



705 Raymond Ave. #100  
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[www.TakeActionMinnesota.org](http://www.TakeActionMinnesota.org)

RE: Support for H.F. 402

April 21, 2023

Dear Chair Liebling and committee members,

TakeAction Minnesota is a grassroots, multi-racial people's organization that believes in a democracy and government that works for all of us. With our members, we advocate for policies that promote justice and fairness. For over 15 years, TakeAction Minnesota has worked to promote a people-centered healthcare system.

In 2017, the legislature passed legislation to end the state's moratorium on for-profit HMOs. The policy change did not include any regulations around HMO conversions from nonprofit to for-profit entities. This would allow HMO executives and others to legally walk away with billions of dollars in public-interest assets generated from Minnesota's public healthcare programs and HMOs' tax status as nonprofit organizations.

TakeAction Minnesota and other advocates have worked with former Attorney General Lori Swanson and Attorney General Keith Ellison on policy to regulate any future conversions of non-profit HMOs to for-profit status and protect public-interest assets for the public good. Until such regulations are passed, it is essential that we extend the current moratorium on conversions of non-profit HMOs to for-profit entities. That moratorium expires this July.

We strongly support the provisions in Sections 4 and 5 extending the HMO conversion moratorium until July 1, 2026, and requesting recommendations on additional regulation of conversions, mergers, and other transactions between non-profit and for profit HMOs. This will allow time for regulations to be put in place, ensuring public-interest assets from HMO conversions are protected for the public good. We also support the bill's common-sense regulations around hospital mergers. Like HMO conversions, hospital mergers put public-interest assets at risk and can result in increased healthcare costs and decreased options for the public. Hospital mergers carry the further risk of shrinking access to care, and this danger impacts urban and rural Minnesota communities alike. We urge you to support the regulations and consumer protections authorized in this bill, and to also consider adding specific guardrails to protect access to reproductive care, including abortion, labor and delivery, and gender-affirming care, all of which are often vulnerable in hospital mergers.

We urge you to support H.F. 402.

Sincerely,

A handwritten signature in blue ink, appearing to read "R Haider".

Robert Haider  
Legislative Director