

# Healthcare Coverage for Divorced Families

Adina Lebowitz – June 2018

# Healthcare coverage decisions

- How do you split premiums, co-pays, HSAs, deductibles between ex-spouses to cover the kids?
- Do either or both parents have healthcare coverage thru their employers?
- Do either or both parents buy insurance thru the marketplace? Do they qualify for subsidies to reduce their monthly premiums?
- Are the kids eligible for Medical Assistance?
- These costs matter to families in all of our communities – urban or rural - who need good paying jobs and access to affordable healthcare for themselves and those they love.
- Especially during a critical time like divorce, continuity of care is vitally important.

## Compare Two Different 2018 MNSURE Plans at 3 different income levels for one parent age 50, and two children ages 17 & 12

### HealthPartners PPO Gold

\$85,000 annual income  
(household of 3)

Monthly Premium: **\$1,255.47**  
Deductible: **\$2,000**

Yearly estimate (Premiums +  
Out of pocket): **\$16,896**

Costs in a bad year (4% likelihood  
for people like you): **\$22,046**

**\$65,000 annual income**  
**(household of 3)**

Monthly Premium: **\$770.47** - after  
\$485.00 subsidy  
Deductible: **\$2,000**

Yearly estimate (Premiums +  
Out of pocket): **\$11,076**

Costs in a bad year (4% likelihood  
for people like you): **\$16,226**

\$45,000 annual income  
(household of 3)

One parent buys coverage on  
MNSure, kids are covered by  
Medical Assistance (MA)

Monthly Premium: **\$402.65** - after  
\$282.00 subsidy  
Deductible: **\$1,000**

Yearly estimate (Premiums +  
Out of pocket): **\$5,772**

Costs in a bad year (4% likelihood  
for people like you): **\$11,032**

## Compare Two Different 2018 MNSURE Plans at 3 different income levels for one parent age 50, and two children ages 17 & 12

### Blue Plus Metro MN HSA Silver

\$85,000 annual income  
(household of 3)

Monthly premium: **\$1,303.38**

In-Network Deductible: **\$10,500**

Average costs (Premiums + Out  
of pocket): **\$19,261**

Costs in a bad year (4% likelihood  
for people like you): **\$28,541**

\$65,000 annual income  
(household of 3)

**\$**Monthly Premium: **\$818.38** - after  
\$485.00 subsidy

In-Network Deductible: **\$10,500**

Average costs (Premiums + Out  
of pocket): **\$13,441**

Costs in a bad year (4% likelihood  
for people like you): **\$22,721**

\$45,000 annual income  
(household of 3)

One parent buys coverage on  
MNSure, kids are covered by  
Medical Assistance (MA)

Monthly Premium: **\$428.78** - after  
\$282.00 subsidy  
Deductible: **\$2,100**

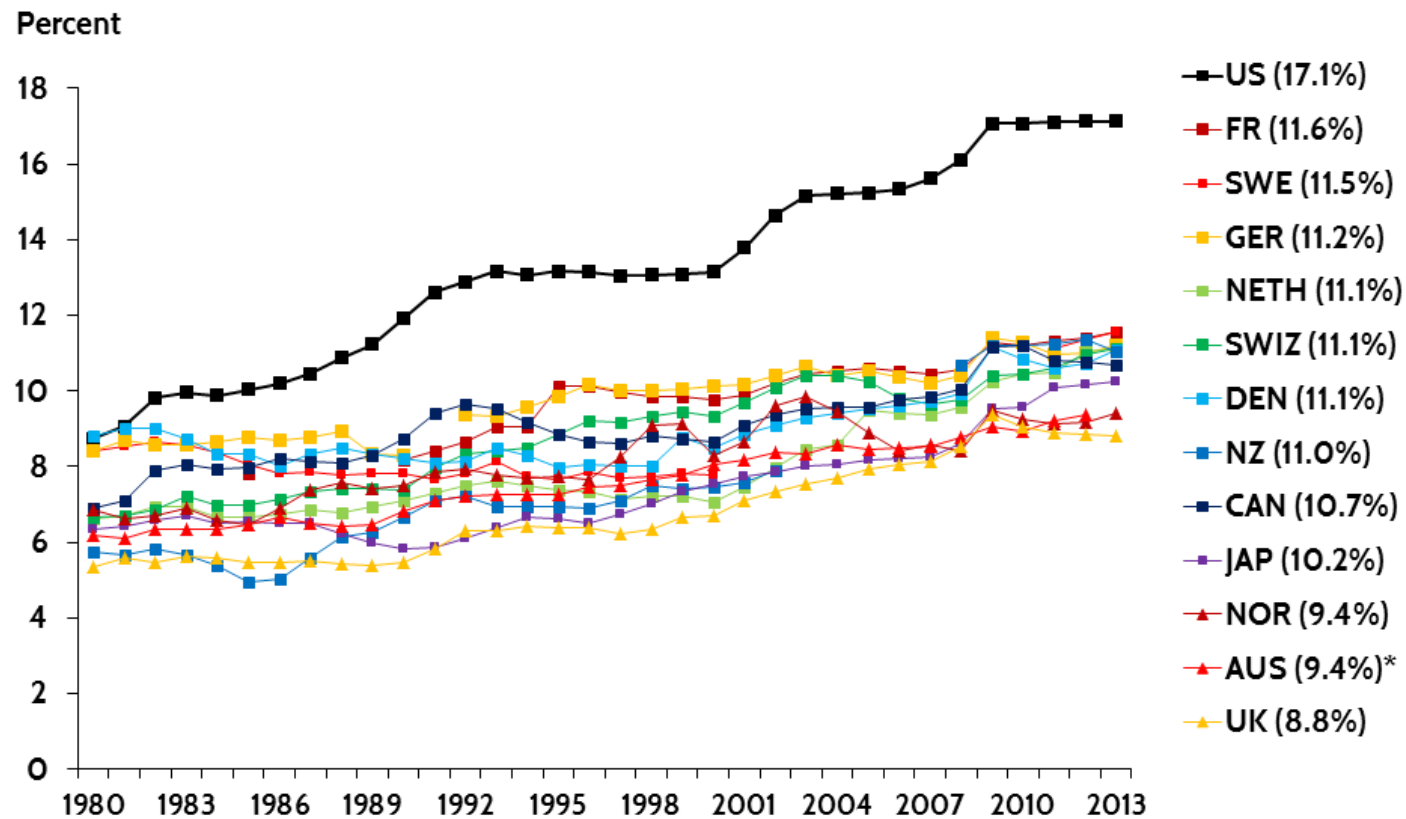
Average costs (Premiums + Out of  
pocket): **\$6,315**

Costs in a bad year (4% likelihood  
for people like you): **\$10,635**

# Are these healthcare costs sustainable?

- NO!!! Current costs of our healthcare system are not sustainable for Minnesota families.
- This is of critical interest to business leaders, especially small businesses, self-employed and farm families.
- Foreign competition has already diminished gross profit margins.
- Rising healthcare costs undermine the ability of our businesses to function, let alone COMPETE in global markets.
- See Fix It Healthcare video - <https://fixithehealthcare.com/>

**Exhibit 1. Health Care Spending as a Percentage of GDP, 1980–2013**



\* 2012.

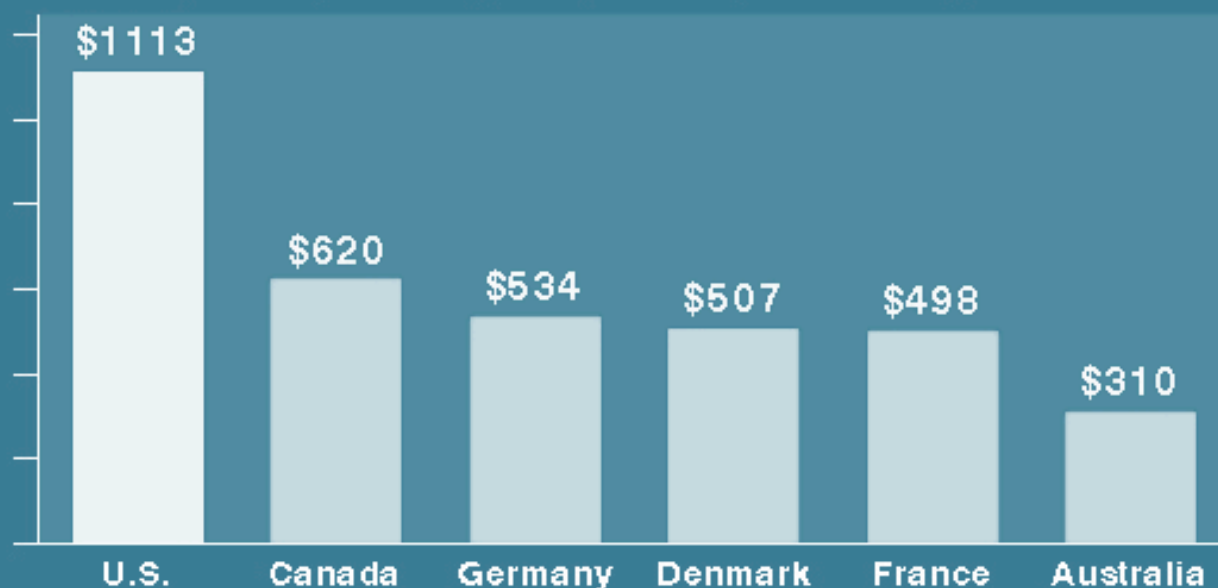
Notes: GDP refers to gross domestic product. Dutch and Swiss data are for current spending only, and exclude spending on capital formation of health care providers.

Source: OECD Health Data 2015.

# US Spends The Most on Drugs

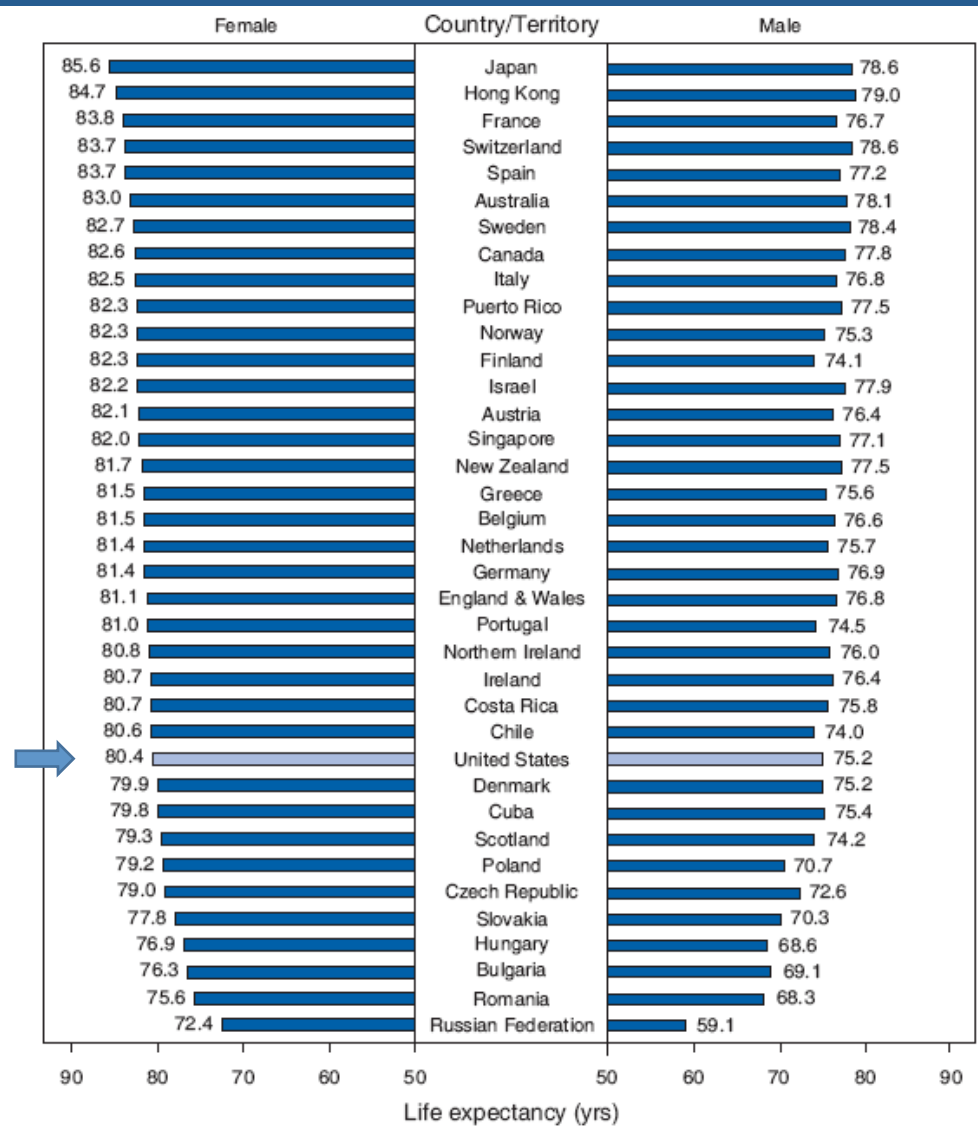
## Twice the OECD Average

Per capita spending on prescription drugs



Source: OECD, 2017; NCHC; American Hospital Association

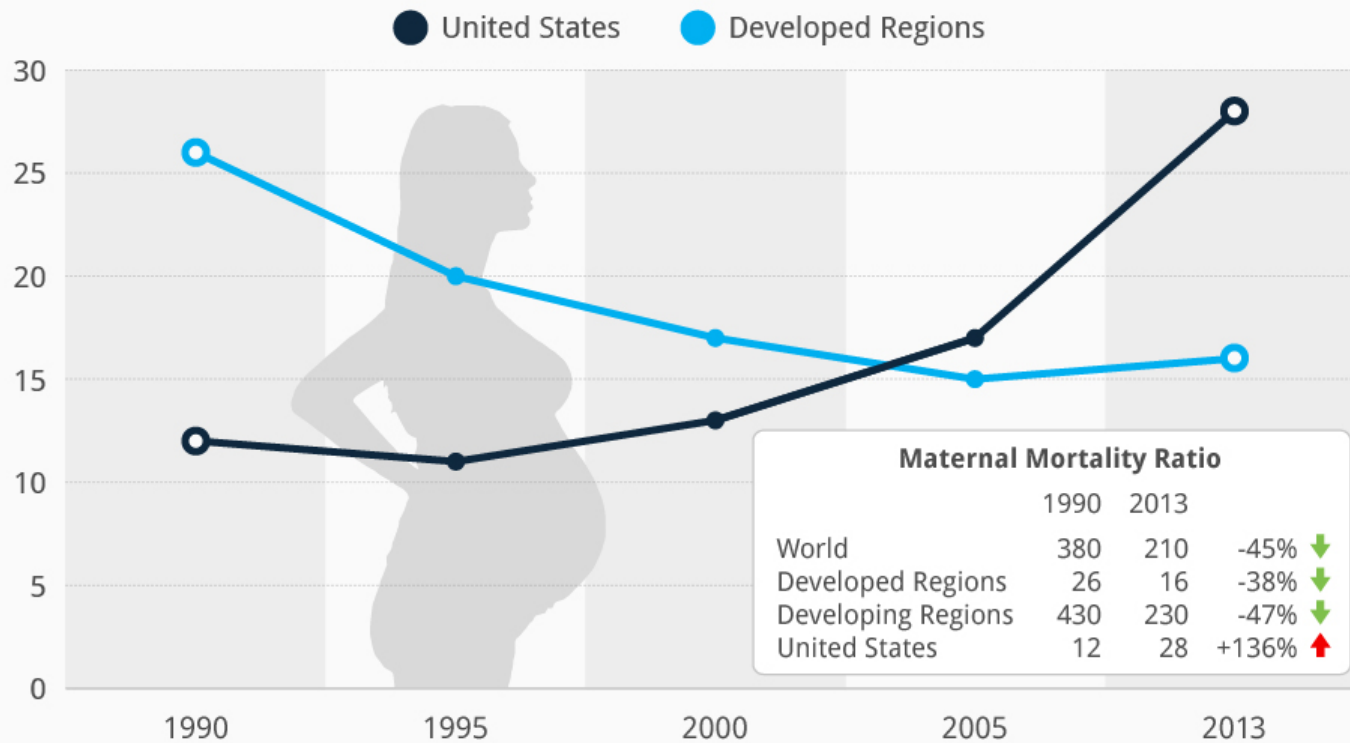
Note: Data are for 2015 or most recent year available





## Maternal Deaths in the U.S. Are on the Rise

Maternal mortality ratio (number of maternal deaths per 100,000 live births)



Source: World Health Organization

Mashable statista






David Cordani, Cigna  
**\$27.2 million**  
(\$104,479 per day)




Michael Neidorff, Centene  
**\$28.1 million**  
(\$107,796 per day)



Stephen Hemsley, UnitedHealth  
**\$66.1 million**  
(\$254,328 per day)



Bruce Broussard, Humana  
**\$13.1 million**  
(\$50,319 per day)



Mark Bertolini, Aetna  
**\$15.0 million**  
(\$57,745 per day)



Joseph Swedish, Anthem  
**\$8.1 million**  
(\$31,016 per day)



-2014  
Compensation

# Health Industry Profits, 2016

Pharmaceuticals	\$67.7 bil
Insurers	\$15.1 bil
Equipment/Supplies	\$10.4 bil
Pharmacy/Lab/Benefit Mgr.	\$10.2 bil
Distributors/Wholesalers	\$5.9 bil
Providers	\$2.0 bil

Source: Fortune 500, 2017

# Healthcare for All Minnesota (HCAMN)

HCAMN is promoting single payer at the state level as championed by:

- Minnesota State Senator John Marty - <https://mnhealthplan.org/the-bill/>
- Physicians for a National Healthcare Program (PNHP) - <http://pnhpminnesota.org/>
- Minnesota Nurses Association (MNA) - <https://mnnurses.org/issues-advocacy/issues/>

And Rep. Keith Ellison from Minnesota has authored a similar bill in the US Congress – HR 676.

Minnesota Commissioner of Health (2011-2017) Dr. Ed Ehlinger - Pediatrician and long-time advocate for children and families states “We cannot afford to **treat** our way to health. We will face significant challenges related to health care costs unless we sharpen our focus on health equity and **preventing** costly chronic diseases.”

# Single Payer – what does it mean?

- **MYTH:** In a single payer system, government will make my medical decisions, doctors are government employees, and hospitals are owned by the government.
- **FACT:** In a PUBLICLY FINANCED universal healthcare system, hospitals and medical groups are PRIVATELY owned. People choose their providers, and medical decisions are made between a patient and their care providers.
- Coverage is NOT tied to employment or family transitions. If you change jobs or get married or divorced, you and your dependents have continuity of coverage.



# Healthcare Financing 101

- Approximately 50% of US healthcare is currently government funded (Medicaid and Medicare programs) and 50% funded by employers and individuals
- The premiums employers and individuals currently pay to insurance plans would instead be paid to a government program which would be a SINGLE PAYER for all healthcare services.
- The total budget for healthcare would be set through a public, democratic process.
- Savings are estimated at **\$700 BILLION per year** through **unified fee schedules, negotiated prescription drug prices**, and **far less administrative overhead** as healthcare premiums would go directly towards providing care, not to the wasteful bureaucracy of hundreds of insurance companies approving or denying care that is deemed medically necessary by providers.

# What would be covered?

All medically necessary care

- Hospital visits
- Physician office visits, lab tests, and imaging services
- Vision and dental
- Mental Health services
- Home care services
- Rehabilitation services
- Nursing home care
- Alternative and complementary care (\*proven effective in clinical trials)



# Minnesota vs US healthcare spending

Overall growth in Minnesota health costs remained below the national average in 2013. Key findings of the report include:

- Minnesota's per capita (5.75 million people) spending on health care in 2013 was \$7,552. \$1,000 below the national average of \$8,713 per capita.
- Minnesota's health care spending increased at a rate of 3.1 percent in 2013 (reaching \$41 billion), more slowly than the national growth rate of 3.8 percent.
- Health care spending accounted for 13.3 percent of the Minnesota economy in 2013, compared to 16.5 percent of the total U.S. economy.
- On average Minnesota has excellent quality of care ratings, however there are sharp racial and income disparities in health which need to be addressed.
- Challenges lie ahead – future state health care spending is still expected to be \$50 billion in 2018 and \$75-\$85 billion within 10 years

# Imagine a world...

- Where all you pay are your **monthly premiums** – 1% to 5% of income on a progressive scale
- Based on your household income – EVERYONE in your household is covered – young or old, whether you live alone or with 3, 4, 5 or more people in your household, regardless of pre-existing conditions, whether you plan to become pregnant in the coming year, or experience a serious accident – everyone is covered.
- **No more high deductible plans, or co-pays** at the point of care.
- You would not go broke or have to file for bankruptcy due to costly medical care.

# Summary

- The costs of our current US healthcare system are not sustainable and are adversely impacting families and making our economy less competitive with other countries.
- Our families deserve **continuity of care** when we experience life changes – whether thru changes in employment, or thru marriage or divorce.
- Divorced families (and so many others!) would BENEFIT from more affordable, more accessible care in a SIMPLER healthcare system.

# HEALTH CARE FOR ALL Minnesota

[www.healthcareforallminnesota.org](http://www.healthcareforallminnesota.org)

