



March 5th, 2024

Professional Distinction

Personal Dignity

Patient Advocacy

Chair Liebling

MN House Health Policy and Finance

Minnesota State Office Building

100 Rev. Dr. Martin Luther King Jr. Blvd.

Saint Paul, MN 55155

Chair Liebling and Committee Members,

With 22,000 members, the Minnesota Nurses Association (MNA) represents 80 percent of all active bedside hospital nurses in Minnesota and is the largest voice for professional nursing in the state. We are a leader in nursing, labor, health care, and social justice communities and a voice for nurses and patients on issues relating to the professional, economic, and general well-being of nurses and in promoting the health and well-being of the public.

MNA believes that healthcare is a right, not a privilege, and so we must enact large-scale healthcare reform to remove profit motives from our healthcare system to ensure that healthcare is affordable and accessible to every Minnesotan. Representative Reyer's HF 3529, which bans for-profit companies from participating as Health Maintenance Organization (HMO) plans in Minnesota, is a necessary step in this reform work.

Minnesota has a strong history of non-profit healthcare systems which leads to better patient outcomes. However, the step to allow for-profit HMO plans was the wrong choice for Minnesota. Data shows that HMO plans profit by reducing access to providers, increasing denials for medically necessary services, and removing individuals' ability to make their own healthcare decisions. These issues are further exasperated with for-profit health insurance plans, who are by nature motivated by profits – not patient needs. For-profit health insurance further removes transparency from the process and requires public funding to pay private insurance companies to manage these important benefits without ensuring they are improving the quality of patient care and healthcare access.

Nurses are concerned about the additional harms that may be brought by for-profit HMOs, especially since HMO's currently manage coverage for the lowest income Minnesotans, who have little choice and power over the healthcare sectors that serve them. However, all health plans,

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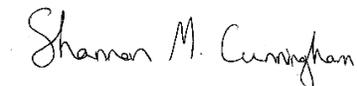
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regardless of their structure or tax status, need oversight to ensure that they deliver value to Minnesotans. Nonprofit status is beneficial if it is leveraged (by its leadership and regulators) to ensure and prioritize community benefit, maximize accountability to community rather than shareholders, and minimize costs that do not improve health - such as excessive executive salaries, shareholder profit, and business decisions designed to improve profit margins rather than improved health care access and outcomes.

Though we think HF 3529 is an important step to reform, returning to only nonprofit HMOs does not eliminate the need to pass regulations for what would happen if a for-profit company bought a nonprofit company. A moratorium or a non-profit requirement is easy to strike down in the dark of night, as happened in 2017. Yet, we've seen for seven years, conversion regulations and protections for Minnesota public assets are hard to pass. We need them passed into Minnesota law to disincentivize such closed-door dealmaking and to spring into effect when needed.

We appreciate and are grateful for Representative Reyer's work to provide this necessary change in our healthcare market.

Thank you,

A handwritten signature in black ink that reads "Shannon M. Cunningham". The signature is written in a cursive, flowing style.

Shannon M. Cunningham
Director of Governmental and Community Relations
Minnesota Nurses Association