



April 27, 2026

Co-Chairs Rep. Robert Bierman & Rep. Jeff Backer
Minnesota House Health Finance & Policy Committee
Centennial Office Building
St. Paul, MN 55155
Electronic delivery

RE: Urgent Need to Prioritize Medical Providers' Reimbursement in UCare Receivership

Dear Co-Chairs Bierman and Backer,

On behalf of the Minnesota Academy of Eye Physicians and Surgeons, I write to request urgent legislative action to prioritize reimbursement to medical providers owed nearly \$1 billion in overdue UCare payments for services delivered in 2025.

The UCare collapse has already destabilized major institutions like HCMC. For some ophthalmology practices, the consequences are even more acute. Many small, physician-owned practices operate on narrow margins and cannot absorb prolonged reimbursement delays for medically necessary care already provided. Without timely payment for essential medical and surgical care that was provided in 2025, some practices may be forced to reduce services or close entirely—leading to staff reductions and further eroding access to eye care across Minnesota. **Ensuring timely, full payment is critical to maintaining access to care**, particularly for patients outside the Twin Cities metro area and those who rely on Medicaid.

The State of Minnesota's Rehabilitation for UCare, approved by the district court on April 10, 2026, contemplates distributing approximately \$1.19 billion over two years, while forcing providers to borrow roughly \$909 million to offset unpaid claims. This delay directly conflicts with Minnesota's prompt payment statute (M.S. § 62Q.75), which requires timely payment or accrual of interest. Yet interest payments are subordinated, and providers are prohibited from balance billing – effectively forcing them to finance the State's Medicaid obligations without any certainty of ever receiving compensation.

We respectfully request that the Legislature act before the close of the 2026 Legislative Session to: (1) ensure full and timely payment of outstanding 2025 UCare claims, including statutory interest required for late payments; and (2) direct that provider claims be elevated in priority within the rehabilitation and any subsequent liquidation proceedings.

Medical services have already been delivered to Minnesota patients in good faith. Failure to prioritize full and timely reimbursement will undermine trust in the State's payment system and jeopardize access to care for the more than one million Minnesotans who rely on Medicaid.

Thank you for your attention to this urgent matter.

Anne Abel, MD
President
Minnesota Academy of Eye Physicians and Surgeons