

Editorials

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StarTribune

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UCare donation raises questions

• Can other insurers sacrifice to help state?

As the state grapples with the soaring costs of public health programs, a \$30 million donation this week by UCare raises fresh questions about whether Minnesota's increasingly wealthy nonprofit insurers are part of the solution or part of the problem.

UCare's giveback to the state was trumpeted Wednesday in a news release from Gov. Mark Dayton's office. The move by UCare, whose officials wanted to "do the right thing," is a praiseworthy step, though some question whether the insurer might recoup the amount in next year's contract because of Minnesota's uncompetitive contracting system. In 2010, Minnesota plans such as UCare, Medica, Blue Cross Blue Shield and HealthPartners were paid \$3.1 billion in state and federal funds to manage public health care programs for the poor, the disabled and the elderly.

UCare's giveback puts a thought-provoking spotlight on the profitability of the nonprofit plans' public portfolios. A Star Tribune analysis earlier this year found that plans with state public health program enrollees in 2009 earned returns of 4.1 percent, compared with 1.6 percent for their commercial business. For one public program, the margin was 79 percent. Medica, HealthPartners and Blue Cross provide private insurance. UCare does not. A 2010 Wall Street Journal story reported that insurers consider Medicaid, the state-federal program for the poor, a major growth area.

That UCare had an extra \$30 million lying around is disturbing. It signals that the state needs to examine its process for awarding managed-care contracts. Right now it's too reliant on how much plans say they'll need. UCare voluntarily gave up some of the excess profit, but it's unclear if it should have done so in previous years, or if \$30 million was the right amount to "contribute" this year. Should it have been more? State Human Services Commissioner Lucinda Jesson provided too few details on that during an interview this week.

UCare's giveback suggests that other plans profiting from state programs have contributions to make.

UCare's giveback suggests that other plans profiting from state programs have contributions to make. None of them have committed to doing so, despite sitting on hefty reserves.

E-MAIL EXCHANGE

"Unfortunately, I think this really good news is likely to generate FAR more questions from legislators about our PMAP contracts and adequacy of health plan reserves."

— A March 15 e-mail from Dan Pollock to Department of Human Services Commissioner Lucinda Jesson. Pollock is the DHS legislative relations director. The Star Tribune filed a Data Practices Act request this week for Jesson's e-mails on the UCare donation.

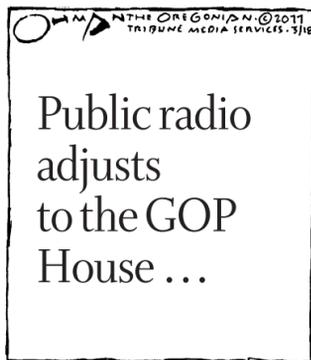
Dayton has called on the state's other nonprofit plans to follow UCare's lead. At the end of last week, none of them had committed to doing so despite each of them sitting on reserves of several hundred million dollars.

Those reserves, which ensure the plans' financial soundness, are typically far in excess of industry minimums and have grown dramatically since 2004, when Minnesota lawmakers did away with state reserve caps and went to an industry-promoted risk assessment with no upper limits. HealthPartners' reserve was \$387 million in 2009, up 41 percent since 2005. According to state Commerce Department documents, the bare minimum HealthPartners should have is \$87 million.

Blue Cross's reserves grew from \$162 million in 2005 to \$251 million in 2009; its minimum is \$71 million. Medica's grew over the same time period from \$321 million to \$361 million; its minimum is \$109 million. UCare's rose from \$138 million to \$246 million; its minimum is \$106 million.

To be fair, these plans have also grown during this time, so reserves should have increased. The plans also insist that their reserves are not out of the norm by industry standards.

This week, state Health and Human Services funding will be center stage at legislative hearings. Lawmakers need to drill down into nonprofit financials and ask hard questions. Insurers should be asked to sacrifice first before Minnesota's most vulnerable citizens suffer benefit cuts.



Readers Write

LETTER OF THE DAY

Anticlone legislation is misguided and antiscience



PAUL LACHINE • NewsArt

It's alarming to see anticompetitive legislative developments such as the Human Cloning Prohibition Act of 2011 in Minnesota's Legislature. Prohibiting and criminalizing biotech research stifles business expansion in the state and needlessly restricts the University of Minnesota from an area of promising future research. Somatic cell nuclear transfer (SCNT) isn't used for reproductive cloning. It would be used in developing therapies for patients.

Basic research that could someday alleviate diseases in real patients shouldn't be linked to anti-abortion issues. This proposed legislation is even inconsistent with Minnesota's effort

to create a Biotech Corridor. It's hard to see how the state can pretend to support the biotech industry and ban cutting-edge research. The U is currently not engaged in SCNT, but Minnesota cannot be probusiness and antiscience at the same time. The U's Stem Cell Institute will relocate to another state that isn't fixated on linking valuable research with abortion issues. These biotech jobs will go somewhere else, and patients will be the losers.

GEOFF NASH, Edina

weekend activities. My kids are in college, and I'm semiretired, so life has gotten easier. Still, I resent Pierson's sweeping generalizations — that most men are "sluffing along" as wifey does the grunt work.

DAVID M. HEATH, Maple Grove

CITIZEN COUNCILS

Rep. Hansen's proposed Legacy bill is misguided

I was disturbed to read about a bill proposed by Rep. Rick Hansen, DFL-South St. Paul, that would eliminate private citizen representation on citizen-legislative councils, including the Lessard-Sams Outdoor Heritage Council ("Bill would merge natural resources councils, drop citizens," March 16).

Hansen says elected officials should be recommending how the money is spent. He's wrong. The citizens on the council are chosen because of their advocacy of the outdoors. Why can't legislators keep their hands out of the cookie jar?

Enough is enough. The reason Lessard-Sams is a citizen-legislative council is to make darn sure the public isn't just heard but actually has a seat at the table when the list of spending recommendations is vetted. To remove the citizens would be a regression to politics as usual. That's exactly what the 2008 Legacy Amendment intended to avoid.

PAUL SWANSON, Plymouth

HURTING CITIES

Willing to share tax refund with the state

As a renter, each year I look to the property tax refund to provide a boost to my low income. I can't imagine the strain the loss of local government aid funds would impose on cities. I'm willing to forego some of my refund if it would help Minnesota aid its communities. The Republicans' proposal would be bad policy ("Don't pile LGA cuts on metro cities," March 17).

DIANE SAUNDERS, Eden Prairie

ENERGY

Time to think clearly and look forward

In 2007, Minnesota's "Next Generation Energy Act" became law with wide bipartisan support. The goal of this bill was to move our state toward energy efficiency and clean, renewable sources of energy. It has led to steady growth in wind and solar energy as well as to the adoption of energy-efficiency measures. Now, unfortunately, a bill is moving through the Legislature that would roll back significant portions of this bill, putting dirty, coal-fired power back on the state's agenda ("Coal served its purpose, but let's move on," March 14).

This bill is a job-killer that will slow the creation of a clean-energy economy in the state. It's also a recipe for dirtier air and more carbon in the atmosphere. For the sake of our state's economy and environment, this legislation should be rejected.

BRETT A. SMITH, Minneapolis

News reports say that the Fukushima nuclear reactor in Japan is a Mark I design built by General Electric in the 1960s and touts a smaller, less expensive containment structure. Minnesota's Monticello Nuclear Reactor is also a Mark I, a model that critics say uses a containment vessel and pressure compression design that is weaker than some other

designs and, therefore, more susceptible to failure.

Minnesota's fault zones are ancient, so a major earthquake here is unlikely. We also need not worry about tsunamis. However, several other threats can disable or destroy a nuclear facility, such as tornadoes, equipment malfunction, operator error and terrorism. Minnesota isn't immune to those threats.

It's time to reevaluate the safety of existing nuclear facilities in Minnesota, rather than making it easier to build new ones, as some Republican legislators have suggested.

CLARA WALTER-MARCHETTI, Minneapolis

TEACHER BASHING

Legislators are wrong to take aim at educators

As a teacher for 27 years, I find the attack on the teachers union by state legislators appalling ("GOP faces off with union teachers," March 16). Does anyone really believe that the teachers are breaking the state's budget? I can't afford to have my husband on my insurance plan; I pay for most dental work out of pocket, and my life insurance doesn't cover my salary.

Classrooms are overflowing with students; teachers often pay for needed supplies, and building repairs aren't being made. Legislators keep saying we all have to sacrifice, but they're not pointing fingers at corporations and CEOs. They should. Teachers are not the problem.

ANN MACZUGA, Maple Grove

PAY EQUITY

Some men do all the work without credit

Katie Pierson is wrong ("Want pay equity? Stand up! (Actually, stand down.)," March 16). As a working father, I provided most of the home care for our three children. This included meal preparation, baths, bedtime stories and most

LIQUOR SALES

Let those who want to sell on Sundays do so

Sunday liquor sales have been debated for years. Even so, I still can't figure out why some liquor store owners are opposed to opening on Sundays. No one is forcing them to do so.

The owners who chose to open would be putting people back to work, even if only part-time. Their wages would be taxed and would make a contribution to the state budget deficit, a win-win situation.

A. JAMES MARTINS, Brainerd

MINNESOTA WINTERS

Stop whining about it and get some exercise

What I like least about the winter season is not the weather but rather those complaining about it ("There's no way to whitewash it — winters here are too much," March 12). If you feel chilled even in your house, try 50 sit-ups or push-ups. Your chill will disappear and you will complain less.

DAVID BORN, Shakopee

WHAT ARE YOUR VIEWS?

We welcome your participation, whether in letters, articles for the opinion pages or with comments submitted to Opinion Exchange, our blog at startribune.com/opinion.

You can send letters by e-mail to opinion@startribune.com. Otherwise, please mail them to: Editorial Department, Star Tribune, 425 Portland Av., Minneapolis MN 55488. Or fax them to 612-673-4359.

Submissions must be exclusive to us in Minnesota. All must include the writer's name, address, occupation and phone numbers (work and home). Letters and Counterpoints become the property of the Star Tribune and may be republished in any format. Letters should be brief, up to 250 words. Articles must be less than 700 words. Because of the volume of mail, we cannot return manuscripts.

opinion exchange

FROM TODAY'S INTERACTIVE ONLINE LOG ...

TRUSTING TRAVELERS

Improving security screening

No matter how nicely Transportation Safety Administration workers ask you to disrobe, place pastes and liquids in little bags, put laptops in a separate bin and then submit to various invasive probes, nothing reduces the humiliation and stress of the preboarding air travel ritual.

Americans find it so distasteful, according to one 2010 survey, that we are increasingly opting out of air travel, costing jobs and taking billions of dollars out of the economy. For many of us, the greatest humiliation is that, in the eyes of Homeland Security, we are all potential terrorists until proven otherwise by the preboarding probe.

On Wednesday, the U.S. Travel Association called on Congress to consider a better approach, called Trusted Traveler, which would dramatically help minimize the hassles for the law-abiding public.

To obtain trusted-traveler clearance, applicants would first have to jump through several difficult hoops. They would have to hold a current U.S. passport or other federally ap-

proved identification. There would be a fingerprint-based criminal background check and confirmation that the traveler has no disqualifying criminal offenses or warrants. And there must be verification of regular travel habits, such as membership in an airline frequent-flyer program.

Another key proposal is a federal requirement that airlines permit passengers to check at least one bag without a penalty fee. The reason, the association says, is that baggage fees cause the amount of carry-on luggage to spike, adding significantly to airport security delays.

The idea is to make such a program available to a broader swath of the traveling public so we can significantly reduce lines at airport security and reduce the ordeal of air travel. These proposals carry some high-powered endorsements, including that of former Homeland Security Secretary Tom Ridge.

Congress should take heed, because the traveling public needs a break from this cattle-car and cattle-prod treatment.

FROM AN EDITORIAL IN THE DALLAS MORNING NEWS

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