

March 13, 2024

Representative Zack Stephenson
Chairman, Commerce Finance and Policy Committee
449 State Office Building
St. Paul, MN 55155

Representative Jamie Long
Majority Leader
459 State Office Building
St. Paul, MN 55155

Representative Tim O'Driscoll
Republican Lead, Commerce Finance and Policy Committee
237 State Office Building
St. Paul, MN 55155

Dear Representatives:

We are writing to express our concerns regarding the proposal to create a new health insurance system—H.F. 4745 Minnesota Care Public Option.

We all agree that Minnesotans deserve access to affordable and high-quality health care, but rushing the public option is not the way to improve the state's health care system. We urge lawmakers to pause and take time to address the list of serious concerns and unanswered questions regarding the proposed public option.

As the Minnesota Department of Commerce has repeatedly acknowledged, the state's recent report on the public option does not express the full cost of creating, administering, and providing necessary technological support for this new state government program. On the contrary, the Department made clear that "the report does not capture the full fiscal impact to the state or the health care system more broadly."

In other words, lawmakers currently have no way of knowing the full scope of consequences this proposal could have for Minnesota patients, consumers, health care providers, employers, and taxpayers. One of the few things made clear in the state's report is that just a small percentage of Minnesota's uninsured population would be covered by the public option and enacting it would have a minimal impact on expanding coverage.

At the same time, a public option could negatively impact a wide range of Minnesotans' existing health coverage choices. Most clearly, the reliance on low payment rates to hospitals and clinics in order to achieve a marketable premium will result in cost shifting onto remaining commercial policyholders in the self and fully insured markets. Government-level provider payment rates could impact patients' ability to access vital health services close to home and in a timely manner, worsening the access problem for those in rural or underserved communities.

Rather than rushing ahead to pass legislation creating the public option, lawmakers should slow down and take the time to learn the answers to the many important questions that remain unanswered regarding the public option's potential costs and consequences.

Thank you for your consideration and your commitment to improving access to affordable, high-quality health care in Minnesota.

Sincerely,





March 12, 2023

Chair Zach Stephenson and Members of the House Commerce Finance and Policy Committee,

The Committee to Protect Health Care writes to support HF4745, the MNCare Public Option and its swift, quality implementation to help Minnesotans better access the health care they need to live and thrive. As doctors and medical professionals committed to expanding access to affordable health care we believe a strong MNCare Public Option will increase access to affordable, quality health care, improving health and saving lives of generations to come.

Every day, physicians and medical professionals see how out-of-control health care costs harm patients, and how the problem is getting worse. In 2022, health care costs for Minnesotans with private insurance increased [\\$581 per capita](#). For Minnesotans enrolled in health plans through the individual markets, [about half](#) are in ‘Bronze Plans’ with deductibles around \$7,000 per year, meaning of course that they have to pay \$7,000 every year on top of monthly premiums, before they get coverage.

These rising health care costs are straining families’ budgets, and, unfortunately, preventing patients from seeking care. [One in four](#) American adults say that they skipped or postponed getting the health care they needed in the past 12 months because of the cost.

When patients put off needed health care, their health problems become more difficult and expensive to treat, and they may even become untreatable. A patient with diabetes that could be managed with routine care may develop nerve damage, eye problems, or kidney problems. A patient with a family risk of cancer may skip a critical screening, allowing early stage cancer to worsen and spread. A pregnant person who delays care puts her health and that of her baby at risk, sometimes with lifelong impact.

Minnesotans should be able to get health care when they need it, not just when they can afford it. That’s why Minnesota needs an affordable, high-quality MinnesotaCare Public Option. By ensuring more families are able to access affordable health care, Minnesota can save lives and strengthen our communities.

The Committee to Protect Health Care, including doctors and medical professionals across Minnesota, support a comprehensive MNCare Public Option implemented sooner rather than later. We urge you to do all you can to set up a strong public option program, so that Minnesota can help patients take care of their health, learn, work, and give back to their communities — creating a healthier, stronger state for us all.

Sincerely,

Dr. Rob Davidson, Executive Director



03/12/24

RE: HF 4745

Members of the House Commerce Finance and Policy Committee,

Medical Alley represents a global network of more than 800 leading health technology and care companies including representation from all corners of the state of Minnesota. Our mission is to activate and amplify healthcare transformation.

Recognized worldwide as a leader in healthcare innovation, Minnesota sets a standard for excellence – impacting local communities and influencing global health outcomes and advancements. With access, affordability, and quality as top priorities, Medical Alley and our partners are committed to developing solutions which drive meaningful change and save lives.

It is with these guiding principles that we express deep concern about House File 4745.

Access

A public option would pose a significant financial risk to hospitals due to a greater patient population paying lower reimbursement rates. According to a [report](#) from Minnesota Community Measurement, commercial plans pay 207% of what Medicare pays. With MinnesotaCare rates at a level beneath that of Medicare, providers will receive less for the same services they were providing previously to patients under private plans.

With hospitals already under severe financial distress, expanding such a reimbursement structure would put them in a situation where they would face the risk of a service closure or operational closure, thereby limiting patient access to care. Such closures would exacerbate the current health equity challenges in rural communities, as Greater Minnesota residents must already travel longer distances to receive inpatient healthcare services.

Affordability

In order to pay for a public option, healthcare costs will inevitably have to increase across the ecosystem.

Minnesota's current provider tax of 1.8% on medical bills and hospital stays is the most significant revenue stream for the Health Care Access Fund, a major funding source for MinnesotaCare. As public option enrollments increase under this scenario, federal subsidies for new enrollees may be lower due to having an income higher than the typical profile of a MinnesotaCare enrollee. Increasing the provider tax will likely become a necessity to maintain the low premiums that current MinnesotaCare enrollees pay.

Raising this tax on providers will make the cost of care for patients – regardless of their health coverage – increase. Additionally, further tax increases will need to be considered to pay for the technical and operational costs of implementing and administering a public option program.



With an increase in enrollments moving from private plans to public plans, those who choose to continue coverage through the Individual Market and Small Group Market will see the costs of their premiums skyrocket.

As legislators analyze the recommendations from Minnesota Department of Commerce and Minnesota Department of Human Services for next steps based on the [Milliman study](#) on a potential state public option, we emphasize that the [recommendation report](#) says the study “does not capture the full fiscal impact to the state or the health care system more broadly.” These words should serve as a sign of caution about the impact of a public option throughout our health ecosystem.

Quality of Care

According to a [report](#) from FTI Consulting released in May of 2023, a public option would reduce the revenues a hospital receives by \$2.3 billion over 10 years because of lower reimbursement rates, even when accounting for an increase of enrollees in a public option.

With decreased financial resources available to employ the needed medical professionals, providers would be forced to lay off staff and reduce services, resulting in a lower quality of care for patients. As hospitals currently face widespread staffing shortages, a public option will only exacerbate this challenge, leading to longer wait times for emergency care and other admissions.

Medical Alley shares the goal of increasing affordable access to healthcare coverage for all Minnesotans. However, any proposal that would destabilize providers’ ability to deliver care for patients is the wrong mechanism to achieve that goal, as it would threaten access to healthcare and lead to higher costs for consumers.

Medical Alley respectfully urges legislators to oppose House File 4745.

Sincerely,

A handwritten signature in black ink that reads 'Peter Glessing'. The signature is written in a cursive style and is positioned above a light gray rectangular background.

Peter Glessing
Senior Director of Policy and Advocacy
Medical Alley



305 Roselawn Ave E | Suite 200 | St. Paul, MN 55117
Phone: (651) 639-1223 | www.mfu.org

March 13, 2024

Chair Zack Stephenson
House Commerce Finance and Policy Committee
449 State Office Building
St. Paul, MN 55155

Dear Chair Stephenson and members of the committee:

On behalf of Minnesota Farmers Union (MFU), I write to share our strong support for HF4745, a bill to expand MinnesotaCare with a public option. This would provide important and needed relief to farmers and others who are too often priced out of coverage on the private market. We thank you for authorizing a Public Option and requesting the necessary actuarial analysis last session. And we're counting on you to take the next big step this year.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers and rural communities since 1918. As small business owners, family farmers disproportionately purchase health insurance on the private market and are hit hard by high premiums and lack of choice between health plans in rural areas. This cuts into their farm income and pushes too many farmers to consider giving up the farm, seek a second off-farm job with insurance, or go without health coverage all together—a decision that could prove financially devastating.

The high cost of healthcare is also a chief concern for our younger members who are working to start farms and families in rural Minnesota. Based on these experiences and more, we believe strongly that everyone deserves affordable, comprehensive health coverage and that moving forward with implementing the MinnesotaCare Public Option is the next big step for our state. We feel urgency on this issue not only based on the experiences of our membership, but also looking ahead to the expiration of reinsurance and more generous federal tax credits in 2026.

I am glad to add our voice to a broad coalition calling for passage of a Public Option this session. If you have any questions, please contact our Government Relations Director, Stu Lourey, at stu@mfu.org or (320) 232-2047 (C). Thank you for considering the needs and perspectives of Minnesota's farm families.

Sincerely,

A handwritten signature in black ink that reads "Gary Wertish". The signature is fluid and cursive, with the first name "Gary" being larger and more prominent than the last name "Wertish".

Gary Wertish
President, Minnesota Farmers Union



March 11, 2024

Chair Zack Stephenson
449 State Office Bldg.
St. Paul, MN 55155

Dear Chair Stephenson and Members of the House Commerce Finance & Policy Committee:

OutFront Minnesota writes in support of HF 4745 (Long) The MinnesotaCare Public Option Insurance bill. OutFront Minnesota, founded in 1987, is the state's largest LGBTQ+ advocacy organization that has sought to build power within Minnesota's LGBTQ+ communities and address inequities through intersectional organizing, advocacy, education, and direct support services. We believe that this legislation is important to fostering a Minnesota that protects *all* of its residents.

Today, we support the MinnesotaCare Public Option Insurance bill (HF 4745) which would ensure that more Minnesotans have the full access to the health care they need and deserve. HF 4745 establishes the MinnesotaCare public option, expanding eligibility for MinnesotaCare, establishing a premium scale for public option enrollees, and providing health care affordability support for Minnesotans in the transition years to public option implementation.

Accessible, cost-effective healthcare is consistently identified by LGBTQ+ communities as an urgent need. And we applaud efforts to continue to address these issues for our communities and for all Minnesotans.

Reducing barriers to healthcare access is an investment in a healthier future for all of us; and HF 4745 will further Minnesota's reputation for being a leading state in health care access.

OutFront Minnesota seeks to support and empower *all* residents in becoming their best and healthiest selves. The passage HF 4745 will advance those goals; and show our trans and gender expansive communities that they belong here. OutFront Minnesota respectfully urges your support for HF 4745 the MinnesotaCare Public Option Insurance bill.

Sincerely,

Kat Rohn
Executive Director
OutFront Minnesota