

MINNESOTA MEDICAL ASSOCIATION ISSUE BRIEF

February 13, 2009

State Budget Deficit

POSITION

The budget should not be balanced on the back of low-income Minnesotans who need health care.

BACKGROUND

The Governor's budget recommends cutting more than 85,000 people from health care safety net programs to balance the \$4.8 billion budget deficit. He also recommends transferring the entire Health Care Access Fund (HCAF) into the General Fund.

The combination of these recommendations will devastate the safety net. People who cannot get coverage will still need health care services. These costs will be picked by providers through increased bad debt and charity care. The burden will fall most heavily on the sick and needy and on the clinics that provide their care..

By eliminating the HCAF the Governor is using money that has been dedicated to health care services to pay down the General Fund deficit. The provider tax will now be used to pave roads, pay for K-12 education, and other General Fund obligations.

TALKING POINTS

- A time of economic crisis is NOT the time to cut health care safety net programs
- People who lose public program coverage will still need health care services. The cost of their care will fall to hospitals and clinics in the form of charity care.
- The budget must be balanced with a combination of cuts and new revenues. Programs that provide direct care to people in need must be protected as much as possible from excessive cuts.
- Don't eliminate the Health Care Access Fund to balance the budget. This fund is intended to provide health care to low-income Minnesotans who don't qualify for MA or GAMC.
- As more and more people turn to MinnesotaCare for affordable health care, the revenue in the Health Care Access Fund will be needed more than ever.