

May 7, 2025

RE: Support for restoring the health care provider tax to 2% (HF2435)

Dear Co-Chair Stephenson, Co-Chair Torkelson, and Members of the Committee,

We are writing to support restoring the health care provider tax to 2% to strengthen and protect Minnesota's Health Care Access Fund and public health care programs. The state provider tax was enacted over 30 years ago to provide stable funding for MinnesotaCare and our state's commitment to ensuring affordable health care for working families.

As the primary source of revenue for Minnesota's Health Care Access Fund, the provider tax helps thousands of low-income and working families access high-quality health coverage through Medical Assistance (Medicaid) and MinnesotaCare. Over the years, the Health Care Access Fund has allowed the State to maintain and expand health care coverage through economic downturns and shifting federal priorities. As a broad based tax, it provides critical resources without a significant impact on health care costs, and contributes to the health and wellbeing of over one million Minnesotans.

In 2019, the provider tax was reduced 0.4% by the Legislature. In 2024, it was increased by 0.2% in response to shortfalls in the Health Care Access Fund. In neither case did we see health care prices fall or rise as a result.

Today, we are seeing more cost pressure in health care due to demographic changes, rising prices, and other economic factors. We urge state lawmakers to address these challenges with a measured approach that restores the provider tax to its historic 2% level, rather than relying exclusively on cuts to people's care.

Furthermore, as we face great federal funding uncertainty and potentially crippling cuts, we must ensure that we at least return to a baseline level of state funding for Minnesotans across the state.

Please support the restoration of the provider tax to 2% in the House Health and Human Services omnibus bill (HF2435).

Signed,

Accord

Acorn Housing Services

Advocating Change Together (ACT)

AFSCME Council 5

AFSCME Council 65

Alexandra House
The Arc Minnesota
City of Minneapolis
Committee to Protect Health Care
Education Minnesota
Elder Voice Advocates
Gender Justice
Grace House of Itasca County
Hammer & NER
Health Access MN
Health Care for All MN
Homeless Helping Homeless
ISAIAH
Legal Services Advocacy Project
Minnesota Association of Professional
Employees (MAPE)
Minnesota Brain Injury Alliance
Minnesota Budget Project
Minnesota Coalition for the Homeless
Minnesota Consortium for Citizens with
Disabilities

Minnesota Council on Latino Affairs
Minnesota Doctors for Health Equity
Minnesota Farmers Union
Minnesota Nurses Association
Minnesota Nurse Practitioners
Minnesota Public Health Association
MN AFL-CIO
NAMI Minnesota
OutFront Minnesota
Pine Ridge Homes, Inc
Portico Healthnet
Prepare + Prosper
Pro-Choice Minnesota
SEIU Healthcare MN & IA
SEIU MN State Council
TakeAction Minnesota
UFCW 663
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Voices for Racial Justice
We Make MN