**Senator Cohen from the Committee on Finance, to which was re-referred**

**S.F. No. 255:** A bill for an act relating to MinnesotaCare; modifying covered health services; repealing the limited benefits for certain single adults and households without children; amending Minnesota Statutes 2004, sections 256L.03, subdivision 1; 256L.12, subdivision 6; repealing Minnesota Statutes 2004, section 256L.035.

Reports the same back with the recommendation that the bill do pass. Report adopted.

.....
(Committee Chair)

March 22, 2005.....
(Date of Committee recommendation)

# Roll Call Vote

**Committee:** Finance

**Bill/Amendment:** SF 255

**Date:** 3/22/05

**Action:** SF 255 be recommended to pass. Motion carried.

| Member | Aye | Nay | Pass |
|---|---|---|---|
| Cohen | X | | |
| Berglin | X | | |
| Chaudhary | X | | |
| Dibble* | X | | |
| Dille | | | |
| Fischbach | X | | |
| Frederickson | X | | |
| Gerlach | | X | |
| Hottinger | X | | |
| Kierlin | X | | |
| Kiscaden | X | | |
| Langseth | X | | |
| Larson | | | |
| Metzen | X | | |
| Murphy | X | | |
| Neuville | | | |
| Nienow | X | | |
| Olson | X | | |
| Ourada | | | |
| Pappas | X | | |
| Pariseau | X | | |
| Ranum | X | | |
| Stumpf | X | | |
| Wiger | X | | |
| Results: | 19 | 1 | |

*As of 3/18/05, Senator Dibble temporarily replaces Senator Sams on the Finance Committee

**Senators Berglin, Koering, Foley, Tomassoni and Lourey introduced--**

**S.F. No. 255:** Referred to the Committee on Health and Family Security.

A bill for an act

relating to MinnesotaCare; modifying covered health services; repealing the limited benefits for certain single adults and households without children; amending Minnesota Statutes 2004, sections 256L.03, subdivision 1; 256L.12, subdivision 6; repealing Minnesota Statutes 2004, section 256L.035.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2004, section 256L.03, subdivision 1, is amended to read:

Subdivision 1. [COVERED HEALTH SERVICES.] ~~For individuals under section 256L.04, subdivision 7, with income no greater than 75 percent of the federal poverty guidelines or for families with children under section 256L.04, subdivision 1, all subdivisions of this section apply.~~ "Covered health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, special education services, private duty nursing services, adult dental care services other than services covered under section 256B.0625, subdivision 9, paragraph (b), orthodontic services, nonemergency medical transportation services, personal care assistant and case management services, nursing home or intermediate care facilities services, inpatient mental health services, and chemical dependency services. Outpatient mental health services covered under the MinnesotaCare program are limited to diagnostic assessments, psychological testing, explanation of

findings, medication management by a physician, day treatment, partial hospitalization, and individual, family, and group psychotherapy.

No public funds shall be used for coverage of abortion under MinnesotaCare except where the life of the female would be endangered or substantial and irreversible impairment of a major bodily function would result if the fetus were carried to term; or where the pregnancy is the result of rape or incest.

Covered health services shall be expanded as provided in this section.

Sec. 2. Minnesota Statutes 2004, section 256L.12, subdivision 6, is amended to read:

Subd. 6. [CO-PAYMENTS AND BENEFIT LIMITS.] Enrollees are responsible for all co-payments in ~~sections~~ section 256L.03, subdivision 5, ~~and 256L.035~~, and shall pay co-payments to the managed care plan or to its participating providers. The enrollee is also responsible for payment of inpatient hospital charges which exceed the MinnesotaCare benefit limit.

Sec. 3. [REPEALER.]

Minnesota Statutes 2004, section 256L.035, is repealed.

APPENDIX
Repealed Minnesota Statutes for 05-1070

**256L.035 LIMITED BENEFITS COVERAGE FOR CERTAIN SINGLE ADULTS AND HOUSEHOLDS WITHOUT CHILDREN.**

(a) "Covered health services" for individuals under section 256L.04, subdivision 7, with income above 75 percent, but not exceeding 175 percent, of the federal poverty guideline means:

(1) inpatient hospitalization benefits with a ten percent co-payment up to $1,000 and subject to an annual limitation of $10,000;

(2) physician services provided during an inpatient stay; and

(3) physician services not provided during an inpatient stay, outpatient hospital services, freestanding ambulatory surgical center services, chiropractic services, lab and diagnostic services, and prescription drugs, subject to an aggregate cap of $2,000 per calendar year and the following co-payments:

(i) $50 co-pay per emergency room visit;

(ii) $3 co-pay per prescription drug; and

(iii) $5 co-pay per nonpreventive physician visit.

For purposes of this subdivision, "a visit" means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary.

Enrollees are responsible for all co-payments in this subdivision.

(b) The November 2006 MinnesotaCare forecast for the biennium beginning July 1, 2007, shall assume an adjustment in the aggregate cap on the services identified in paragraph (a), clause (3), in $1,000 increments up to a maximum of $10,000, but not less than $2,000, to the extent that the balance in the health care access fund is sufficient in each year of the biennium to pay for this benefit level. The aggregate cap shall be adjusted according to the forecast.

(c) Reimbursement to the providers shall be reduced by the amount of the co-payment, except that reimbursement for prescription drugs shall not be reduced once a recipient has reached the $20 per month maximum for prescription drug co-payments. The provider collects the co-payment from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment, except as provided in paragraph (d).

(d) If it is the routine business practice of a provider to refuse service to an individual with uncollected debt, the provider may include uncollected co-payments under this section. A provider must give advance notice to a recipient with uncollected debt before services can be denied.

To: Senator Cohen, Chair

Committee on Finance

Senator Berglin,

Chair of the Health and Human Services Budget Division, to which was referred

S.F. No. 255: A bill for an act relating to MinnesotaCare; modifying covered health services; repealing the limited benefits for certain single adults and households without children; amending Minnesota Statutes 2004, sections 256L.03, subdivision 1; 256L.12, subdivision 6; repealing Minnesota Statutes 2004, section 256L.035.

Reports the same back with the recommendation that the bill do pass and be referred to the full committee.

Linda Berglin
(Division Chair)

March 9, 2005
(Date of Division action)

**Fiscal Note – 2005-06 Session**

**Bill #:** S0255-0 **Complete Date:** 02/16/05

**Chief Author:** BERGLIN, LINDA

**Title:** MNCARE PRGM; LIMITED BENEFITS REPEAL

| Fiscal Impact | Yes | No |
|---|---|---|
| State | X | |
| Local | | X |
| Fee/Departmental Earnings | | X |
| Tax Revenue | | X |

**Agency Name:** Human Services Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| Dollars (in thousands) | FY05 | FY06 | FY07 | FY08 | FY09 |
|---|---|---|---|---|---|
| **Expenditures** | | | | | |
| Health Care Access Fund | 0 | 13,874 | 37,238 | 61,643 | 72,228 |
| **Less Agency Can Absorb** | | | | | |
| – No Impact – | | | | | |
| **Net Expenditures** | | | | | |
| Health Care Access Fund | 0 | 13,874 | 37,238 | 61,643 | 72,228 |
| **Revenues** | | | | | |
| – No Impact – | | | | | |
| **Net Cost <Savings>** | | | | | |
| Health Care Access Fund | 0 | 13,874 | 37,238 | 61,643 | 72,228 |
| **Total Cost <Savings> to the State** | 0 | 13,874 | 37,238 | 61,643 | 72,228 |

| | FY05 | FY06 | FY07 | FY08 | FY09 |
|---|---|---|---|---|---|
| **Full Time Equivalents** | | | | | |
| – No Impact – | | | | | |
| **Total FTE** | | | | | |

**NARRATIVE: SF 255/HF**

Bill Description.

There is currently a Minnesota Care Limited Benefit $5,000 annual cap and limits on services. This bill eliminates the MinnesotaCare Limited Benefit for adults without children whose income is between 75% - 175% FPG and allows them to receive an expanded benefit set.

Assumptions

This bill is silent on the effective date. The effective date would therefore be July 1, 2005, by default, for fee for service recipients. This would be problematic for coordinating changes in Fee for Service and Managed Care contracts, which by default would not change until January 2006.

Amendment suggested: To accommodate both fee for service and managed care contract changes, amend bill with an effective date of January 1, 2006 for both.

Assumes an effective date of January 1, 2006.

If this bill is passed the impact on systems would likely be small with a state share cost of $18,000 in fiscal year 2006. However, it would take two months after passage for the needed MMIS changes (including client notification) to be made.

Expenditure and/or Revenue Formula

Minnesota
MINNESOTACARE
Fiscal Analysis of a Proposal to
Eliminate the $5000 / $2000 Cap and Benefit Limits for Adults with No Children
Effective January 2006

This bill eliminates the $2000 annual limit on outpatient services and other benefit limits which were enacted in the 2003 Session. The cost and projected enrollment effects escalate in FY 2008 because the current forecast assumes that the $5000 cap effective for FY 2004 through FY 2007 reverts to $2000 in FY 2008.

The projected cost difference is based on the difference in the November forecast between projected monthly cost per person (PMPM) for the limited benefit set vs. projected PMPM for adults with no children not subject to the limited benefit set. These projections assume that a $2000 outpatient cap applies in FY 2008 and FY 2009.

**MinnesotaCare Adults with No Children**

**PMPM Cost Projections Excluding 5% Performance Payment**

| | FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|---|---|---|---|---|
| Regular Benefit Set | $389.47 | $421.42 | $446.66 | $498.24 |
| Limited Benefit Set | $277.50 | $296.42 | $245.01 | $258.19 |
| Assumed in this analysis for adults over 75% FPG | $330.85 | $421.42 | $446.66 | $498.24 |
| Increase over base forecast: | 19.23% | 42.17% | 82.30% | 92.98% |

**Total MinnesotaCare Program**

**Adults with No Kids Over 75% FPG**

| **November 2004 Forecast** | **FY 2006** | **FY 2007** | **FY 2008** | **FY 2009** |
|---|---|---|---|---|
| Average monthly eligibles | 19,329 | 19,234 | 18,696 | 17,939 |
| Total payments | $67,380,145 | $71,588,703 | $58,386,559 | $58,712,088 |
| Total revenue | $9,215,254 | $9,285,354 | $9,137,580 | $8,875,400 |
| Net cost | $58,164,891 | $62,303,349 | $49,248,978 | $49,836,688 |

| **Projected increases under this bill:** | **FY 2006** | **FY 2007** | **FY 2008** | **FY 2009** |
|---|---|---|---|---|
| Average monthly eligibles | 260 | 1,446 | 2,001 | 3,006 |
| Total payments | 13,979,727 | 37,935,842 | 62,620,932 | 73,715,743 |
| Federal share | 0 | 0 | 0 | 0 |
| State share | 13,979,727 | 37,935,842 | 62,620,932 | 73,715,743 |
| Total revenue | 124,034 | 697,930 | 978,177 | 1,487,290 |
| Federal share | 0 | 0 | 0 | 0 |
| State share | 124,034 | 697,930 | 978,177 | 1,487,290 |
| Net cost | 13,855,694 | 37,237,912 | 61,642,756 | 72,228,452 |
| Federal share | 0 | 0 | 0 | 0 |
| State share | 13,855,694 | 37,237,912 | 61,642,756 | 72,228,452 |

| **Projected percentage changes:** | | | | |
|---|---|---|---|---|
| Average monthly eligibles | 1.35% | 7.52% | 10.70% | 16.76% |
| Average monthly cost | 19.23% | 42.17% | 82.30% | 92.98% |
| Total payments | 20.75% | 52.99% | 107.25% | 125.55% |
| Total revenue | 1.35% | 7.52% | 10.70% | 16.76% |
| Net cost | 23.82% | 59.77% | 125.17% | 144.93% |

Long-Term Fiscal Considerations.

Local Government Costs.

References/Sources

Agency Contact Name: Ron Hook 297-7952
FN Coord Signature: STEVE BARTA
Date: 01/24/05 Phone: 296-5685

## EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KATIE BURNS
Date: 02/16/05 Phone: 296-7289

MINNESOTA COUNCIL of HEALTH PLANS

COURT INTERNATIONAL BUILDING
2550 UNIVERSITY AVENUE WEST
SUITE 255 SOUTH
ST. PAUL, MN 55114
651-645-0099 FAX 651-645-0098
www.mnhealthplans.org

March 18, 2005

Members of the Senate Finance Committee
State Capitol
St. Paul, MN 55155

RE: Senate File 255

Dear Senator Cohen and Members of the Committee:

On behalf of the Minnesota Council of Health Plans, I am writing to urge support of SF 255, the bill to repeal the cap on benefits through the MinnesotaCare Limited Benefit plan.

Placing a specific per patient dollar limit on the total coverage is not the appropriate way to control health care costs. It instead shifts costs of necessary services to other segments of the market by making these services uncompensated care. As we have stated in the past, we acknowledge that in worst-case budget scenarios, reducing benefits is preferable to reducing eligibility. However rather than imposing dollar limits, we recommend reducing benefits that offer little value or are scientifically proven to not be effective. This is a more sound and equitable way to achieve savings.

We believe that there are more thoughtful and appropriate ways to achieve necessary cost savings while preserving coverage for low-income working Minnesotans. We are committed to working with legislative leaders to craft a proposal that meets this important goal

Please support the passage of SF 255 to restore the benefits for those enrollees covered by the MinnesotaCare Limited Benefit plan. Maintaining comprehensive coverage is vital to ensure that low-income Minnesotans have access to and receive necessary care in the appropriate setting such as the doctor's office instead of the emergency room. Thank you.

Sincerely,

Julie Brunner
Executive Director

**Letters of Support on SF 255 Minnesota Care 2005**

Minnesota Catholic Conference

Joint Religious Legislative Coalition

Lutheran Social Service

Catholic Charities

American Diabetes Association

Minnesota Medical Association

Minnesota Council of Health Plans

Sheila Hart, Hibbing, Minnesoa

Minnesota Nurses Association

Service Employees International Union (SEIU)

David List, AFSCME

Minnesota Psychological Association

Minnesota Hospital Association

Seniors and Workers for Quality

David Paulson, Moorhead, Minnesota

Minnesota Association of Community Health Centers

Board of Hennepin County Commissioners

Minnesota Coalition for the Homeless

Association of Minnesota Counties

YWCA of Minneapolis

Minnesota AIDS Project

Mental Association of Minnesota

Legal Services Advocacy Project

National Alliance for the Mentally Ill (NAMI)

MINNESOTA CATHOLIC CONFERENCE

Archdiocese of St. Paul/Minneapolis • Diocese of Crookston • Diocese of Duluth
Diocese of New Ulm • Diocese of St. Cloud • Diocese of Winona

March 16, 2005

Senator Richard Cohen and
Members of the Senate Finance Committee
121 Capitol
75 Reverend Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

RE: SF255/Repeal of limited benefits under MinnesotaCare for certain single adults and households without children

Dear Mr. Chair and Members of the Senate Finance Committee;

I am writing to you today on behalf of the seven Roman Catholic Bishops from our state, who I represent, to respectfully request that each of you vote in favor of Senate File 255, the bill seeking to repeal the $5,000 annual benefits cap for certain MinnesotaCare enrollees who are single adults or members of households without children.

Included with this letter is the text of column authored by one of our Bishops, Bishop Victor Balke, which, among other things, discusses our support for this bill. Bishop Balke is the Bishop of the Diocese of Crookston and his attached column was published in the February 10, 2005 edition of the Crookston Diocesan newspaper *Our Northland Diocese.*

Our first and most fundamental principle of Catholic Social Teaching, life and the dignity of the human person, instructs us that *every* human person is created in the image and likeness of God. We believe, therefore, that every human life is sacred from conception *through* natural death and that the measure of every institution is whether it protects and respects the life and dignity of *each* member of our human family. Based upon this principle, we believe that the current law is not only an unjust policy but it is also a direct threat to the sanctity and dignity of human life.

In their 1981 statement, *Health and Health Care*, the Catholic Bishops of the U.S. called for a universal national health insurance program. Although little progress has been made towards reaching that goal nationally during the ensuing twenty-four years, Minnesota has had good reason to be proud of our innovative and highly successful MinnesotaCare program.

475 University Avenue West • St. Paul, MN • 55103
Phone (651) 227-8777 • Fax (651) 227-2675 • www.mncc.org

Unfortunately, this fiscally responsible and humanly responsive program has been compromised in recent years through, among other things, the transfer of dedicated funds from MinnesotaCare's funding source, the Health Care Access Fund, to the state's General Fund as part of the solution to resolve the 2004-05 biennial budget deficit, the changes in eligibility criteria for enrollees and the implementation of the $5,000 annual benefits cap.

As a result, many low-income, hard-working Minnesotans are finding themselves without any health care at all or, in the case of the $5,000 annual benefits cap, without sufficient health care to receive vital and necessary medical treatments for their catastrophic and/or chronic illnesses. The human consequences of these policy changes can not be ignored nor can we ignore the fact that these policy changes will contribute to the deaths of some of our fellow citizens.

Together with our Bishops, we continue to consistently urge our federal and state governments to offer genuine, affordable, accessible health care coverage to all people because as our Bishops instructed in their 2002 statement on poverty in America, *A Place at the Table,* health care is a basic human right.

As members of this committee, you each have a unique opportunity to promulgate policies that build the common good for the benefit of each member of our society. Please exercise the privilege of power that each of you enjoy as a member of this committee by voting in favor of Senate File 255.

Thank you for your consideration and for your hard work on behalf of the citizens of Minnesota.

Very truly yours;

Kate Krisik

Kate Krisik
Social Concerns Director

enc: *A Voice From the Valley,* Bishop Victor Balke, Diocese of Crookston, as published in the February 10, 2005 edition of *Our Northland Diocese,* the Crookston Diocesan newspaper

cc: Bishops of Minnesota

# A Voice From the Valley

**By Bishop Victor H. Balke**

Diocese of Crookston

The secular newspaper's headline was "Pawlenty bets on casino money." The secondary headline was "Governor's budget contains dramatic shifts in state policy."

And the first paragraph of the article was: "Gov. Tim Pawlenty's two-year state budget banks on $200 million from a new casino, **thousands of people being moved off a state-subsidized health insurance program** and, to some degree, Minnesota drivers racking up more speeding tickets" (emphasis added)..

The recent headline for *The Catholic Spirit*, the archdiocesan newspaper for St. Paul and Minneapolis, was "Boxed in by poverty," and the secondary headline was: "Catholic and Lutheran bishops call legislators to see the faces behind legislation they propose."

In the article that followed, Archbishop Flynn said: "Our state's budget is more than just a document. It is a moral statement, and our legislators must begin their deliberations with the human needs of so many people foremost in their minds and hearts."

He added: "Caps and cuts can be cruel words when they mean adding to the suffering of our children, our elderly, our newcomers to this country, our insured, and those housed in shelters or on our streets."

**Again, as two years ago, Governor Pawlenty is proposing a budget that I think is insensitive to the needs of a good number of people. Let me give an example.**

MinnesotaCare is a state-subsidized insurance program for low-wage workers who do not have health insurance available through their employers. Participants in MinnesotaCare pay monthly premiums on a sliding-scale based upon their income (anywhere from $8 to $208 a month for single adults), and they pay co-payments for the health care services they receive.

This program, created in 1992, is funded by a 2 percent tax on private insurance providers. The funds from this tax are deposited into a dedicated account named the "Health Care Access Fund." This fund provided a stable and reliable source of funding for MinnesotaCare, but it was raided in 2003 to help solve the $4.2 billion deficit.

Because of these 2003 budget cuts, according to Kate Krisik, the Director of the Social Concerns Department of the Minnesota Catholic Conference, 32,000 Minnesotans will have lost health care coverage by the end of this year.

In addition, in 2004 MinnesotaCare benefits for adults without children were "capped" at $5,000 per year. (Kate recently testified before the Health and Family Security Committee, urging the repeal of this cap, which has hurt many, many people.)

Moreover, under the newly proposed budget, the governor is asking for additional health care spending cuts totaling $274 million. If this goes through, at least 26,000 more individuals will lose their MinnesotaCare coverage by 2007.

Do these cuts and caps hurt people? Of course they do! According to the *Star Tribune* (Saturday, Feb. 5), a recent Minnesota poll "shows that 36 percent of all Minnesotans say they have been hurt by recent state budge cuts. Women and middle-aged Minnesotans were more likely than others to say cuts had hurt them."

Recently, we Catholic Bishops of Minnesota issued a statement entitled "Sharing Our Blessings and our Burdens." It is highlighted in this issue of *OND*, and can be downloaded at www.mncc.org by following the link indicated. In it, we say: "[W]e do not believe that we can use the solution of two years ago to address our current situation without doing further harm to the values of the Gospel and to the principles of our Catholic social teaching."

Then we summarize some of these values and principles: the sacred dignity all persons have since they are created by God in his own image, every person's right to life and to everything needed to support that life in dignity, and the moral responsibility to tend to the needs of "the least" of our brothers and sisters.

Following this, the bishops said: "Guided by these values and principles, and after examining the realities of our state's economy, its budgetary needs and revenue resources, we believe the responsible and necessary solution to the current situation is to raise income taxes in a just and equitable way."

Paying **just and equitable** taxes for the sake of the common good is our Christian duty. It is the way in which we who are "haves" share our blessings with the "have-nots." It is the way we show to those in need God's goodness to ourselves (from the Lenten Preface III for weekdays).

And the bishops are not alone in recommending an increase in taxes. According to the *Star Tribune* article, "57 percent said the Legislature and Gov. Tim Pawlenty should rely on both tax increases and spending cuts to resolve the budget crisis." And "among those earning $75,000 or more, 66 percent favored a combination of tax increases, users fees and budget cuts"—**budget cuts that do not hurt people**.

Cutting health care support for the needy, capping benefits unrealistically, relying on gambling and casino money for funds—these are not the way to balance a state's budget.

Archbishop Flynn is right: "Our state's budget is more than just a document; it is a moral statement." But if the governor's budget, with the proposed cuts for human needs, is accepted, our state's budget will be another blight on Minnesota's rightfully proud history of taking care of our needy brothers and sisters. Will we have MinnesotaCare or MinnesotaNonCare?

Joint Religious
JRLC
Legislative Coalition
INTERFAITH ADVOCACY FOR SOCIAL JUSTICE

MINNESOTA COUNCIL OF CHURCHES
MINNESOTA CATHOLIC CONFERENCE
JEWISH COMMUNITY RELATIONS COUNCIL

122 West Franklin Avenue
Room 315
Minneapolis MN 55404

Phone: 612.870.3670
Fax: 612.870.3671
E-Mail: info@jrlc.org
Website: www.jrlc.org

March 18, 2005

Senator Linda Berglin
309 State Capitol
St. Paul, MN 55155

Dear Senator Berglin,

I'm writing to thank you for your leadership and to communicate JRLC's full support for SF 255 which restores eligibility and coverage restrictions to MinnesotaCare.

JRLC is resolved in its efforts to rebuild the damage done to MinnesotaCare in the last two years and is adamantly opposing the Governor's proposal to cut this program even further.

SF 255 is, literally, a life-giving measure to Minnesotans. It should have first priority among claims on the state budget.

Sincerely,

JOINT RELIGIOUS LEGISLATIVE COALITION

Brian A. Rusche
Executive Director

Lutheran Social Service
*for changing lives*

March 16, 2005

The Honorable Richard Cohen
State Capitol, Room 121
75 Rev. Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155-1206

**Lutheran Social Service of Minnesota**

**State Center**

2485 Como Avenue
St. Paul, MN 55108
651.642.5990
Fax 651.969.2360
www.lssmn.org

Dear Senator Cohen,

At the center of Lutheran Social Service's public policy concern this year are proposals to limit access to care. If more reductions to health and human services are passed, July 1 of 2005 will not be day one, but day 731 of budget cuts to people with important social and mental and physical health needs.

Reducing access to MinnesotaCare will have significant ripple effects, which will serve to create yet more serious problems both for individuals and the organizations that seek to serve them.

Please don't enact policies that further limit access to needed care.

Sincerely,

Mark A. Peterson
President/CEO
Lutheran Social Service of Minnesota

CATHOLIC CHARITIES

Office for Social Justice

328 West Kellogg Blvd.
St. Paul, MN
55102-1900

651-291-4477
fax 651-291-4487

15 March 2005

Senator Linda Berglin, Chair
Senate Health, Human Services and Corrections
Budget Division
75 Rev. Dr. Martin Luther King Jr. Blvd., Room 309
St. Paul, MN 55155-1606.

Dear Senator Berglin:

I am writing to express our full and complete support for Senate File 255, which restores full benefits to participants in the state's MinnesotaCare program.

Recently, the Catholic Bishops of Minnesota held a listening session with individuals harmed by the 2003 budget cuts. One of those who testified was a woman trying to battle cancer whose MinnesotaCare benefits had been capped. After months of anxiety, she finally qualified for Medical Assistance.

In her testimony, she tied her own powerful story to the story of thousands of other Minnesotans. Over 6000 people facing serious illnesses like cancer in our state could fight for their lives and work at least part time if we lifted the cap on MinnesotaCare coverage. In other words, they would be able to protect their own human dignity and make important contributions to Minnesota's economy and society.

Clearly, this is a moral issue that demands a moral response. We cannot allow an ideology based on animosity toward government and a pledge of no new taxes to prevent us from meeting our obligations to one another. To do so would be to perpetuate a culture of false scarcity that has already cost vulnerable people in our state dearly.

Instead, we call on lawmakers to invest the state's resources in ways that lead to real improvements in the lives of real Minnesotans. Finding the financial resources to restore a full set of benefits to those participating in MinnesotaCare is just such an investment.

We may have to raise income taxes in a fair and just way based on the ability to pay to meet needs such as these in our state. Such a small sacrifice in the service of the common good seems a small price to pay.

Please share this letter with your colleagues as you continue to move this important piece of legislation forward. Thank you for your continued dedication to the people of Minnesota.

Sincerely,

Matt Gladue
Public Policy Manager
Office for Social Justice

American Diabetes Association.

Cure • Care • Commitment™

Mission
to prevent and cure diabetes and to improve the lives of all people affected by diabetes.

March 21, 2005

To: Finance Committee

From: American Diabetes Association

RE: SF 255

The American Diabetes Association would like to see the cuts made in the 2003 session for adults without children to MinnesotaCare restored.

Diabetes is a very expensive disease. The tools for its management include meters, testing strips, lancets, syringes and insulin. People with diabetes not only need these tools to determine the amount of medication they need to take, but without the syringes they cannot even take the insulin which they need to live. Lack of insurance decreases the control of diabetes and opens the door for the many complications good management can curtail and even prevent. These complications include blindness, heart disease, stroke, kidney disease, and nerve damage. All of these complications are much more expensive to the individual and to the state. Are we putting off the cost of insurance today to pick up a much larger bill tomorrow?

Many of these people have jobs, but many jobs no longer provide insurance for their employees. Most of th jobs are lower paying and people with diabetes are refused insurance by companies other than those having group policies or Minnesota Comprehensive which people on a lower income cannot afford.

Minnesota has always ranked high and often number one in the rankings for health care. By refusing to provide insurance for this segment of the population, we will loose those ratings and turn our backs on the good quality of life Minnesotans have come to expect.

Please restore MinnesotaCare to these individuals. Help them keep their eyesight and help them help themselves in preventing heart disease, stroke, kidney disease, and neuropathy so they can function in their jobs, with their families, and in their communities.

Sincerely,

Chris Schaefer

Chris Schaefer
Senior Market Director
American Diabetes Association
715 Florida Ave. So., Suite 307
Minneapolis, MN 55426

MMA
Minnesota Medical Association

*Physicians working for a healthy Minnesota*

March 21, 2005

Senator Berglin:

On behalf of the over 10,000 physician, resident, and medical student members of the Minnesota Medical Association, I would like to express support for S.F. 255, which eliminates the $5,000 cap on outpatient benefits in the MinnesotaCare program.

Individuals on MinnesotaCare are not immune from costly, chronic illnesses such as arthritis, diabetes, heart disease, mental illness, and others. When they reach the $5,000 cap, those patients still need care but may wait longer to seek needed treatment or forgo medications that will control their condition. For example, a diabetic who cannot keep her blood sugar levels under control can face amputation of her leg or a patient with mental illness who cannot afford medications to address his schizophrenia could need an extended inpatient stay.

A policy that forces patients who cannot afford the care they need to delay seeing a doctor until their disease is worse and more expensive to treat or to receive their care in the emergency room where costs are higher is not good public policy.

We applaud your efforts to repeal the $5,000 cap on outpatient benefits in the MinnesotaCare program.

Sincerely,

Michael Gonzalez Campoy, M.D., PhD, FACE
President, Minnesota Medical Association



1300 Godward Street NE, Suite 2500 • Minneapolis, MN 55413 • ph 612/378-1875 or 800/DIAL MMA (800/342-5662) • fx 612/378-3875
E-mail mma@mnmed.org • Internet www.MMAonline.net

MINNESOTA COUNCIL of HEALTH PLANS

COURT INTERNATIONAL BUILDING
2550 UNIVERSITY AVENUE WEST
SUITE 255 SOUTH
ST. PAUL, MN 55114
651-645-0099 FAX 651-645-0098
www.mnhealthplans.org

March 18, 2005

Members of the Senate Finance Committee
State Capitol
St. Paul, MN 55155

RE: Senate File 255

Dear Senator Cohen and Members of the Committee:

On behalf of the Minnesota Council of Health Plans, I am writing to urge support of SF 255, the bill to repeal the cap on benefits through the MinnesotaCare Limited Benefit plan.

Placing a specific per patient dollar limit on the total coverage is not the appropriate way to control health care costs. It instead shifts costs of necessary services to other segments of the market by making these services uncompensated care. As we have stated in the past, we acknowledge that in worst-case budget scenarios, reducing benefits is preferable to reducing eligibility. However rather than imposing dollar limits, we recommend reducing benefits that offer little value or are scientifically proven to not be effective. This is a more sound and equitable way to achieve savings.

We believe that there are more thoughtful and appropriate ways to achieve necessary cost savings while preserving coverage for low-income working Minnesotans. We are committed to working with legislative leaders to craft a proposal that meets this important goal

Please support the passage of SF 255 to restore the benefits for those enrollees covered by the MinnesotaCare Limited Benefit plan. Maintaining comprehensive coverage is vital to ensure that low-income Minnesotans have access to and receive necessary care in the appropriate setting such as the doctor's office instead of the emergency room. Thank you.

Sincerely,

Julie Brunner

Julie Brunner
Executive Director

Senate Finance Committee Members:

Do you think it's right to let people die in order to balance the state's budget?

The Governor's Budget wants to use health care money to pay for budget deficits. They want to eliminate 22,500 Minnesotans from MinnesotaCare. Some 6,000 of these people have catastrophic illnesses that require on-going medical care or they will die. These are working class people who pay premiums, many own their own homes and have worked hard all their lives to help create the Minnesota work ethic. Now, because their children are grown, and their incomes are more than 75% of poverty guidelines - that's $582/month - the Governor and his team want to cut them out of the state-run program. They want to spend the money on other, *more important things*! How do you like that?

MinnesotaCare has been the healthcare insurance for working Minnesotans whose employers don't provide coverage. Thousands have relied on this coverage; there is no affordable alternative health care insurance. It is funded by a tax on health care providers across the state - hospitals, doctors, dentists, pharmacists, chiropractors - who pay a percentage of their gross annual revenues to support this plan. In the past 10 years, nearly $2,000,000,000 has been paid into this Health Care Access Fund by these providers.

Now that Minnesota is experiencing a budget deficit, they want to use the HCAF to balance their budget. They want to eliminate these 22,500 people from MinnesotaCare - adults without children whose income is more than $582/month. Here are 2004 statistics from the Department of Health on who will be cut:

Gender: 41% **Men**/59% **Women** Age: **21-24**/37% **25-50**/ 25% **51-64**/38%

Here's where they live: St Louis County - 8% Ramsey and other Metro Counties - 20%
Hennepin County - 17% Greater Minnesota - 55%

It isn't right to let people die to balance the budget. Please support Sen.Berglin's SF 255 to keep MinnesotaCare intact.

Sheila Hart
Hibbing, Minnesota.

Uniting nurses in vision and voice

March 15, 2005

Senator Richard Cohen, Chair
Senate Finance Committee
Minnesota Senate
121 Capitol
75 Rev Dr Martin Luther King Jr Blvd
St. Paul, MN 55155-1606

Dear Senator Cohen
and Members of the Finance Committee:

On behalf of the 18,000 members, the Minnesota Nurses Association urges your support of Senator Berglin's bill Senate File 255. This legislation eliminates the $5,000 benefit cap in MinnesotaCare and restores coverage for individuals up to 175% of the federal poverty guidelines. This is one of our top priorities for this legislative session.

Professional Distinction

Nurses support this change because we have seen far too many people receive inappropriate care or no care at all, due to this arbitrary cap. In addition, we have heard from our nurses in the emergency room and nurses working in mental health that this cap has resulted in the over use of emergency room care which is the most expensive care we can deliver. Recent data from one large HMO showed that of the people who reached their cap, 27% had a mental illness. We believe we do much better in the area of mental health care with an adequate benefit set.

Personal Dignity

Patient Advocacy

Finally, this cap will only help to drive health care costs up for everyone. A recent survey by the Hospital Association showed that uncompensated care increased 28% from 2003-2004. Also of concern, is the recent study in the Journal of Health Affairs, which showed that 50% of all U.S. bankruptcies are caused by soaring medical bills and that most people driven into debt by illness have health insurance. Clearly, this is a sign that we must begin dealing with rising health care costs and provide people with appropriate health coverage.

It is for these reasons that we ask you to support Senate File 255. Thank you in advance for your consideration.

Sincerely,

Mary Jo George

Mary Jo George
Staff Specialist, Governmental Affairs

MJG:kw

1625 Energy Park Drive
St. Paul, MN 55108
Tel: 651-646-4807
800-536-4662
Fax: 651-647-5301
Email: mnnurses@mnnurses.org
Web: www.mnnurses.org

ANA AMERICAN NURSES ASSOCIATION
UAN UNITED AMERICAN NURSES, AFL-CIO

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SEIU
Stronger Together

SERVICE EMPLOYEES
INTERNATIONAL UNION
AFL-CIO, CLC

**SEIU Minnesota State Council**
2233 University Avenue West
Suite 422
Saint Paul, MN 55114-1629
651.203.0401
fax: 651.203.0405
e-mail:
jyoungdahl@seiumn.org

**Local 113**
Julie Schnell
President
612.331.4690
fax: 612.331.6829

**Local 284**
Shane Allers
Executive Director
651.256.9100
fax: 651.256.9119

**Local 26**
Dan Klingensmith
President
612.331.8336
fax: 612.331.8347

**Local 63**
Frank Miskowiec
President
612.408.1981
fax: 612.378.0423

March 16, 2005

Honorable Dick Cohen
121 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul MN 55155-1606

Dear Senator Cohen,

Representing over 14,000 hospital, clinic and nursing home workers across Minnesota, the Service Employees International Union (SEIU) urges you to support legislation that works toward quality, affordable health care for all Minnesotans. Senate File (SF) 255, authored by Sen. Linda Berglin (DFL-Mpls), would eliminate the MinnesotaCare Limited Benefit for adults without children whose income is between 75%-175% of federal poverty guidelines and allows recipients to receive an expanded benefit set.

MinnesotaCare was designed to meet the needs of Minnesotans who are working, but cannot afford private health insurance. But reducing eligibility for MinnesotaCare will increase the number of uninsured. When people don't have health insurance, they often delay care until their condition is much more serious and expensive to treat. Hospitals pass on the cost of uncompensated care to private insurers, who in turn, raise premiums, deductibles and co-pays for people who already have health insurance.

Governor Pawlenty's proposal to cut MinnesotaCare is a dangerous decision. Canceling health coverage for single adults will result in thousands of Minnesotans losing health coverage and putting them into the impossible position of choosing between health care and other essential needs. The budget deficit should not be shouldered by the people who least can afford it.

Please support Senate File 255.

Sincerely,

Jon Youngdahl
Executive Director
SEIU MN State Council

Minnesota Hospital Association

2550 University Ave. W., Suite 350-S
St. Paul, MN 55114-1900
phone (651) 641-1121 fax (651) 659-1477
toll free (800) 462-5393 www.mnhospitals.org

March 15, 2005

Senator Linda Berglin
309 Capitol
75 Rev. Dr. Martin Luther King Blvd.
St. Paul, MN 55155

Dear Senator Berglin:

It is with great enthusiasm that the Minnesota Hospital Association wishes to convey our support for Senate File 255, which seeks to restore Minnesota Care eligibility to adults without children. The Minnesota Care insurance product is an effective means by which to assist working individuals, as well as families, to secure affordable health care coverage.

Taking health care coverage away from adults without children does nothing to help control the costs of health care in Minnesota. In fact, taking coverage away forces the uninsured to seek care in the most expensive settings – our emergency rooms. The promise of Minnesota Care was always to provide affordable health insurance to the uninsured and to lower health care costs by allowing them to seek care in doctors' offices, rather than waiting until health problems reached emergency proportions. Hospitals around the State have been tracking uncompensated care on an annual basis and our studies show that, following the coverage reductions in 2003, hospitals' uncompensated care rose 28% in one year.

We believe your legislation will help to restore eligibility that has been lost; still, more needs to be done this session to defeat proposals to cut Minnesota Care eligibility yet again. These proposals have the negative effect of increasing the cost of health care for everyone and increasing the suffering of those who forego care because they do not have coverage.

Please contact us if there is anything we can do to assist in the passage of this important legislation.

Sincerely,

Bruce

Bruce J. Rueben
President

BJR/prk

# SENIORS AND WORKERS FOR QUALITY

*A Coalition of Caregivers and Organizations Who*
*Represent the People at the Heart of Long-Term Care*

P.O. Box 1801 · St. Paul, MN 55101 · (952) 854-7304 (Advocacy Center) *

March 15, 2005

The Honorable Linda Berglin
Chair, Health and Human Services Budget Division
Minnesota Senate
309 State Capitol
St. Paul, MN 55155

Dear Senator Berglin:

We are writing to support SF 255 and its intent to restore MinnesotaCare coverage to single adults and childless households.

Seniors and Workers for Quality is a coalition that is dedicated to the proposition that long-term care quality measures must include support for long-term care workers, especially the hands-on staff who provide most of the care in facilities and services for the elderly. The coalition counts among its members AARP, the Alzheimer's Association, ElderCare Rights Alliance, the League of Women Voters, MN Nurses Association, MN Adult Day Services Association, NASW-MN, and the Union Coalition of Long-Term Care Workers.

Seniors and Workers for Quality places a high priority on assuring that long-term care workers have health security. Our 2005 "Quality Staffing, Quality Care" bill (SF811) highlights the issue. Yet realistically, its proposal is long-range at best.

SF255 offers immediate help to those low-wage earners, including those within our membership, who cannot afford to wait for another day. Thank you for your leadership on the issue of assuring stable and affordable health care in Minnesota.

Sincerely,

Iris C. Freeman
on behalf of the Coalition

*The Advocacy Center is now known as the ElderCare Rights Alliance.

March 16, 2005

Dear Sen Berglin

I deeply appreciate your sponsorship of SF 255 to restore full benefits to the "Limited Benefit" recipients on Minnesota Care.

I work at MN Care, and have talked to many people who have been harmed by the introduction of the Limited Benefit set, including diabetics, persons with heart conditions, and persons with mental health issues. Some of their stories are heartbreaking. Restoring full benefits to these people will make life vastly better for thousands of people and will save lives

Thank you from the bottom of my heart.

Sincerely

David List AFSCME member
853 W. Hoyt Ave
St Paul MN 55117
651-205-4006 - work

**Minnesota Psychological Association**
1711 West County Road B • Suite 310N • Roseville, MN 55113-4036

March 15, 2005

Senator Linda Berglin
309 State Capitol Building
75 Constitution Avenue
St. Paul, MN 55155-1606

Dear Senator Berglin and Members of the Finance Committee:

On behalf of the Minnesota Psychological Association I am writing in support of SF 255, which will make a positive impact on the lives of patients served by members of MPA.

As a clinician and director in behavioral health services, I am made aware daily of the great need for mental health services for single adults throughout Minnesota.

It is crucial that funds be kept available for the mental health needs of adults in Minnesota. Please advocate and vote for this Senate file, and count on MPA's support for your action.

Sincerely,

Steven M Vincent

Steven M. Vincent, Ph.D., L.P.
Legislative Committee Chair

RE: SENATE FILE #255

David A. Paulson
635 Birch lane
Moorhead, MN. 56560

MINN. Senator Linda Berglin
MN. State Capital
St Paul, MN.

Attn: Jon Tofte

Re: Minn. Care
Adults without Children
Senate File #255

To whom it may concern,

My name is David A. Paulson. I used to be a masonry contractor. I did this for about 26 years. During this time I also supplied health insurance for the bricklayers in my employ. Bricklaying is very hard on the body. Eventually I needed 2 surgeries on each knee to repair damage because of my work. Each surgery required me to lose many weeks of work. I then needed surgery on my elbow to repair the damage caused by my work. This also meant more lost time.

I was not a large masonry contractor. I employed about 6 people on average. (Myself, 2 more bricklayers and 3 laborers)

After all these surgeries, eventually athritis set into my knees, feet, and elbow to a degree that I cannot lay brick anymore—

I lost my business because of this and recently filed for bankruptcy. I lost my personal insurance 2 years ago—There was no way I could now afford it. I am working at a job now that pays $8.50 per hour—(with no insurance). I cannot afford to rent an apartment with any expenses. (let alone afford health insurance.)

Minnesota Care has been a life savor for me and others I know. Without it, every visit to a doctor would have to be an emergency room visit.

Sincerely,

Dave Paulson

Minnesota Association of
COMMUNITY HEALTH CENTERS

1113 E. Franklin Avenue, Suite 211 Minneapolis, MN 55404 | 612.253.4715 | Fax 612.872.7849

www.mnachc.org

March 15, 2005

Senator Linda Berglin
Room 309 Capitol Building
75 Rev. Dr. Martin Luther King, Jr. Blvd.
St. Paul, MN 55155-1606

Dear Senator Berglin:

The Minnesota Association of Community Health Centers (MNACHC) and the Neighborhood Health Care Network (NHCN) express their strong support for S.F. 255, which would repeal the limitations on benefits under MinnesotaCare for certain single adults and households without children (Minnesota Statutes, Section 256L.035).

Collectively, MNACHC and NHCN represent a statewide community clinic system that serves low-income residents of Minnesota, most of whom are either uninsured or enrolled in one of Minnesota's public health care programs.

Since the enactment of the limited benefit set, patients at our clinics have faced hardship in accessing needed medical services. The $10,000 inpatient hospitalization limit forces patients to either incur massive medical debt or to seek out facilities that will provide charity care. The copayments on prescription drugs and physician visits, even though nominal in the eyes of most of us, actually present real barriers to people living in poverty. Clinic staff have repeatedly reported to us incidents of patients forgoing physician care or medications because they literally did not have the $5 or $3 to spare.

As you know, regular physician visits and appropriate medication therapy is crucial to managing many chronic diseases. It is poor public policy to put up barriers to preventive care, in order to save a few dollars, when the end result may be costly hospitalizations.

We urge our legislative leadership to repeal the limitations on these benefits by supporting S.F. 255.

Sincerely,

Rhonda Degelau, Executive Director
MN Ass'n of Community Health Centers

Lisa Edstrom, Executive Director
Neighborhood Health Care Network

BOARD OF HENNEPIN COUNTY COMMISSIONERS
A-2400 GOVERNMENT CENTER
MINNEAPOLIS, MINNESOTA 55487-0240

March 15, 2005

Honorable Linda Berglin
309 Capitol
75 Martin Luther King Blvd.
St. Paul, MN 55155

Dear Senator Berglin:

The Hennepin County Board of Commissioners would like to support your efforts related to SF 255. Hennepin County strongly supports efforts to assure that moderate and low income Minnesota residents have coverage that not only promotes access to appropriate medical care, but also strives to ensure safety net providers receive adequate reimbursement and continued viability.

On October 23, 2004, the Hennepin County Board of Commissioners passed resolution 04-601R1 which, in part states that the Hennepin County Board of Commissioners requests that the Minnesota Legislature provide adequate reimbursement to HCMC and other providers who serve large numbers of low-income and uninsured individuals.

Since September, 2003, Hennepin County has witnessed a decline in the number of adults without children enrolled in MinnesotaCare from 6,487 to 5,834 in December, 2004 and overall MinnesotaCare enrollment for all populations combined has declined in Hennepin County from 23,938 in September, 2003 to 21,074 in December, 2004.

The Health Care Access Fund has sufficient revenues to fully cover single adults enrolled in MinnesotaCare and health care providers contribute to the fund in order to reduce uncompensated care. The Hennepin County Board strongly supports efforts to reinstate full coverage for people currently eligible only for MinnesotaCare's limited benefit option.

Thank you for your efforts to assure that low income residents have coverage that promotes access to needed health care services and that assures safety net providers adequate reimbursement for their continued viability.

Very truly yours,

Randy Johnson

Randy Johnson, Chair
Hennepin County Board of Commissioners

*Minnesota Coalition for the Homeless*
**Working to ensure everyone has a safe, decent, affordable place to call home**

**March 16, 2005**

**Dear Senate Finance Committee Members,**

The Minnesota Coalition for the Homeless supports SF255, introduced by Senator Berglin to ensure better healthcare for low-income single adults and removing the co-pay requirements. Healthcare issues contribute to and exacerbate homelessness in Minnesota. Ensuring an adequate safety net of healthcare for single adults is a key component to addressing homelessness. Currently, the co-pay structure has put pressure on homeless providers to come up with additional resources to help cover these costs for people in need of medical services or prescriptions. These same providers are feeling budget pressures with other cuts that have been made to their programs and are finding it unmanageable to deal with the added expense of helping cover medical costs for the people they serve. On a given night in Minnesota, there are 1,000 people turned away from shelter because of lack of resources.

Many people experiencing homelessness end up seeking more costly emergency room care when the medical crisis could have been better prevented or dealt with had they had access to better medical care.

Some important facts to consider from the 2003 statewide homeless survey conducted by Wilder Research Center:

- 44% of adults experiencing homelessness have a chronic health problem.
- 47% of adults experiencing homelessness have a serious mental health problem.
- 37% of homeless adults surveyed had visited the emergency room in the six months preceding the survey.

The healthcare needs of adults experiencing homelessness are a significant barrier to their success and their ability to remain stable in housing. The Coalition and our 150 member organizations from across Minnesota, urge you to pass SF 255 to help address the medical needs of low-income Minnesotans.

If you have any questions or would like further information, please contact me at 612-803-1008 or callanan@mnhomelesscoalition.org.

Sincerely,

Rachel Callanan
Policy Advocate
Minnesota Coalition for the Homeless

**122 West Franklin, Ste. 306 Minneapolis, MN 55404**

**Phone: 612-870-7073 Fax: 612- 870-9085 Web: www.mnhomelesscoalition.org**

ASSOCIATION OF
AMC
MINNESOTA COUNTIES

March 15, 2005

Senator Linda Berglin
309 Capitol
75 Dr. Martin Luther King Jr. Blvd.
St. Paul, Minnesota 55155-1606

Dear Senator Berglin:

The Association of Minnesota Counties (AMC) would like to express our support for the goals in SF255, which reinstates benefits for groups who are now only eligible for the MinnesotaCare limited benefit.

This bill is consistent with AMC legislative positions to:

- Support health care cost containment efforts that continue to support appropriate medication use and other disease control efforts;
- Oppose health care cost containment efforts that shift administrative costs to counties and create barriers to clients and patients seeking preventive medical care;
- Support investing state resources in evidence-based prevention programs to save future state and county costs.

Since the eligibility levels enacted in 2003 went into effect, many counties have seen a decline in adults without children enrolled in MinnesotaCare. We believe that this change has resulted in increases in emergency medical room and inpatient medical care among uninsured persons, and a corresponding increase in uncompensated care to public hospitals. In addition, even counties without public hospitals are experiencing pressure from local hospitals to provide financial support for these hospitals' charity care.

Thank you for your efforts to assure that low-income residents have coverage that promotes access to needed health care and helps contain long-term costs to local government.

Sincerely,

Harlan Madsen

Harlan Madsen, President
Association of Minnesota Counties

125 Charles Avenue, St. Paul, MN 55103-2108
(651) 224-3344, fax (651) 224-6540
www.mncounties.org

# eliminating racism
# empowering women
## ywca

**YWCA Minneapolis**
general: 612-332-0501
**www.ywcampls.org**

**Downtown**
1130 Nicollet Mall
Minneapolis, MN 55403
P: 612-332-0501
F: 612-332-0500

**Midtown**
2121 East Lake Street
Minneapolis, MN 55407
P: 612-215-4333
F: 612-215-4334

**Uptown**
2808 Hennepin Avenue S.
Minneapolis, MN 55408
P: 612-874-7131
F: 612-215-4234

**North Commons Park**
1801 James Avenue N.
Minneapolis, MN 55411
P: 612-522-6559
F: 612-588-9937

**Phillips Children's Cente**
2323 11th Avenue S.
Minneapolis, MN 55404
P: 612-871-3987
F: 612-871-5630

March 15th, 2005

Senator Linda Berglin
309 State Capitol Building
St. Paul, MN 55155

RE: MinnesotaCare, SF 255

Dear Senator Berglin and Members of the Finance Committee,

The YWCA of Minneapolis would like to express support for SF 255, relating to repealing the limited benefits for childless adults on MinnesotaCare. As an organization that advocates for programs that reduce health disparities for women and especially women of color, we are concerned that the current $5,000 cap on outpatient services severely limits the ability of many single adults to access preventative and necessary medical treatment.

Many of our programs serve low-income, working women who depend on MinnesotaCare for basic health insurance. Eliminating the MinnesotaCare cap would not only give many of our program participants access to necessary health care, but it would also ensure that those in need of care will get it consistently, greatly reducing the need for much costlier emergency care.

While we recognize that the state is facing difficult budget decisions, we believe that the money that is available is best spent on programs and services that help prevent the need for more expensive emergency care down the road. The current cap not only limits access to health care for many working adults in Minnesota, but it will have costly consequences for all Minnesotans in the long run. We urge you to support SF 255, and to invest in the health and well-being of all Minnesotans.

Sincerely,

Nancy Hite
Chief Executive Officer
YWCA of Minneapolis

**- MN AIDS Project supports S.F. 255**

**From:** <Elizabeth.Dickinson@mnaidsproject.org>
**To:** <sen.linda.berglin@senate.mn>, <lou.tofte@senate.mn>
**Date:** 3/15/2005 1:39:22 PM
**Subject:** MN AIDS Project supports S.F. 255

Dear Senator Berglin,

Minnesota AIDS Project supports S.F. 255 which provides health care for single adults.
Many of the people living with HIV depend on Minnesota Care to get the HIV treatment and drugs they need to survive and live a healthy life.

We urge your support and the support of the Senate Health Care Committee.

Sincerely,

Elizabeth Dickinson
Community Affairs Manager
MN AIDS Project
1400 Park Ave. South
Minneapolis, MN 55404

office: 612-373-9167
cell: 651-235-1208
office # and cell # connect to same office voicemail
fax: 612-341-4057

www.mnaidsproject.org/publicpolicy

Mental Health Association
OF MINNESOTA

*In pursuit of justice and recovery for people with mental illness*

March 15, 2005

Senator Linda Berglin (DFL)
309 Capitol Building
St. Paul, MN 55155

Dear Senator Berglin:

I am writing to you regarding SF 255, the bill that restores the cuts to MinnesotaCare and addresses a number of concerns that we have about state health care program cuts that would hurt single people with mental illnesses. As the Executive Director of the Mental Health Association of Minnesota – Minnesota's oldest mental health advocacy agency – I am very aware of the challenges facing people with mental illness who must rely on MinnesotaCare and other state government health care programs in order to maintain their health and keep a job. Many working people have jobs that do not offer paid health care insurance, and they rely on MinnesotaCare as an affordable health insurance program in order to access needed health care.

We were very pleased to see that this legislation, SF255, would remove the $5,000 benefit cap on MinnesotaCare and keep this program more available to single adults who need health care coverage. We support your hard work and commend you for your dedication to keeping health care services accessible to low income Minnesotans. Thank you.

Sincerely,

Sandra Meicher

Sandra L. Meicher, PhD
Executive Director

ADVOCACY DIRECTOR
Maureen O'Connell

**LEGAL SERVICES ADVOCACY PROJECT**
Suite 101 Midtown Commons
2324 University Avenue
St. Paul, MN 55114
(651) 222-3749 Fax: (651) 603-2750

**visit our website at: www.lsapmn.org**

ATTORNEYS
Kathleen McDonough
Reggie Wagne

ADVOCATE
Ron Elwood

OFFICE MANAGER
Colette Bergeron

DATE: March 15, 2005

TO: Senator Richard Cohen and Members of the Senate Finance Committee

FROM: Kathy McDonough, Staff Attorney

SUBJECT: Support for Senator Linda Berglin's Bill, Senate File 255

Legal Services Advocacy Project (LSAP) is a statewide division of Mid-Minnesota Legal Assistance representing the interests of low-income Minnesotans. Many legal services clients are eligible for or enrolled in MinnesotaCare. We support Senator Berglin's bill to eliminate the $5,000 cap on MinnesotaCare benefits for adults without children for the following reasons:

- MinnesotaCare enrollees pay premiums, copayments and deductibles to participate in the program.

- Many MinnesotaCare enrollees work in low-wage jobs that don't provide health insurance.

- Others have chronic illnesses like cancer, diabetes, multiple sclerosis, asthma, heart disease or mental illness or have been determined disabled but must wait 2½ years for Medicare.

- Many MinnesotaCare enrollees' health care needs exceed the $5,000 cap within a few months and they are left without any health care coverage.

- Health care needs don't just go away because a person is without health insurance. Chronic illnesses, such as diabetes or heart disease can turn into medical emergencies if the patient doesn't receive appropriate care. Emergency care is not cost effective and shifts costs to hospitals in the form of uncompensated care and to the private market in the form of increased premiums.

- A recent study found that the number of uninsured Minnesotans his risen 30% in the last three years. In 2004, 343,000 Minnesotans were without health insurance. The Study also found that fewer Minnesotans are getting health insurance through their jobs.

- Another recent study found that 50% of bankruptcies are due to medical debt. 35% of those filing bankruptcy lost employment due to illness, 56% did not have health insurance because the premiums were not affordable and others were unable to obtain coverage due to preexisting conditions.

- An article, written Dr. Michael Belzer concluded that, while government tinkers around the edges of the problem, proposing incremental health care reforms, millions of people suffer from the effects of the newly defined and fatal disease called "uninsurance."

**Please support Senator Berglin's bill to eliminate the $5,000 cap on MinnesotaCare benefits for adults without children.**

NAMI
MINNESOTA
National Alliance for the Mentally Ill

March 15, 2005

Dear Members of the Senate Finance Committee:

The National Alliance for the Mentally Ill of Minnesota (NAMI-MN) is strongly supporting SF 255, which would restore benefits and life the $5,000 cap under MinnesotaCare. It is extremely important that this bill be passed now before even more people are hurt.

Access to health insurance is a critical factor in people with mental illness being able to live and work in our communities. Thanks to research on medications and treatment options, the outlook for people newly diagnosed people is much brighter than in the past. Young people today are not automatically going on government income programs and Medical Assistance. They are going back to work – sometimes part-time - and receiving their health insurance through MinnesotaCare. Without access to health insurance, people cannot afford their medications and mental health treatment. Without medication and treatment, people are forced to choose between their health and their independence.

NAMI-MN has heard from many of its members who are on MinnesotaCare. It is not surprising since according to DHS statistics, close to a third of the people on MinnesotaCare have a mental illness. Mary testified last week about how she reached the $5000 cap last fall. She took expired insulin for her diabetes and cut her depression medications in half. She owes hundreds of dollars to her clinic, in addition to the costs of the paramedics who have had to come to her house numerous times as she went into insulin shock. Scott, who testified in February, is 29 years old and has schizophrenia. He works part-time, often temporary jobs. If he wasn't on MinnesotaCare he would have to go on Supplemental Security Income (SSI) and Medical Assistance. The problem is that he would rather work.

MinnesotaCare is an important part of Minnesota's safety net, and it promotes employment and independence. The reality is that we all pay for uninsured people's health care as providers experience greater uncompensated care those costs are passed on in increased premiums. Sadly, the costs are often greater because people wait longer for medical attention resulting in needing more expensive and intensive care. Please supports SF 255, the lives of people whom we represent depend on it.

Sincerely,

Sue Abderholden

Sue Abderholden
Executive Director

Member
Community Solutions Fund
NAMI-MN National Alliance for the Mentally Ill of Minnesota
800 Transfer Road, Suite 7A, St. Paul, MN 55114 Tel: 651-645-2948 or 1-888-473-0237 Fax 651-645-1

**Senator Cohen from the Committee on Finance, to which was re-referred**

**S.F. No. 1244:** A bill for an act relating to education; providing condition for the continued implementation of No Child Left Behind; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 127A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 24 and 25

Page 2, delete lines 1 and 2

Page 2, line 3, delete "(2)" and insert "(1)"

Page 2, line 5, after "measures" insert "including value-added measurement of student achievement"

Page 2, line 9, delete "(3)" and insert "(2)"

Page 2, line 13, delete "(4)" and insert "(3)"

Page 2, line 20, delete "(5)" and insert "(4)"

Page 2, line 25, delete "(6)" and insert "(5)"

Page 2, line 30, delete "(7)" and insert "(6)"

Page 2, line 35, delete "(8)" and insert "(7)"

Page 3, line 4, delete "(9)" and insert "(8)"

Page 3, line 9, delete "(10)" and insert "(9)"

Page 3, line 14, delete "(11)" and insert "(10)"

Page 3, line 19, delete "(12)" and insert "(11)"

Page 3, line 23, delete "(13)" and insert "(12)"

Page 3, line 27, after the semicolon, insert "and"

Page 3, line 28, delete "(14)" and insert "(13)"

Page 3, line 31, delete "; and" and insert a period

Page 3, delete lines 32 to 35

And when so amended the bill do pass. Amendments adopted. Report adopted.

.....
(Committee Chair)

March 22, 2005.....
(Date of Committee recommendation)

**Senators Kelley, Stumpf and Skoe introduced--**

**S.F. No. 1244:** Referred to the Committee on Education.

A bill for an act

relating to education; providing condition for the continued implementation of No Child Left Behind; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 127A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [127A.095] [IMPLEMENTATION OF NO CHILD LEFT BEHIND ACT.]

Subdivision 1. [CONTINUED IMPLEMENTATION.] The Department of Education shall continue to implement the federal No Child Left Behind Act, Public Law 107-110, without interruption until June 30, 2006.

Subd. 2. [NO CHILD LEFT BEHIND NULLIFICATION.] (a) The consolidated state plan submitted by the state to the federal Department of Education on implementing the No Child Left Behind Act, Public Law 107-110, and any other Minnesota state contract or agreement under the provisions of the No Child Left Behind Act, shall be nullified and revoked by the commissioner of education on July 1, 2006.

(b) The commissioner shall report to the education funding divisions and the education policy committees of the house of representatives and the senate by April 1, 2006, whether the following conditions have been met:

(1) the Department of Education has received approval from the federal Department of Education to allow the state to use a

value-added measurement of student achievement for determining adequate yearly progress;

(2) the Department of Education has received approval from the federal Department of Education to allow the state to develop a plan using multiple measures in addition to relying on standardized test results to evaluate school and student performance for the purpose of determining adequate yearly progress;

(3) the Department of Education has received approval from the federal Department of Education to allow the state to average three years of data for the purposes of identifying a school for improvement;

(4) the Department of Education has developed a plan and model legislation to ensure that if an adequate yearly progress determination was made in error, that the error will not adversely affect the school's or school district's sanction status in subsequent years. The Department of Education must have a policy in place to correct errors to accountability reports;

(5) the Department of Education has reported the additional costs for state fiscal years 2006 to 2009 that the No Child Left Behind Act imposes on the state, the state's school districts, and charter schools that are in excess of costs associated with the Improving America's Schools Act of 1994, Public Law 103-382;

(6) the Department of Education has received approval from the federal Department of Education to allow the state to use No Child Left Behind money to provide supplemental education services only in the academic subject area that causes a school to miss adequate yearly progress;

(7) the Department of Education has received approval from the federal Department of Education to exclude from sanctions schools that have not made adequate yearly progress solely due to a subgroup of students with disabilities not testing at a proficient level;

(8) the Department of Education has received approval from the federal Department of Education to exclude from sanctions a

school that is classified as not having made adequate yearly progress solely due to different subgroups testing below proficient levels for at least two consecutive years;

(9) the Department of Education has received approval from the federal Department of Education to identify a school as not making adequate yearly progress only after missing the adequate yearly progress targets in the same subject and subgroup for two consecutive years;

(10) the Department of Education has received approval from the federal Department of Education to identify a district as in need of improvement only after missing the adequate yearly progress target in the same subject across multiple grade spans for two consecutive years;

(11) the Department of Education has received approval from the federal Department of Education to limit the score of a student within multiple subgroups to the one subgroup that is the smallest subgroup in which that student is a part of when calculating adequate yearly progress;

(12) the Department of Education has implemented a uniform financial reporting system for school districts to report costs related to implementing No Child Left Behind Act requirements, including the costs of complying with sanctions;

(13) the Department of Education has received approval from the federal Department of Education to determine the percentage of the special education students that would be best educated based on out-of-level standards and tested accordingly based on an individual education plan; and

(14) the Department of Education has received approval from the federal Department of Education to determine when to hold schools accountable for including a student with limited English proficiency in adequate yearly progress calculations; and

(15) the Department of Education has received approval from the federal Department of Education to consider a teacher teaching multiple subjects to be highly qualified based on a single means of evaluation.

(c) The state's continued implementation of the No Child

Left Behind Act shall be discontinued effective July 1, 2006, unless the legislature passes a law during the 2006 regular legislative session establishing the legislature's satisfaction that the requirements under paragraph (b) have been met.

Subd. 3. [DEPARTMENT OF FINANCE CERTIFICATION.] If the legislature does not pass a law authorizing continued implementation of the No Child Left Behind Act under subdivision 2, paragraph (c), the commissioner of finance shall certify and report to the legislature beginning January 1, 2007, and each year thereafter the amount of federal revenue, if any, that has been withheld by the federal government as a result of the state's discontinued implementation of the No Child Left Behind Act. The report shall also specify the intended purpose of the federal revenue and the amount of revenue withheld from the state, each school district, and each charter school in each fiscal year.

Subd. 4. [ANNUAL CONTINGENT APPROPRIATION.] For fiscal year 2007 and thereafter, an amount equal to the federal revenue withheld in the same fiscal year as a result of the state's discontinued implementation of the No Child Left Behind Act, as certified by the commissioner of finance under subdivision 3, is appropriated from the general fund to the commissioner of education. The commissioner of education shall allocate the appropriation under this section according to the report from the commissioner of finance in subdivision 3.

**[EFFECTIVE DATE.]** This section is effective the day following final enactment.

To: Senator Cohen, Chair

Committee on Finance

Senator Stumpf,

Chair of the K-12 Education Budget Division, to which was referred

S.F. No. 1244: A bill for an act relating to education; providing condition for the continued implementation of No Child Left Behind; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 127A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 24 and 25

Page 2, delete lines 1 and 2

Page 2, line 3, delete "(2)" and insert "(1)"

Page 2, line 5, after "measures" insert "including value-added measurement of student achievement"

Page 2, line 9, delete "(3)" and insert "(2)"

Page 2, line 13, delete "(4)" and insert "(3)"

Page 2, line 20, delete "(5)" and insert "(4)"

Page 2, line 25, delete "(6)" and insert "(5)"

Page 2, line 30, delete "(7)" and insert "(6)"

Page 2, line 35, delete "(8)" and insert "(7)"

Page 3, line 4, delete "(9)" and insert "(8)"

Page 3, line 9, delete "(10)" and insert "(9)"

Page 3, line 14, delete "(11)" and insert "(10)"

Page 3, line 19, delete "(12)" and insert "(11)"

Page 3, line 23, delete "(13)" and insert "(12)"

Page 3, line 27, after the amendment, insert "and"

Page 3, line 28, delete "(14)" and insert "(13)"

~~Page 3, line 32, delete "(15)" and insert "(14)"~~

And when so amended that the bill be recommended to pass and be referred to the full committee.

LeRoy Stumpf
.....
(Division Chair)

March 15, 2005.....
(Date of Division action)

Page 3, line 31, delete "; and" and insert a period

Page 3 delete lines 32 to 35

## Fiscal Note – 2005-06 Session

**Bill #:** S1244-0 **Complete Date:** 03/21/05

**Chief Author:** KELLEY, STEVE

**Title:** NO CHILD LEFT BEHIND IMPLEMENTATION

**Agency Name:** Education Department

| Fiscal Impact | Yes | No |
|---|---|---|
| State | X | |
| Local | X | |
| Fee/Departmental Earnings | | X |
| Tax Revenue | | X |

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| Dollars (in thousands) | FY05 | FY06 | FY07 | FY08 | FY09 |
|---|---|---|---|---|---|
| **Expenditures** | | | | | |
| General Fund | | | 223,758 | 223,758 | 223,758 |
| Federal Fund | | | (223,758) | (223,758) | (223,758) |
| **Less Agency Can Absorb** | | | | | |
| -- No Impact -- | | | | | |
| **Net Expenditures** | | | | | |
| General Fund | | | 223,758 | 223,758 | 223,758 |
| Federal Fund | | | (223,758) | (223,758) | (223,758) |
| **Revenues** | | | | | |
| Federal Fund | | | (223,758) | (223,758) | (223,758) |
| **Net Cost <Savings>** | | | | | |
| General Fund | | | 223,758 | 223,758 | 223,758 |
| Federal Fund | | | 0 | 0 | 0 |
| **Total Cost <Savings> to the State** | | | 223,758 | 223,758 | 223,758 |

| | FY05 | FY06 | FY07 | FY08 | FY09 |
|---|---|---|---|---|---|
| **Full Time Equivalents** | | | | | |
| -- No Impact -- | | | | | |
| **Total FTE** | | | | | |

## Bill Description

MDE is instructed to continue to implement the federal No Child Left Behind Act, Public Law 107-110, without interruption until June 30, 2006.

The consolidated state plan submitted by the state to the federal Department of Education on implementing the No Child Left Behind Act, Public Law 107-110, and any other Minnesota state contract or agreement under the provisions of the No Child Left Behind Act, shall be nullified and revoked by the commissioner of education on July 1, 2006 – unless certain specified conditions are met.

If the state agreement under NCLB is nullified, on January 1, 2007 and January 1 of each subsequent year, the state Commissioner of Finance is instructed to certify an amount equal to Minnesota's lost NCLB federal dollars to the legislature. The amount certified to the state legislature is appropriated to the Commissioner of Education. The Commissioner of Education must allocate the state appropriation among the state school districts and charter schools in proportion to the amount of federal revenue withheld. These funds are to be used for the intended purposes of NCLB.

The bill requires that the commissioner report to the education funding divisions and the education policy committees of the House of Representatives and the Senate by April 1, 2006 regarding a list of 15 issues stated in the bill.

## Assumptions

The estimated amount of funds that result from Minnesota's participation in NCLB are taken from the Federal Department of Education's state tables website:
http://www.ed.gov/about/overview/budget/statetables/06stbystate.pdf

Federal amounts are largely a function of federal appropriations and Minnesota population of census poverty students. These variables are unknown and may increase or decrease in the future.

It is assumed that the intent of the bill is to be revenue neutral for school districts and MDE beginning in FY 2007.

The staffing costs incurred by the department to meet the requirement that the commissioner report to the education funding divisions and the education policy committees of the house of representatives and the senate by April 1, 2006 regarding a list of 15 issues stated in the bill will be absorbed with existing staff.

It is assumed that state replacement funding would be available January 1 of each year.

## Expenditure and/or Revenue Formula

Assuming federal funding remains at the same level currently estimated for FFY 2006, federal revenues impacted by this bill are:

| | |
|---|---|
| Federal FY 2006/State FY 2007 | 223,758,295 |
| Federal FY 2007/State FY 2008 | 223,758,295 |
| Federal FY 2008/State FY 2009 | 223,758,295 |

## Long-Term Fiscal Considerations

The change would be permanent

## Local Government Costs

Federal funds associated to NCLB received by school districts would be replaced by state funds.

Agency Contact Name: Marcus, Greg 651-582-8454
FN Coord Signature: AUDREY BOMSTAD
Date: 03/16/05 Phone: 582-8793

## EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: LISA MUELLER
Date: 03/21/05 Phone: 296-6661

**No Child Left Behind - The Basketball Version**

*1. All teams must advance to the Sweet 16, and all will win the championship. If a team does not win the championship, they will be on probation until they are the champions, and coaches will be held accountable.*

*2. All kids will be expected to have the same basketball skills at the same time and in the same conditions. No exceptions will be made for interest in basketball, a desire to perform athletically, or genetic abilities or disabilities. ALL KIDS WILL PLAY BASKETBALL AT A PROFICIENT LEVEL*

*3. Talented players will be asked to practice on their own, without instruction. This is because the coaches will be using all their instructional time with the athletes who aren't interested in basketball, have limited athletic ability, or whose parents don't like basketball.*

*4. Games will be played year round, but statistics will only be kept in the 4th, 8th, and 11th games.*

*5. This will create a New Age of sports where every school is expected to have the same level of talent and all teams will reach the same minimal goals. If no child gets ahead, then no child will be left behind.*

# NCSL Task Force on No Child Left Behind Report
# Executive Summary

February 23, 2005

## Introduction

The goal of the No Child Left Behind Act (NCLB): to close or dramatically narrow the differences in achievement among American students that cross lines of skin color, ethnicity, immigrant status and wealth. The success of American democracy and our economic future depend on a society in which everyone is educated to their full potential.

State legislatures and local schools have been working for many years to improve the quality of education for all students and to close the achievement gap. The No Child Left Behind Act of 2001 (NCLB) does not encompass a new goal handed down from the national level; rather, it crystallizes efforts that were under way in states and classrooms all over the country.

Passage of NCLB in the fall of 2001 generated immediate interest among state legislators and prompted an unprecedented number of inquiries to the National Conference of State Legislatures regarding the content of the law and its relation to existing state education statutes. It was clear that the law had struck a chord across the political spectrum, eliciting both passionate support and fiery opposition in both political parties and among liberals, conservatives and moderates. Legislators' questions fell into two categories: What do we need to do to make the law work and how can we effect improvements to it through additional congressional or administrative actions?

In March 2004, the Executive Committee of the National Conference of State Legislatures created a Task Force of state legislators and legislative staff and asked them to focus on the latter of the two questions. It directed the Task Force to dissect the law, conduct hearings throughout the country, consult with practitioners and other experts, examine the pertinent literature and research, and formulate a comprehensive set of recommendations geared toward improving the No Child Left Behind law, making it more workable, more responsive to variations among states and more effective in improving elementary and secondary education.

The bipartisan Task Force met eight times in 10 months and, on January 29, 2005, presented the attached final report to the NCSL Executive Committee, which unanimously approved it. The report has six chapters. Most of it—chapters two through five—recommends very specific changes that could be made to the law. The first chapter, in contrast, raises fundamental questions about the

act's underlying philosophy, and the last chapter addresses one of the most vexing questions raised by legislators: the federal funding available for NCLB. The balance of this summary provides a chapter-by-chapter overview of the report.

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### Chapter 1: The Federal Role in Education Reform

The standards-based education reform movement has followed much the same path as many other public policy innovations in the United States. Innovation and experimentation began in a few state legislatures, then others adapted the reforms to the unique cultures and circumstances in their states. A second and even third generation of reforms refined the initial approaches. And, with passage of the No Child Left Behind Act, the federal government incorporated many of the state reforms into a single national policy, thereby significantly expanding the federal role in the administration of elementary education. But this assertion of federal authority into an area historically reserved to the states has had the effect of curtailing additional state innovations and undermining many that had occurred during the past three decades.

It also has questionable constitutional underpinnings. It pits the 10th Amendment, which reserves powers to the states, against the spending clause of Article I, which allows the federal government to attach conditions to grants it provides to the states. Although the spending clause often has trumped the 10th Amendment, the Supreme Court, in *South Dakota vs. Dole* and other decisions, has placed constraints on how Congress may exercise its powers under the spending clause. The Task Force is concerned that NCLB fails to meet two of the *South Dakota vs. Dole* tests: its grant conditions are not unambiguous and it uses coercion and not financial inducement to attain state participation.

Interestingly, No Child Left Behind includes two provisions that could redress the federalism imbalances that otherwise are present in the law's approach. One, Section 9401 of Title IX, gives the Secretary of Education broad discretion to waive requirements of the law. The Task Force views this as an important tool that could turn state and federal government efforts from their current focus on process and strict adherence to the letter of the law to outcomes and compliance with the spirit and goals of the law. The other tool, Section 9527(a) of Title IX, notes that state and local governments should not have to incur expenses for implementing NCLB that are not funded by the federal government nor should the law force states or schools to change their curriculum or instruction. The Task Force believes this language should give state officials leverage in their efforts to ensure that the law is not an unfunded or underfunded mandate.

**Summary of Task Force Recommendations in Chapter 1**

**1.) Congress should create a revitalized state-federal partnership that acknowledges diversity among states and shifts focus from processes and requirements to outcomes and results.**

**2.) Congress should remove ambiguity regarding the law's grant conditions.**

**3.) Conduct a study of whether the law is an unfunded mandate.**

**4.) The Department of Education should develop a transparent and uniform process for considering waiver applications.**

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## Chapter 2. Adequate Yearly Progress: The Centerpiece of NCLB

The standards-based reform movement has several central features: an emphasis on objective measures of student achievement, such as standardized testing, and holding schools accountable for their progress in meeting goals. No Child Left Behind's adequate yearly progress (AYP) provisions incorporate both elements, albeit with an unnecessary level of rigidity and questionable methodology. The Task Force supports the premise and objectives of the adequate yearly progress concept, yet has numerous recommendations for modifying AYP to make it more valid and accurate and, a more effective tool in measuring student achievement.

The adequate yearly progress requirements of No Child Left Behind include several methodological flaws. NCLB mandates that schools be evaluated by comparing successive groups of students against a static, arbitrary standard, not by tracking the progress of the same group of students over time. The AYP requirements constitute a "static" evaluation model because they hold all schools, regardless of demographic factors and prior achievement levels, to the same benchmark. Standardized tests are far from perfect measures of student achievement and function better in combination with other measures, such as student portfolios.

The adequate yearly progress provisions are overly prescriptive and rigid. The law improperly identifies schools as "in need of improvement" by creating too many ways to "fail" and, therefore, spreads resources too thinly, over too many schools, and reduces the chances that schools that truly are in need of improvement can be helped.

The most counterintuitive and counterproductive feature of the adequate yearly progress requirements, though, are those related to remediation and school transfers. The law allows students to transfer from schools found to be in need of improvement before the school has an opportunity to address specific individual deficiencies. In addition, the transfer option is not viable for students in many urban and rural schools.

Ultimately, states should be allowed to develop any system they choose as long as it meets the spirit of NCLB.

**Summary of Task Force Recommendations in Chapter 2**

**1.) Provide states much greater flexibility in meeting the objectives of the adequate yearly progress provisions.**

**2.) Give states the option of adding or substituting a "student growth" approach to testing and accountability, rather than the "successive group" approach prescribed by NCLB.**

**3.) Allow states to use multiple measures rather than relying exclusively on standardized tests to evaluate performance.**

**4.) Reduce the over identification of failure and make the adequate yearly progress provisions less prescriptive, rigid and absolute.**

**5.) Allow states to decide the order of interventions when a school is identified as being in need of improvement.**

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## Chapter 3. AYP: Students with Disabilities and Limited English Proficiency

Including students with disabilities and limited English proficiency in the testing requirements of No Child Left Behind is an admirable goal. Yet, it presents considerable challenges for states, districts and schools, most glaring of which are the conflicts between NCLB and the Individuals with Disabilities Act (IDEA). NCLB requires students with disabilities to be tested by grade level, while IDEA mandates that students be taught according to ability.

The Task Force identified several other concerns related to NCLB's students with disabilities provisions. One is its requirement that all students with disabilities be proficient by school year

2013-14. This is a laudable but unrealistic goal, which cannot be realized because it removes students from the special education subgroup when they reach the standard for their grade level. Another concern is that NCLB's definition of "highly qualified" special education teachers conflicts with state certification practices.

Concerns related to the law's limited English proficiency provisions center on the expectations for when students should be tested only in English and when schools should be expected to have them performing at grade level.

**Summary of Task Force Recommendations in Chapter 3**

**1.) Give IDEA primacy over NCLB in cases of conflict.**

**2.) Provide states flexibility in determining the percentage of special education students who can be tested according to their ability, not their grade level.**

**3.)Allows states to determine the appropriate time to use native-language tests and English-only tests.**

**4.) Amend the law so special education teachers who teach multiple subjects are able to meet the definition of a highly-qualified teacher without having to prove content knowledge in each subject.**

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## Chapter 4. Flexibility for States to Address Unique Schools and Districts

Many urban and rural schools face unique challenges in educating students and, as a result, in meeting the requirements of No Child Left Behind. The law, for the most part, does not recognize these differences and, instead, imposes a uniform set of requirements that all schools must meet. Some of the challenges faced by urban schools relate to their heterogeneity and the large number of subgroups they have as a result of their diversity. In addition, urban schools share with rural schools the challenges of providing school choice and supplemental services. School choice is difficult in an urban area where many other schools in the district are identified as needing improvement; and it is difficult in rural areas because of the long distances between schools. The geography of rural schools presents additional challenges to public education, including access to supplemental service providers.