



Commerce Finance and Policy Committee  
Minnesota House of Representatives  
March 1, 2022  
House File 11 – Public Option Health Insurance

Dear Committee Members,

The Minnesota Business Partnership is a membership organization consisting of business leaders from Minnesota's largest employers, employing more than half a million workers across the state. I write to express some of our concerns in regard to House File 11.

Minnesota ranks near the top in the nation for health care coverage and we are proud of our wealth of world-class health care providers. However, insurance costs for consumers and employers have been growing at an unsustainable rate. I would like to thank Representative Schultz for engaging in this discussion but have concerns about the proposed legislation.

Health insurance is perhaps the single most important employee benefit, and affordable health insurance and access to health care is highly important to our workers. Public programs like MinnesotaCare pay hospitals less than private insurers. As eligibility limitations to MinnesotaCare are removed, higher insurance costs will follow, and reduced health care availability may result.

While we support MinnesotaCare as it currently operates and share the goal of affordable and accessible health care, this is not the right approach to reining-in escalating health insurance costs. House File 11 will lead to greater cost-shifting for private-pay individuals in order to make up for the lower reimbursement rates from public programs. As higher health care costs are passed along to private health insurers, insurance rates for workers enrolled in employee sponsored health insurance programs will increase.

Additionally, this plan will destabilize an already fragile individual health insurance marketplace which offers multiple coverage options in all parts of the state. MinnesotaCare pays health care providers less and operates with fewer regulations than private insurance plans, and is not taxed like private insurance plans.

House File 11 could risk access to health care as the limitations of cost-shifting are reached. As the public-pay population increases, health care providers will be increasingly unable to make up for lower reimbursement rates. Providers already operating on the margin may be forced to cut services without greater taxpayer support.

In closing, we appreciate the committee's desire to decrease health insurance costs for Minnesotans and will continue to work with members of the committee on developing solutions to achieve this goal.

Sincerely,

A handwritten signature in blue ink that reads "D Dwight". The signature is written in a cursive style with a large, looped "D" at the beginning.

Dan Dwight

Health Policy Director  
Minnesota Business Partnership