

March 4, 2025

Re: Support for Reinsurance Program

Dear Chair O'Driscoll and members of the House Commerce Finance and Policy Committee:

The undersigned organizations represent thousands of individuals facing serious, acute and chronic health conditions in Minnesota. Our organizations have a unique perspective on what patients need to prevent disease, cure illness and manage chronic health conditions. We strive to put our diversity, knowledge, and expertise to use as a resource regarding any decisions affecting state health insurance marketplaces and the patients that they serve.

Our organizations support HF837, legislation to continue the Minnesota Premium Security Plan, also known as reinsurance, for plan years 2026 and 2027. We are committed to ensuring that any changes to the healthcare system achieve coverage that is adequate, affordable and accessible for patients. A strong, robust marketplace is essential for people with serious, acute and chronic health conditions to access comprehensive coverage that includes all the treatments and services that they need to stay healthy at an affordable cost.

Reinsurance is an important tool to help stabilize health insurance markets. Reinsurance programs help insurance companies cover the claims of very high-cost enrollees, which in turn keeps premiums affordable for other individuals buying insurance on the individual market. Reinsurance is a tool that has helped more than 88,000 Minnesotans access health care who would have otherwise gone uninsured.

Continued funding for the reinsurance program will help to significantly reduce premiums (on average 20% premium reduction) and increase the number of individuals obtaining health insurance through the individual market. This would help patients with pre-existing conditions obtain affordable, comprehensive coverage. Funding the reinsurance program is especially important given the American Rescue Plan Act (ARPA) enhanced premium tax credits, federal tax credits that help Minnesotans across the state afford their marketplace plans, are scheduled to expire at the end of 2025. **Reinsurance and ARPA enhanced tax credits going away at the same time would be detrimental to Minnesota's patients and families that get their insurance coverage through the state exchange.**

On behalf of our organizations, we ask you to support HF837. For more information, please contact Emily Myatt, Minnesota Government Relations Director for the American Cancer Society Cancer Action Network, at emily.myatt@cancer.org.

Sincerely,

ALS Association
American Cancer Society Cancer Action Network
American Diabetes Association
American Heart Association
American Lung Association
Arthritis Foundation
Epilepsy Foundation of Minnesota
Hemophilia Foundation of Minnesota/Dakotas

Mental Health Minnesota
Minnesota Ovarian Cancer Alliance
NMDP (National Marrow Donor Program)
National Multiple Sclerosis Society
The Leukemia & Lymphoma Society
Sickle Cell Foundation of Minnesota
Susan G. Komen