

## **Klobuchar, Franken outline specifics on their health-care views**

By Cynthia Dizikes | Wednesday, Sept. 2, 2009

WASHINGTON, D.C. — The debate over health care reform this summer has been charged and, at times, explosive. And with all the town hall meetings, public forums and teleconferences, it can be hard to keep track of where lawmakers stand on some of the issues surrounding the debate. So MinnPost talked with Minnesota's U.S. senators, Amy Klobuchar and Al Franken, to better understand their views on some key points.

In general, the Democratic lawmakers agree. They both want to see insurance companies play by different rules that favor the consumer, such as eliminating provisions that deny coverage to people with pre-existing conditions. They also favor a so-called "value index" that would reward quality over quantity of services. But on the much-discussed government run "public option," the senators did vary slightly in their responses. Franken adamantly supports the inclusion of such a plan.

"I think that we can use the public option to cut costs because private health insurers will have to compete with it," Franken said. "The public option also doesn't have to make a profit, so we can focus more on integrating care and coordinating health care homes and increasing quality to bring down costs."

Klobuchar has taken more of a wait-and-see approach. She said that while she is open to the plan, she would not accept an option that is based on a Medicare payment model, which puts states like Minnesota at a disadvantage.

"[I] am open to a public option, but [we would] need to fix Medicare reimbursements so it works for Minnesota," Klobuchar said. "I have long advocated for opening up the Federal Employee Health Benefits Program that uses the purchasing power of 8 million federal employees to lower premiums, while still providing access to quality care and preventative services."

The following questions and answers were assembled from telephone interviews with the senators and follow-up email exchanges.

In each interview, the senators addressed the so-called "public option" and the Senate co-op proposals.

The public option plan calls for a government-administered health program similar to Medicare. Proponents of this plan argue that it is the most effective way to hold down costs while expanding access to high-quality care. Opponents say that it would short-change health care providers and amount to more government bureaucracy.

The Senate co-op proposal was offered earlier this year as a possible alternative to the public option. The specifics of the proposal have not been publically established, but the idea would be to create private, member-owned co-ops that would compete with private insurers. Proponents of this plan like that the government would not be running the co-ops. Skeptics wonder whether these co-ops would be large enough to compete with private insurance companies.

**Klobuchar: Top priority is to cut costs**



**Sen. Amy Klobuchar**

**MinnPost: What are the top three measures that you need to see in the health care bill? (In no particular order.)**

**Klobuchar:** The first is to make health care more affordable by doing something about costs... by reforming Medicare payments, including incentives for bundling, and implementing a quality index.

If we put that in place, it will filter through the whole system. Right now [Minnesota's] taxpayer money is subsidizing the rest of the country. So, this is my number one priority, but it is going to be a battle — not so much partisan as geographic.

The second priority is stability, making the health care system and benefits more stable, and this will mean regulation of the insurance industry and some reform. It will mean not allowing them to cut people out in terms of pre-existing conditions. It will mean being able to take insurance with you if you change jobs.

Third is keeping what is good, keeping what is good about Minnesota, allowing people to choose doctors and health plans that already work for them. We especially need to focus on keeping rural health care strong, which includes providing incentives for doctors to locate to those areas.

**MinnPost: Are you in favor of the inclusion of the "public option"?**

**Klobuchar:** I am open to a public option, but I am waiting to see what it looks like in the Senate bill.

**MinnPost: Why?**

**Klobuchar:** I believe we can incentivize more affordable health care in general by better regulating insurance and creating meaningful competition for health care services. However, some of the options before Congress are tied to Medicare reimbursement rates. Before we even consider expanding Medicare, or another program based on its rates, we must reform our Medicare payment system so that it rewards value, not volume, and doesn't disadvantage states

like Minnesota that provide high-quality care in an efficient way.

I would prefer a public option that would be a competitive option that would allow people to buy into a Federal Employee Health Benefits Program, which is a series of private plans...

I have long advocated for opening up the Federal Employee Health Benefits Program that uses the purchasing power of 8 million federal employees to lower premiums, while still providing access to quality care and preventative services. I am especially focused on making sure that any reforms make it easier for small businesses and the self-employed to afford health care.

**MinnPost: You have faced some criticism about not coming down clearly for, or against, the public option. What is your rationale behind the position that you have taken?**

**Klobuchar:** We have a lot to lose if it isn't done right... I think I am doing the right thing for the state by stepping back. The problem is if you say "yes" and don't see the changes you want, that doesn't get you very far. You would give up any power to change it.

**MinnPost: What is your assessment on the likelihood that the public option will actually be part of the package? What are the challenges?**

**Klobuchar:** I don't know. I really wish we would talk about it as a competitive option, and then we would look at the effects — how it is forecast to bring down costs. Then you can make an assessment. If the assessment is positive, it will have more political support behind it.

**MinnPost: Those in the insurance industry say that it will be a tremendous boon for the private health-care insurance providers if there is an individual mandate but no public option. How do you expect to control costs if there is no public option?**

**Klobuchar:** I think you would somehow have to do it with major regulations... It is a concern. That is why you want to look at the whole [legislation].

**MinnPost: What do you think of the co-op proposal?**

**Klobuchar:** The co-op plan is worth looking at, [but] I don't have enough details on it.

**MinnPost: How would you assess the debate on health care so far?**

**Klobuchar:** I actually think that it is healthy that people are getting engaged in this. The way they do it may not please everyone — people get mad at elected officials all the time, it just usually isn't on 24-hour cable — but I don't think that is a bad thing.

Health care is incredibly important to people, either they work in the health care field, or need health insurance or have health insurance. It is just one of the most fundamentally important issues.

**MinnPost: What is the most common misconception that you have heard about health care reform?**

**Klobuchar:** The biggest misconception is that it is somehow a negative to reform the costs. That it somehow means that someone is going to pull the plug on grandma because we have to talk about these costs for grandma and for people just coming into the Medicare system. The thing

that I have found most startles people is that the lower-cost states, like Minnesota, tend to have the highest quality.

**MinnPost: What is something that is missing from this discussion right now?**

**Klobuchar:** As Congress considers health care reform, eldercare is the elephant in the room. It needs to be better addressed. Both Minnesota and the nation will soon experience major changes as the Baby Boom generation reaches retirement age and as ever more Americans live into their 80s and beyond. By the year 2035, Minnesota's population over age 65 will more than double, as will our population 85 and older. The well-being and financial security of families depends not only on access to affordable medical services, but also access to affordable, reliable long-term care — including care that allows seniors to live independently as long as possible.

I would hope that Senator [Edward] Kennedy's CLASS Act, which provides an optional self-directed insurance plan for long-term care, would be included in health reform. The CLASS Act would help provide a safety net for individuals that need long term care, and save taxpayer dollars. I also have several proposals that help to provide better information and choices for long-term care insurance, making it easier for people to access long-term care services and understand their long-term care insurance policies.

We also know that most eldercare comes from informal, unpaid caregivers — and we must help provide resources and support for these caregivers. My bill, the AGE Act, helps provide a tax credit to these informal caregivers and establishes a National Caregiving Resource Center to provide better access to information for caregiving services. Making elder care a priority in health care reform is good for our seniors, our families and our businesses. And because providing care to seniors at home is far less expensive than in a nursing home, it's also good for all of us as taxpayers.

**Franken: Supports 'public option'**



**Sen. Al Franken**

**MinnPost: What are the top three measures that you need to see in the health care bill? (In no particular order.)**

**Franken:** There are more than three things, but I certainly want to see pre-existing conditions gone. I want to see a provision where companies can't deny health insurance or penalize people in terms of the cost for pre-existing conditions.

I want to put a cap on what people have to pay out of their pocket so that they don't go bankrupt. I don't have a specific number, but it will be a number that may depend on their income. And, we can't do all of this without cutting the costs, and to do that we need to institute some kind of best practices to encourage quality and value over volume — a type of value index.

**MinnPost: Are you in favor of the inclusion of the "public option"?**

**Franken:** Yes, absolutely.

**MinnPost: Why?**

**Franken:** I think that we can use the public option to cut costs because private health insurers will have to compete with it. The public option also doesn't have to make a profit so we can focus more on integrating care and coordinating health care homes and increasing quality to bring down costs.

**MinnPost: What is your assessment on the likelihood that the public option will actually be part of the package? What are the challenges?**

**Franken:** I think that it is touch and go, I really do. But I am going to fight for it. I am going to speak out on its behalf, lobby my other colleagues, and use all the tools I have learned in my first five weeks being in the Senate.

**MinnPost: Those in the insurance industry say that it will be a tremendous boon for the private health care insurance providers if there is an individual mandate, but no public option. How do you expect to control costs if there is no public option?**

**Franken:** I think that then you have to have the Health and Human Services secretary impose certain ways of doing business, and it is going to be much harder to do it without a public option, and that is why I am for it [a public option].

**MinnPost: What do you think of the co-op proposal?**

**Franken:** I don't think we have enough details on the co-op proposal... Are we going to get enough people in them? Will they be state or regional? How will doctors be paid?

I am open to it... Part of me fears that it is the best we can get. We know co-ops in Minnesota, but it may work better for dairy than in health care.

**MinnPost: The Minnesota GOP has criticized you recently for not holding any meetings on health care that are fully open to the public. What would your response be to this?**

**Franken:** I have had community forums around the state that were completely open... the right might have been confused that they were called community forums and not town halls. They were open to the public and if anyone had any questions about health care, they could ask them. And I was asked about health care.

**MinnPost: How would you assess the debate on health care so far?**

**Franken:** The majority of Minnesotans I have met over this recess — at the State Fair and in meetings I've attended all around the state — really want to see the system reformed and have asked me to go back to Washington to get it done. But obviously, when there are people yelling over each other at town hall meetings across the country, you're not having a productive debate. That said, I've had a lot of very good discussions with folks who have real, legitimate concerns.

"Are we really going to get the savings we need from establishing 'best practices'?" "Will Minnesota continue to be punished for its success with low Medicare reimbursements?" "President Obama says I'll be able to keep the health insurance I have. But what if my employer decides to go into the exchange and changes insurers?" "If we're not covering undocumented people, won't they continue to use expensive emergency room care?"

These are questions I've gotten, and they're good questions. And people haven't been shouting.

**MinnPost: What is the most common misconception that you have heard about health care reform?**

**Franken:** Obviously, the "death panels" is an especially egregious lie intended to frighten people. And the idea that a public option is a government takeover of health care is totally unfounded.

We see opponents of the bill citing a figure from the Lewin Group, a health-care think tank which is the subsidiary of a health insurance company, saying that if we adopt a public option, over a hundred million Americans will "lose their employer health insurance." Well, that's a very outdated number based on the very most extreme model of what a public option could be. The Lewin Group has since revised its number to 10.4 million, while the Congressional Budget Office puts the number at just 150,000. And, of course, those people will not "lose" their health insurance. In fact, they may very well end up with better coverage under the public option.

Yet you see Republican office holders, who clearly know better, put out the old number, suggesting that over 100 million people will lose their health insurance. Again, this is totally disingenuous — which goes back to your last question. Instead of having a real debate, we have politicians throwing up dust for political reasons. Health care is a serious, complex problem, and that kind of demagoguery is the very last thing we need. Fortunately, most Minnesotans I've met are seeing through this cloud of misinformation and asking me to fight for the public health option in the reform bill.

Finally, there is a misperception that the United States has the best health care system in the world, so we should just stick with the status quo. We do have some of the best health care in the world — in fact, right here in Minnesota. But our health care system is a mess.

The Swiss don't go bankrupt when they get sick. The French don't worry about losing quality, affordable health-care coverage if someone in their family has a pre-existing condition. Every other developed country provides universal health care at about half the cost that we do and have better outcomes and higher satisfaction. It's hard to break through with that information because Americans can't believe that we're not the best at everything. Well, we just aren't when it comes to our system of delivering health care and keeping our people healthy. But there's no reason we can't be. But we need to start with an honest debate about how to fix our system.

**MinnPost: What is something that is missing from this discussion right now?**

**Franken:** Well, I think we need to put more focus on all the socio-economic determinants of health. That's a big topic. Your health has less to do with your doctor and your health insurance than with where you live. Does your neighborhood have clean air and water? Do you have ready access to healthy, affordable food? The way we eat has an enormous impact on health and health care costs. Obesity rates have shot up over the last 30 years. This leads to diabetes and heart disease.

Then there are things like exercise. Are there areas for recreation in your neighborhood? To socialize with friends and neighbors? Is there a high incidence of alcohol and chemical dependency where you live? Of crime and violence? Do the schools have physical education? Healthy school lunches? And breakfasts? There are public health and prevention provisions in the bills that address these concerns either directly or tangentially. But we don't discuss them enough, and there's much more in the whole arena of health care disparities to be done.

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