



# STATE OF MINNESOTA

## Office of Governor Tim Pawlenty

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

February 17, 2010

The Honorable Barack Obama  
President of the United States of America  
The White House  
1600 Pennsylvania Avenue Northwest  
Washington, DC 20500

Dear President Obama:

I applaud your interest in seeking Republican solutions to reforming our nation's health care system.

We are in agreement that the current health care system is broken. Reform is particularly important and timely because of the massive impact the health care system has on jobs and our nation's economy. I am eager to work with you to advance common sense solutions.

Furthermore, I urge you to invite governors to assist you in this matter, since they have hands-on experience reforming health care in our states.

Minnesota has been a leader in utilizing market-based and consumer-driven health care reforms to rein in explosive costs and improve quality. In an op-ed in Sunday's *Washington Post*, I outlined five ideas for affordable, quality health care reform based largely on our state's experience.

As an example, in Minnesota we incentivize public employees to choose high-quality, lower-cost clinics, resulting in only small premium increases since 2005. We have also begun paying health care providers based on better outcomes, rather than just on the number of procedures performed.

In order to increase competition, I have also proposed allowing Minnesotans to purchase health insurance from other states. Consumers are used to comparison shopping for a broad array of products and services, and an existing interstate

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compact to allow cross-border purchases of life insurance has proven such a system can work.

We also need to take action to bring legal costs associated with medicine under control. In a 2005 survey in *The Journal of the American Medical Association*, 93 percent of doctors said they had practiced defensive medicine and 92 percent said they made unnecessary referrals or ordered unnecessary tests or procedures. It has been estimated that 10 percent of all health care spending is consumed by defensive medicine and the cost of litigation – totaling \$210 billion annually. Your willingness to include liability reform to help contain costs is a helpful step.

Our changing workforce demands a 21st Century approach to health care. Today, Americans will switch jobs many times in their careers, but this shouldn't mean they must switch health insurers. Allowing workers access to portable health insurance and health savings accounts will increase employment flexibility. We should also include measures that address our shared interest in eliminating discrimination by health insurers against people with preexisting conditions covered under insurance they lost through no fault of their own.

Bipartisan health care reform should include other ideas, such as tax reforms so individual and group purchases are treated equally, improved use of information technologies, and a crackdown on fraud and abuse in public insurance programs.

Successful health care reform requires broad public support. I appreciate your interest in hearing the best ideas from all sides and look forward to working with you, my fellow governors, and Congress to improve our nation's health care system.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Tim Pawlenty', with a stylized, sweeping flourish extending from the end.

Tim Pawlenty  
Governor