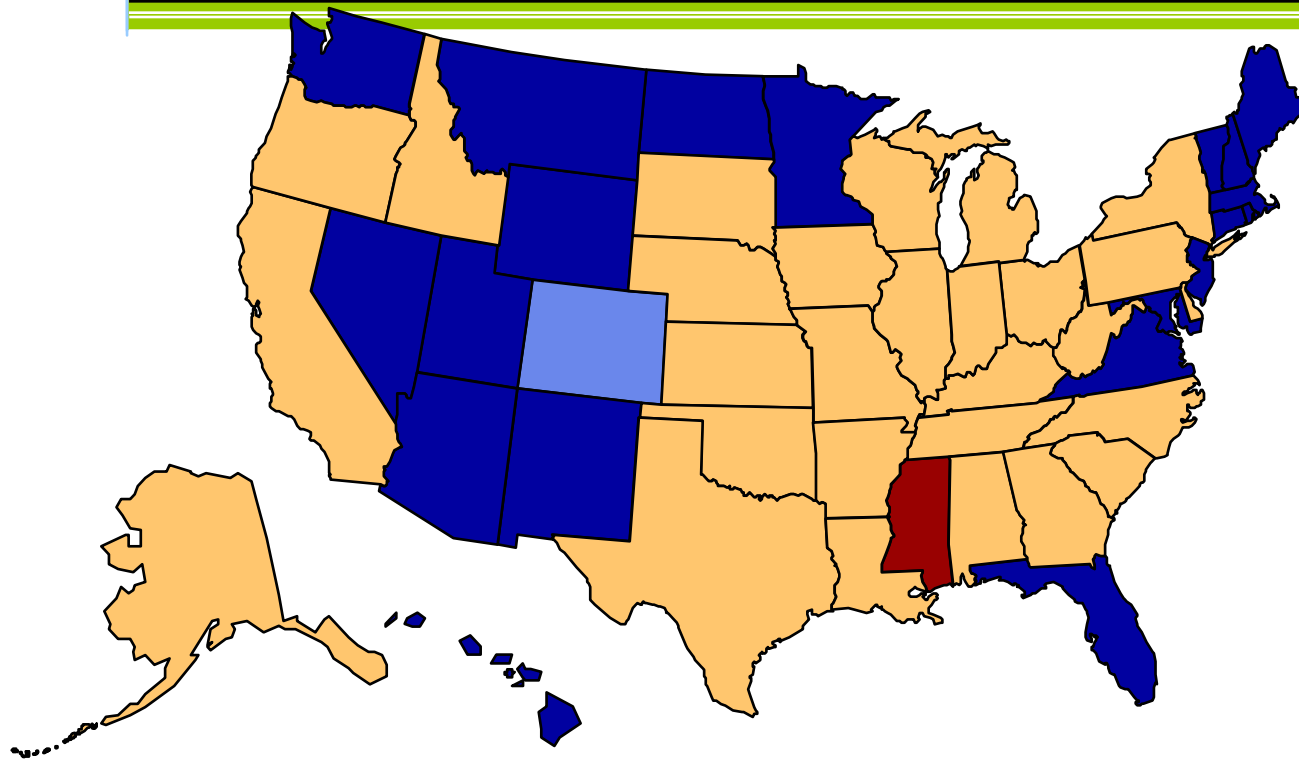
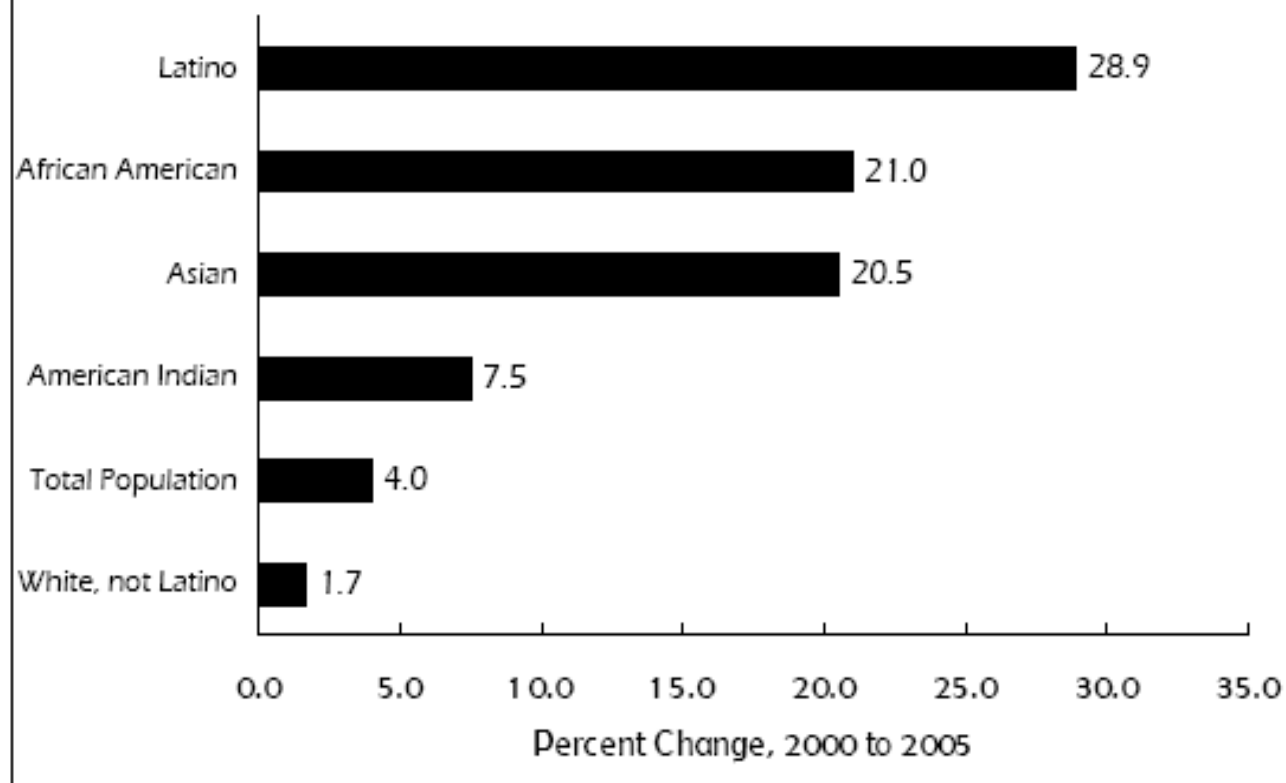


Figure 2: Percent Growth in Population by Race/Ethnicity,
Minnesota 2000 to 2005



Source: *Nonwhite and Latino Populations in Minnesota Continue to Grow Rapidly*, Population Notes, August 2006, Minnesota State Demographic Center

Diabetes Death Rates, by Race/Ethnicity, MN

Table 10: Diabetes Death Rates* per 100,000 Population by Race/Ethnicity

	Baseline Rate 1995-99	Current Rate 2000-04	Disparity Status
African American	59.7	54.6	Better
American Indian	108.8	86.5	Better
Asian	21.1	22.5	Worse
Latino	37.7	37.5	Better
White	22.3	23.3	N/A

¹Disparity = Population of Color rate – White rate

* Age-adjusted death rate

2007 Omnibus Health and Human Services bill

- ★ Gave charges to two different commissions/task forces
 - Legislative Commission on Health Care Access:
 - Develop a plan to achieve the goal of universal coverage
 - by January 1, 2011, all Minnesota residents have access to affordable health care
 - Governor's Health Care Transformation Task Force
 - See next slide

Governor's Transformation Task Force

- ★ Develop statewide action plan for transforming the health care system to improve affordability, quality, access, and the health status of Minnesotans.
 - Develop recommendations to:
 - Reduce health care expenditures by 20% by 2011
 - Reduce rate of growth of health care spending to CPI +2%
 - Increase affordable health coverage options to ensure all Minnesotans have health coverage by 2011
 - Actions to improve quality and safety of care
 - Improve the health status of Minnesotans
 - Change health care purchasing strategies
 - Promote the appropriate and cost-effective investment in new facilities, technologies, and drugs
 - Actions to reduce administrative costs

Governor Pawlenty's Health Care Transformation Task Force

- ★ TTF named and started meeting in July
- ★ Meetings approximately every three weeks throughout summer and fall
- ★ Final report released in February 5
- ★ Website:
 - <http://www.health.state.mn.us/divs/hpsc/hep/transform/>

Task Force Recommendations: Primary Areas

★ Health Improvement

- Need to reduce rates of chronic disease and risk factors associated with them

★ Insurance Reform

- Make insurance more affordable, accessible, and available

★ Transparency

- Of price, quality, and value
- Understandable and useful

★ Administrative Efficiencies

★ Payment Reform

- Payment for Quality
- Medical Home/Care coordination
- Realignment of care delivery incentives to focus on preventive care

Contact Information

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