



## 2010 General Assistance Medical Care Compromise

Highlights of the 2010 GAMC Compromise:

- Savings to taxpayers of over \$700 million through next biennium
- Low-income Minnesotans will still have access to high-quality, affordable health care
- No taxes were raised
- Government spending was significantly reduced

One of the first issues the Minnesota legislature debated this past session was a permanent funding solution for General Assistance Medical Care (GAMC). This program serves low-income, single individuals who are in a transition period. The program was unallotted by the Governor in 2009 and funding for the program was set to expire in April of 2010. For this reason the legislature made it a top priority to find a way to fund, and thus continue, this program.

GAMC, in its original form, provided health care to many low income Minnesotans – but its cost to Minnesota taxpayers was unsustainable. Continuing the old GAMC would have cost \$928 million through 2013. The program was in need of serious, well thought out reform.

The first solution, proposed by the majority party, passed the legislature would have simply let the old program continue until 2011 with no roadmap for long-term reform. It also took \$19 million from county mental health, child protection, and case management grants. This was quickly vetoed by the Governor.

After a veto override failed a few days later, the legislature and Governor hammered out a bipartisan solution. This new program became effective June 1, 2010. The agreement achieves several reforms, including massive cost savings to taxpayers and preserving coverage for low-income Minnesotans. The growth of GAMC spending was unsustainable, and in its place is a nation-leading reform that is smarter, efficient and less expensive.

The new, bipartisan solution will cost \$214 million, while preserving coverage—savings of \$700 million. These savings are achieved through a more efficient and streamlined system of care known as Coordinated Care Organizations. (CCOs). This plan also creates a new and

separate prescription drug plan designed to protect hospitals from the high cost of prescription drugs. Ensuring enrollees get and take their prescriptions through this plan will avoid hospitalizations and reduce further stress on hospitals. Four Twin City hospitals have signed on as CCDS's, where two-thirds of the GAMC enrollees reside.

The final special session budget solution agreement (HF 1) added \$10 million in funding to the GAMC uncompensated care pool, for a total of \$30 million available for non-metro hospital compensation. GAMC enrollees may also transition to MinnesotaCare during their six month renewal period, and pay a monthly premium to receive ongoing health coverage. Monthly premiums will be about \$4 dollars per month.

The road to this solution was not easy. Without our steadfast leadership, GAMC would have continued to crowd out other important priorities in the state budget like education and other health care programs. Republicans came back to the table with innovative solutions to an on-going problem. These reforms represent the House Republican agenda of finding practical solutions to real problems. The people of Blaine demanded leadership and that is exactly what they got.

Please let me know if you have any questions about the new, cost-effective GAMC program.