

Minnesota Coalition on Government Information (MNCOGI)

Suggested amendment to HF2038, First Engrossment

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Due to long-running debates over how public health care program monies are being utilized, MNCOGI supports transparency measures to ensure that public funds are being deployed for the purposes intended by the state. By providing an avenue for legislators, the public, and the press to examine program expenses, such transparency measures can ensure that tax monies are being spent wisely, thereby helping to control costs.

Administrative expense transparency

Administrative expenses incurred by the Health Maintenance Organizations (HMOs) that manage public health care programs have been a recurring source of comment and controversy. For example, a 2012 Department of Commerce audit found that HMOs had “allocated marketing and advertising expenses to public programs” in the form of administrative costs. A 2013 report produced by the Segal Company found that there was no “critical or diligent” review of administrative cost reporting by the HMOs. A report released by the Office of the Legislative Auditor earlier this year noted that expense allocation by HMOs continues to require improvement.

It is MNCOGI’s opinion that questions about propriety in any government program can be best addressed through additional transparency. That is certainly the case with questions raised about the administration of the state’s public health care programs.

Recommended change

MNCOGI recommends a simple statutory change to ensure administrative expense transparency. We would suggest that Minnesota Statutes 2014, section 256B.69, subdivision 9a should be amended to remove language that makes administrative expense data “nonpublic” when it is housed at the Department of Human Services. The relevant language is found at the end of 256B.69, Subd. 9a:

“Data provided to the commissioner under this subdivision are nonpublic data as defined under section 13.02.”

Removing the above language would make public program administrative expense data available to the public that is ultimately paying for those costs.

Change would enable public oversight

While audits are an appropriate mechanism for examining public program administrative expenses, they are not – on their own - a substitute for direct, public access to government data. Under the Minnesota Government Data Practices Act, the citizens of Minnesota enjoy broad-based access to data about how government programs function. The state's public health care programs should not be an exception to this rule, and the legislature should ensure that taxpayers have access to the administrative expenses related to their operation.