COMMERCE DEPARTMENT

May 11, 2026

Representative Erin Koegel, Co-Chair
Commerce Finance and Policy Committee
5th Floor Centennial Office Building
St. Paul, MN 55155

Representative Tim O'Driscoll, Co-Chair
Commerce Finance and Policy Committee
2nd Floor Centennial Office Building
St. Paul, MN 55155

Senator Matt Klein, Chair
Commerce and Consumer Protection Committee
95 University Avenue W.
Minnesota Senate Bldg., Room 2105
St. Paul, MN 55155

Dear Representative Koegel, Representative O'Driscoll, Senator Klein and members of the Commerce Conference Committee:

Thank you for the opportunity to provide comments on the Omnibus Commerce Bill. The Department of Commerce appreciates the inclusion of important policy items from our agenda in this omnibus bill. We look forward to working with the conference committee in the coming days to reach a compromise on legislation that will lead to strong, fair, and reliable marketplaces for Minnesotans.

The key priorities for the Department of Commerce in HF 4188, include:

- Commerce Department Technical & Housekeeping Bill (HF 4175/SF 4364). **The Department prefers the Senate language, which includes:** Updates to outdated American Society for Testing and Materials (ASTM) fuel specifications; modernizes banking statute language; and aligns reporting deadlines with National Association of Insurance Commissioners (NAIC) standards while giving the Department of Commerce greater flexibility in enforcement and filing extensions.

- Commerce Department Consumer Protection Bill (HF 4188/SF 4365). **The Department prefers the Senate language, which includes:** Updates to the State Bullion Product Law to reflect the June 2025 court ruling; aligns collection agency licensing with related servicer statutes; adds insurance lead generators to Minn. Stat. 72A, clarifies mortgage servicer expectations to improve borrower understanding; requirement to appraisers and appraisal management companies to report licensing-related changes; and updates Chapter 58B the Student Loan Borrower Bill of Rights.

- In regard to changes to Minn. Stat. 72A, Insurance Lead Generators, The Department **has preference in one section to the House Language (Page 11, Line 5 to Page 11, line 11) over the Senate language** on Page R38 of Commerce Policy - Consumer Protection/Insurance & Financial Products side by side.

- Commerce Department Financial Institutions Securities Bill (HF 4071/SF 4264) **The Department prefers the House language, which includes:** Updates to Minn. Stat. 80C.12 to include additional offenses related to individuals in public offering statements who have criminal convictions or civil judgments; modernizes regulations governing post-registration and prohibited conduct for investment advisers, adviser representatives, broker-dealers, and their agents; and establishes notice-filing requirements for issuers offering or selling securities under the Federal Regulation Crowdfunding exemption.

- Commerce Department Revised Unclaimed Property Bill (HF 4120/SF 4366). **The Department prefers the Senate language,** which includes consensus updates such as a process for unclaimed virtual currency.

The Department also appreciates the inclusion of important provisions from the Governor's Supplemental Budget in the Senate Version (HF 4881/SF 5046). This includes sunsetting the Prescription Drug Affordability Advisory Council, technical changes simplify the administration of the reinsurance program, and Department Financial Institutions Non-Depository Institutions (NDI) Modernization Bill. The Department appreciates that the Senate included portions of the NDI proposal in the omnibus bill. We hope the entirety of this budget-neutral legislation can be adopted by the conference committee.

The Department is also hopeful that a compromise can be reached on commercial coverage for home care nursing services. While this is a complicated issue with no easy answers, identifying a coverage solution for the impacted families should be a priority.

Thank you to Chairs O'Driscoll, Koegel, and Klein for the work that went into the development of this legislation. We look forward to working with you all and conference committee to address remaining issues in HF 4188.

Sincerely,

Grace Arnold

Grace Arnold
Commissioner

MINNESOTA CATHOLIC CONFERENCE

Testimony in Support of a Prohibition on the Use of Artificial Intelligence in Adverse Decisions to a Patient Concerning Medical Necessity
Commerce and Consumer Protection Conference Committee
May 12, 2026

Dear Members of the Commerce and Consumer Protection Conference Committee:

We write in support of the prohibition by utilization review organizations of the use of artificial intelligence in adverse healthcare determinations without review by an appropriate health professional, which is found in the Senate language in the Health Insurance side-by-side at Lines: 18.21-19.17.

Healthcare by algorithm is wrong. It depersonalizes the human-centered care that all have the right to receive. Human beings are more than the sum total of data points and no AI tool can capture the fullness of a patient's profile.

To be sure, artificial intelligence seems to hold immense potential in a variety of applications in the medical field, especially in assisting the diagnostic work of healthcare providers. And this bill allows for that innovation while limiting itself only to adverse determinations that occur without clinician review.

Still, it is important to note that AI tools are not making decisions but merely measuring probabilities through sophisticated tubes and wiring. Artificial intelligence is not omniscient or omnipotent. It is far from perfect. It has limitations and biases, not all of which can be manipulated at will by programmers.

A recent Vatican document, *Antiqua et Nova*, about the ethical uses of artificial intelligence states, "Responsibility for the well-being of patients and the decisions that touch upon their lives are at the heart of the healthcare profession. This accountability requires medical professionals to exercise all their skill and intelligence in making well-reasoned and ethically grounded choices regarding those entrusted to their care, always respecting the inviolable dignity of the patients and the need for informed consent. As a result, decisions regarding patient treatment and the weight of responsibility they entail must always remain with the human person and should never be delegated to AI."

The document, approved by the late Pope Francis, goes on to condemn the use of AI to determine who should receive treatment based predominantly on economic measures or metrics of efficiency**.** Artificial intelligence tools in healthcare, it states, are "exposed to forms of bias and discrimination," where "systemic errors can easily multiply, producing not only injustices in individual cases but also, due to the domino effect, real forms of social inequality."

Decisions about whether to provide care should be made by human beings, not probabilities based on the sophisticated calculation of impersonal data. Thank you for your consideration.

Respectfully yours,

Jason Adkins
Executive Director
Jadkins@mncatholic.org

MINNESOTA MEDICAL ASSOCIATION

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May 11 2026

Dear Members the Conference Committee on HF 4188,

On behalf of the Minnesota Medical Association (MMA), we write to express our support for the inclusion of the contents of SF 1856 in the committee's conference report. This legislation addresses a critical issue impacting Minnesota patients and healthcare providers: the use of artificial intelligence in prior authorization and utilization review decisions. The language is a result of contributions from involved stakeholders, and I would respectfully urge you to include it in the committee report.

As the MMA previously testified in regards to SF 1856, decisions that deny, delay, or limit care should be made by a reviewing healthcare provider in the same or a similar specialty. These complex medical determinations require clinical judgment, experience, and accountability. A computer algorithm should *never* substitute for the expertise of a trained physician or healthcare professional when a patient's health and treatment are at stake.

The burden of prior authorization is already overwhelming for both patients and providers. National data show that 94% of physicians report prior authorization delays necessary care, 82% report patients abandoning recommended treatments due to excessive administrative barriers, and nearly one in four physicians report prior authorization has contributed to a serious adverse event, including hospitalization, permanent impairment, or death.

I respectfully urge you to include the contents of SF 1856 in the committee report. The language would provide important clarity while ensuring that utilization review decisions remain grounded in appropriate clinical oversight.

Thank you for your consideration.

Sincerely,

Lisa Mattson, MD
President, Minnesota Medical Association

Biotechnology Innovation Organization
1201 New York Avenue NW
Suite 1300
Washington, DC, 20005
202-962-9200

May 12, 2026

Chair Klein & O'Driscoll and Members of
the Commerce Conference Committee
75 Rev. Dr. MLK Jr Blvd
Saint Paul, MN 55155

RE: Concerns with 340B, Prescription Drug Affordability Advisory Council, Direct to Consumer Advertising

Dear Chair and Members of the Commerce Conference Committee:

On behalf of the Biotechnology Innovation Organization (BIO), we respectfully write to express concerns with several provisions included in HF 4188. BIO is the world's largest biotechnology trade association, representing more than 1,000 biotechnology companies, academic institutions, state biotechnology centers, and related organizations across the United States and in more than 30 countries. BIO members are united in the mission to develop innovative therapies and cures that improve and save patients' lives.

While BIO appreciates the Legislature's continued focus on healthcare affordability and transparency, several provisions included in the omnibus package raise significant concerns related to stakeholder engagement, patient access, constitutional protections, implementation challenges, and program integrity.

BIO remains opposed to the 340B-related provisions included in the omnibus package. These provisions further distort the 340B program beyond the scope and intent of federal statute and make it more difficult for manufacturers to prevent duplicate discounts and diversion within the system.

The explosive growth of contract pharmacy arrangements within the 340B program has created significant oversight and compliance challenges. Discounted purchases under the 340B program have grown dramatically over the last decade, while contract pharmacy arrangements have expanded substantially nationwide. Federal oversight agencies, including the Government Accountability Office (GAO) and the Office of Inspector General (OIG), have repeatedly identified contract pharmacy arrangements as a significant source of statutorily prohibited duplicate discounts and diversion risks. The penalties outlined in the bill would undermine manufacturer efforts to ensure program integrity and accountability while disproportionately benefiting large for-profit contract pharmacies rather than the vulnerable patients the program was originally intended to serve.

BIO further opposes the pharmaceutical advertising restrictions that would prohibit direct-to-consumer television advertising of prescription medicines in Minnesota. While BIO shares the Legislature's interest in ensuring patients receive accurate and meaningful information about

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treatment options, this provision is unconstitutional, impractical to enforce, and harmful to patient awareness and public health.

The United States Supreme Court has repeatedly held that truthful, non-misleading commercial speech is protected under the First Amendment, including pharmaceutical advertising. This proposal is not a disclosure requirement or consumer protection measure, but rather an outright prohibition on a category of lawful, federally regulated speech. Such content-based restrictions are subject to heightened constitutional scrutiny and are unlikely to withstand legal challenge. Additionally, prescription drug advertising is comprehensively regulated by the U.S. Food and Drug Administration under the Federal Food, Drug, and Cosmetic Act. Federal law already establishes detailed standards governing prescription drug advertising, including disclosures related to safety, effectiveness, and risk information. A state-level advertising ban conflicts with this federal framework and raises serious preemption concerns.

The proposal also presents substantial enforcement and interstate commerce challenges. Television, streaming, radio, and digital advertising are routinely disseminated and broadcast across state lines, and Minnesota lacks practical authority to regulate nationally distributed advertising content. Attempting to do so would likely subject the state to significant and costly litigation.
Most importantly, direct-to-consumer advertising serves an important public health function by encouraging patients to seek care for underdiagnosed conditions, engage in conversations with healthcare providers, and adhere to prescribed treatment regimens. Restricting truthful information does not improve healthcare outcomes, it limits patient awareness and informed decision-making.

BIO strongly opposes the provisions eliminating the Prescription Drug Affordability Advisory Council (PDAAC). The PDAAC serves as an important stakeholder and patient engagement mechanism within Minnesota's broader prescription drug affordability framework. Eliminating the council does a disservice to the process by removing a formal avenue for patients, providers, manufacturers, and other stakeholders to weigh in on affordability board activities and implementation considerations.

Importantly, the PDAAC requires little to no state funding while providing valuable public input, and subject matter expertise. As the state continues to evaluate complex prescription drug affordability policies, stakeholder engagement and public participation remain critically important. Removing the council risks limiting balanced perspectives and reducing transparency within an already complicated regulatory framework.

BIO also has concerns with the prescription drug reporting and data sharing provisions included in the bill. As reporting mandates continue to expand, it is important that any reporting framework remain targeted, transparent, and workable for all parties involved. Broad or duplicative reporting obligations can create significant administrative burdens while providing limited actionable value to policymakers or patients.

BIO encourages the Legislature to ensure that any reporting requirements are narrowly tailored, protect confidential and proprietary information, avoid duplication with existing federal reporting obligations, and focus on data that meaningfully informs patient affordability discussions. BIO

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also encourages careful consideration of how shared data may be interpreted or utilized outside the context of the broader pharmaceutical supply chain and healthcare system.

BIO respectfully urges the Conference Committee to reconsider these provisions and work collaboratively with stakeholders on solutions that improve affordability, transparency, and patient access without undermining constitutional protections, stakeholder engagement, or the integrity of federally regulated programs.

We appreciate your consideration and stand ready to serve as a resource as discussions continue.

Sincerely,

/s/

Lilly Melander
Senior Director, State Government Affairs
The Biotechnology Innovation Organization (BIO)

May 11, 2026

Chair Matt Klein

Vice-Chair Senator Judy Seeberger

Senator Nick Frentz

Senator Zach Duckworth

Co-Chair Erin Koegel

Co-Chair Tim O'Driscoll

Co-Vice Chair Steve Elkins

Co-Vice Chair Bernie Perryman

Re: **HF 4188 – Opposing Senate Passed Prescription Drug Affordability Advisory Council Repeal within Article 1 of Commerce Policy Bill**

Dear Chair Klein, Co-Chair Koegel, Co-Chair O'Driscoll, Vice Chair Seeberger, Co-Vice Chair Elkins, Co-Vice Chair Perryman, and Commerce Omnibus Bill Conferees:

The Pharmaceutical Care Management Association (PCMA) is the national association of America's pharmacy benefit managers (PBMs). We appreciate the opportunity to comment on HF 4188.

About PBMs

PBMs are hired by employers, unions, government programs and others to drive down prescription drug costs and administer prescription drug plans for more than 289 million Americans. Before getting into specifics on HF 4188, here are four things to know about PBMs:

- PBMs are the only part of the drug supply chain whose primary role is to lower prescription drug costs. On average, they save patients and families about $1,154 per person each year.
- PBMs are extremely effective at reducing prescription drug costs for employers and patients, which is why some industries that profit from high drug prices oppose them.
- For the enormous savings and value that PBMs provide, they operate on thin profit margins.
- Hiring a PBM is optional. Employers, unions, government programs, and others choose to use PBMs because they help lower drug costs and manage prescription benefits more efficiently. PBMs negotiate lower drug prices, process claims, and perform safety checks.

About HF 4188 – Article 1 – Prescription Drug Affordability Council

PCMA has concerns with Article 1 of HF 4188, which would eliminate the Prescription Drug Affordability Advisory Council (PDAAC). Minnesota established the PDAAC to advise

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Minnesota's Prescription Drug Affordability Board (PDAB) and represent stakeholders' views. By eliminating the PDAAC, this will not only take away stakeholders' representation but also remove a crucial informational and educational element from the PDAB.

The National Academy for State Health Policy (NASHP)[1] notes that PDAACs bring together diverse parties, including manufacturers, employers, insurers, providers, researchers, and consumer advocates, to advise the board on complex drug cost issues. By including industry experts (i.e., stakeholders), PDAACs can provide expert input and stakeholder perspectives, including potential risks and unintended consequences.

For these reasons, we ask that you not eliminate the PDAAC.

Thank you for your consideration, and please feel free to contact me should you have any questions.

Sincerely,

Michelle Mack
Senior Director, State Affairs
Phone: (202) 579-3190
Email: mmack@pcmanet.org

Copy: Eamonn Schmitz, Office of Governor Tim Walz

[1] National Academy for State Health Policy, 2019. "Center for State Rx Drug Pricing: Prescription Drug Affordability Review Board Q & A", https://www.nashp.org/wp-content/uploads/2019/04/Final-Prescription-Drug-Affordability-Review-Board-QA-4_1_2019.pdf.

STATEMENT

PhRMA
RESEARCH • PROGRESS • HOPE

In Opposition to Minnesota H.F. 4188 (1st Unofficial Engrossment),
Art. 4, Sec. 7 and Art. 9, Secs. 7 and 36
May 2026

Position: The Pharmaceutical Research and Manufacturers of America ("PhRMA") respectfully opposes Minnesota H.F. 4188 (1st Unofficial Engrossment), Art. 9, Secs. 7 and 36. These sections repeal the July 1, 2027 sunset provision for legislation passed by the Minnesota Legislature in 2024, H.F. 4757,[1] that requires biopharmaceutical manufacturers to provide 340B-priced drugs to all pharmacies that contract with 340B "covered entities" ("the mandate") and allow for enforcement by the Minnesota Attorney General. Repeal of the sunset provision would further entrench H.F. 4757, a law that violates both the U.S. and Minnesota Constitutions and is preempted by federal law, and continue to increase the cost of medicines for Minnesota taxpayers, employers, and patients.

PhRMA also respectfully opposes Art. 4, Sec. 7 of H.F. 4188 (1st Unofficial Engrossment), which would prohibit drug manufacturers from advertising drugs covered by the medical assistance program, MinnesotaCare program, or state employees group insurance program on television and streaming services in Minnesota. PhRMA is concerned that Art. 4, Sec. 7 raises serious constitutional questions and is harmful to patients.

I. Opposition to H.F. 4188 (1st Unofficial Engrossment), Art. 9, Secs. 7 and 36

As detailed in PhRMA's complaint challenging H.F. 4757,[2] H.F. 4757 is preempted under the Supremacy Clause of the U.S. Constitution because the mandate directly contravenes Supreme Court precedent and creates new requirements that are not in or conflict with the federal 340B statute. H.F. 4757 also violates the U.S. Constitution's prohibition on state extraterritorial regulation and the Minnesota Constitution's prohibition on laws "embrac[ing] more than one subject" which must be "expressed in its title."[3] It is unclear why the Minnesota Legislature would propose via H.F. 4188 (1st Unofficial Engrossment) to repeal the sunset provision in H.F. 4757 when the constitutionality of H.F. 4757 is actively being considered by a Minnesota court.

In addition to being unconstitutional, manufacturer mandates like the one in H.F. 4757 exacerbate the fiscal impact of the federal 340B program on employers, the state, and ultimately, taxpayers. Use of 340B-priced drugs displaces manufacturer rebates that would otherwise be available to health plan sponsors, raising costs for everyone. Based on analysis by IQVIA, employers and state and local governments in Minnesota pay an estimated $180 million due to rebates foregone as a result of the 340B program, and a

[1] Laws of Minn. 2024, ch. 121, art. 4, sec. 3 (codified at Minn. Stat. § 62J.96).
[2] *Pharm. Rsch. and Manufs. of Am. v. State*, No. 62-CV-24-5744 (Ramsey Cnty. Dist. Ct. 2024).
[3] Minn. Const. art. IV, sec. 17.

manufacturer mandate is estimated to result in an additional $40.6 million impact.[4] Numerous studies show that the 340B program drives up costs for employers and the government in other ways too, like by incentivizing the use of more and higher-cost medicines,[5] shifting care to more expensive settings, and driving provider consolidation.[6] By extending 340B pricing beyond that contemplated Congress, the manufacturer mandates worsen this problem.

Despite these growing costs, there is little evidence that expanded use of the 340B program is improving access to financial assistance for patients. A May 2026 investigation by the Minnesota Star Tribune and KFF Health News found that Minnesota hospitals have provided little financial aid to patients over the last 5 years and often make assistance difficult to get. Investigators found that hospitals that serve low-income populations regularly provided the least charity care. These include some of the state's non-profit 340B hospitals.[7]

The Legislature should have the opportunity to understand the full costs of the 340B program on stakeholders, including through Minnesota's revised 340B Covered Entity Report,[8] and whether H.F. 4757 is accomplishing its stated purposes before expanding the mandate in H.F. 4757 indefinitely.

II. Opposition to H.F. 4188 (1st Unofficial Engrossment), Art. 4, Sec. 7

The ban on advertising certain prescription drugs to consumers in H.F. 4188 (1st Unofficial Engrossment), Art. 4, Sec. 7 raises serious First Amendment concerns and is likely to be unconstitutional. The U.S. Supreme Court has developed nearly four decades of jurisprudence to proscribe efforts by the federal and state governments to regulate advertising or commercial speech, particularly where the regulation is content or speaker-based, and H.F. 4188 (1st Unofficial Engrossment), Art. 4, Sec. 7 would likely fail to meet the test for restricting commercial speech laid out in those cases.[9] Indeed, the Supreme Court has made clear that "[s]peech in aid of pharmaceutical marketing . . . is a form of expression protected by the Free Speech Clause of the First Amendment"[10] and, where content-based, is subject to "heightened judicial scrutiny."[11] Furthermore, because most advertising to consumers is conducted on a regional or national basis, H.F. 4188 (1st Unofficial Engrossment), Art. 4, Sec. 7 raises constitutional concerns because it would likely regulate advertising originating in a state other than Minnesota.

This proposed ban on direct-to-consumer (DTC) advertising of certain prescription drugs is an anti-consumer proposal that can harm patients. Advertising of prescription medications has helped millions

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[4] CHUAN SUN ET AL., IQVIA, THE COST OF THE 340B PROGRAM TO STATES (2025), https://www.iqvia.com/locations/united-states/library/white-papers/the-cost-of-the-340b-program-to-states.

[5] MICHAEL T. HUNTER ET AL., MILLIMAN, ANALYSIS OF 2020 COMMERCIAL OUTPATIENT DRUG SPEND AT 340B PARTICIPATING HOSPITALS (2022), https://edge.sitecorecloud.io/millimaninc5660-milliman6442-prod27d5-0001/media/Milliman/PDFs/2022-Articles/9-13-22_PhRMA-340B-commercial-analysis.pdf

[6] Danea Horn, The incentive to treat: Physician agency and the expansion of the 340B drug pricing program, 101 J. HEALTH ECON. (2025), https://doi.org/10.1016/j.jhealeco.2025.102971.

[7] Levey, N. N., & Olson, J. (2026, May 11). *As ranks of uninsured grow, Minnesota's hospitals are among least charitable in nation*. Minnesota Star Tribune & KFF Health News. https://www.startribune.com/minnesota-nonprofit-hospital-charity-care-medical-debt/601488936

[8] *See* Laws of Minn. 2024, ch. 127, art. 59, sec. 2 (codified at Minn. Stat. § 62J.461).

[9] *See Central Hudson Gas & Elec. Corp. v. Public Service Commission,* 447 U.S. 557 (1980).

[10] *See Sorrell, et al. v. IMS Health Inc., et al.,* 564 U.S. 552, 557 (2011).

[11] *Id.*

of Americans receive medical care for diseases that might otherwise have gone untreated or undiagnosed. Biopharmaceutical DTC advertising raises awareness of disease symptoms and treatments and promotes an informed dialogue regarding health, illness and treatment options between patients and their health care providers.

According to a survey by Princeton Survey Research Associates International (PSRAI) about consumer awareness of and opinions about DTC advertisements, 79% of respondents agree that these advertisements help people be more involved with their health care.[12] In addition, consumers appreciate the informative nature of DTC advertisements, with 88% agreeing that DTC advertisements educate people about new treatments and 81% agreeing that DTC advertisements alert people to symptoms associated with conditions they may have.[13]

Further, a study published in the Journal of the American Pharmacists Association found that "disease-specific DTC advertising can help people remember to take their prescription medication when viewed, which may lead to more positive medication-taking behavior and increased medication adherence."[14] In fact, a 2019 study found that, due to DTC advertising, people between the ages of 40 to 60 were more likely to have visited a health care provider.[15]

For the reasons outlined above, PhRMA respectfully urges legislators to oppose H.F. 4188 (1st Unofficial Engrossment), Art. 4, Sec. 7 and Art. 9, Secs. 7 and 36.

The Pharmaceutical Research and Manufacturers of America (PhRMA) represents the country's leading innovative biopharmaceutical research companies, which are focused on developing innovative medicines that transform lives and create a healthier world. Together, we are fighting for solutions to ensure patients can access and afford medicines that prevent, treat and cure disease. PhRMA member companies have invested more than $850 billion in the search for new treatments and cures over the last decade, supporting nearly five million jobs in the United States.

[12] Princeton Survey Research Associates International, "2017 Direct to Consumer Advertising Survey," April 2017. http://www.phrma.org/report/2017-direct-to-consumer-advertising-survey-results
[13] *Id*.
[14] Bhutada, NS, and Rollins, BL. Disease-specific direct-to-consumer advertising for reminding consumers to take medications. Journal of the American Pharmacists Association 2015; 55(4):434-7.
[15] Eisenberg, M, et al. Spillover Effects From Direct-to-Consumer Advertising of Prescription Drugs. ASHE Conference 2019, June 26, 2019.

THE WALL STREET JOURNAL

The Great 340B Healthcare Grift

A federal judge shows how this hospital 'discount' fleeces drug makers and patients.

The Editorial Board
May 7, 2026 at 5:30 pm

Politicians love to hate Big Pharma even as government policies raise drug prices. A textbook example is the federal 340B drug program, which hospitals exploit to raid drug makers. Since the press missed it, we'll tell you about the spectacular opinion by a federal judge detailing how this well-intended program has become a scam on taxpayers.

We've previously reported how 340B has become a cash cow for hospitals. Congress created the program in 1992 to assist hospitals serving large numbers of low-income patients. To participate in Medicare and Medicaid, drug firms are required to "offer" their products at steep discounts to such hospitals.

Discounts typically range from 20% to 50% of a drug's sticker price. "In some cases, the discount is so steep hospitals pay 'a penny per unit,'" Judge Traynor writes. Hospitals and pharmacies with which they contract dispense the drugs to patients who pay the non-discounted prices (or their insurers do). This is a sweet arbitrage for hospitals and pharmacies.

"AstraZeneca's Farxiga, for example, sells for 'hundreds of dollars' commercially but 'less than a dollar' with the 340B discount," the judge notes. Drug makers in turn raise sticker prices to make up for the discounts they are required to give hospitals. "Ultimately, it is the patients who suffer as a result," the judge writes.

340B spending has ballooned as more hospitals have become eligible owing to the ObamaCare Medicaid expansion. Now some of the wealthiest hospitals in the U.S. qualify, and there is no requirement that they use the discounts to directly help patients. Studies have found that hospitals largely use the money for financial investments and acquisitions.

Hospitals are also contracting with more pharmacies, which are paid a kickback to dispense medicines. Between 2010 and 2019, the number of contract pharmacies nationwide increased 18-fold, the judge says. Meanwhile, 340B drug purchases surged to $81 billion in 2024 from $6.9 billion in 2012.

Drug makers in recent years have attempted to limit the number of contract pharmacies to which they provide discounts to prevent abuse. This has spurred litigation. The Third Circuit and the D.C.

Circuit courts of appeal have held that drug makers aren't required under federal law to provide discounts to an unlimited number of pharmacies.

Enter North Dakota, which passed a law last year barring drug makers from limiting the number of pharmacies in the state that qualify for discounts. Arkansas has passed a similar law, and other states are considering it. Judge Traynor explains crisply: "Here is what is really going on: a coordinated collusion" between hospitals and pharmacies "to exploit Congress's inattention to a federal program."

"This scheme works because no one considers manufacturers as victims. Big pharma garners little sympathy," he writes, but that doesn't "mean manufacturers should be fleeced by enterprising states and hospital conglomerates that wield power in legislative lobbies." North Dakota's law "benefits hospital conglomerates, and Joe Paycheck sees no difference in the price of his meds."

The judge ruled that North Dakota's law is pre-empted by federal law since "manufacturers are forced to decide between violation of a state law or participation in a federal program with additional costs, which amount to the millions." AbbVie estimated North Dakota's law would cost it $35 million this year alone.

Multiply that cost across the pharmaceutical industry and the U.S., and you're looking at an income transfer of tens of billions of dollars a year from drug companies and patients to hospitals and their pharmacy partners. Senate Republicans last year issued a report detailing how wealthy hospitals like the Cleveland Clinic have exploited the program.

An Empire Center for Public Policy report this spring found that 340B revenue for New York's well-endowed hospital systems has ballooned—846% for Mount Sinai between 2019 and 2024. This has driven "up drug costs for employer-sponsored health plans, including taxpayer-funded plans offered by state and local governments," the report says.

If Republicans in Congress want to reduce healthcare costs, they'll use their next budget reconciliation bill to curb this 340B abuse—say, by requiring hospitals and pharmacies to pass along the discount money to patients. This is government grift at its worst.

AARP Minnesota

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AARP Testimony on Commerce Policy Bill
Minnesota Conference Committee on HF 4188
May 12, 2026

Chairs O'Driscoll, Koegel, Klein, and Conferees,

On behalf of our more than 620,000 AARP members statewide, thank you for considering House File 4188.

AARP remains adamantly opposed to the changes made to state Medicare supplemental "Medigap" insurance law in the 2025 Commerce omnibus bill that made Minnesota an outlier by inexplicably capping regular state-granted guaranteed-issue rights to those 70 and younger and creating state-mandated lifetime financial penalties paid to insurers. Unfortunately, these concerns are not addressed in HF 4188. Further, there have been efforts this session to delay implementation of the 2025 law for another two years. AARP's position is that any additional postponement of guaranteed-issue provisions would be worse than allowing the changes to take effect.

AARP Minnesota urges support for the following provisions:

Article 3, Section 4 – Medicare Supplemental ("Medigap") Insurance
While HF 4188 does not address the fundamental concerns with the 2025 law, Article 3, Section 4 proposes a very narrow improvement to consumer choice and fairness by ensuring that Minnesotans with discontinued Extended Basic Medigap plans for reasons listed in Section 62A.31, Subdivision 1u, paragraph (b), clause (4) have a right to purchase their same level of Medigap plan with a new carrier. Currently, consumers only have the right to purchase a Basic plan, leaving those enrolled in discontinued Extended Basic plans suddenly with lesser coverage through no fault of their own. This language will impact a subset of existing Extended Basic policyholders within the group of around 2,500 Minnesotans who recently lost Medigap coverage[1] and should have no bearing on the larger debate about Medigap guaranteed-issue rights.

Article 4, Section 1 – Trusted Contact Program

[1] https://www.startribune.com/ucare-medigap-snag-customers-scrambling/601548144

AARP urges support for the establishment of a trusted contact option as found in Article 4, Section 1. This change recognizes the need for banking features that meet the needs of an aging population.

Article 4, Section 2 – Virtual Currency Kiosks
Thank you for your bicameral, bipartisan work to stop cryptocurrency kiosk scams in Minnesota this legislative session. SF 3868/HF 3642 was signed into law by Governor Walz as Chapter 65 of Session Law for the 2026 Regular Session on May 5, 2026.

AARP respectfully requests the following amendments to HF 4188:

Consumer Protection Restitution Account
Thank you for considering SF 4687 (Rest) / HF 4867 (Lee, K.) in your respective committees this session. This language seeks to improve the sustainability and fairness of the Consumer Protection Restitution Account created by the Legislature last session—a bipartisan success story already serving Minnesota consumer fraud victims.

AARP urges your inclusion of the language found in the SCH2433A74 amendment that reflects a negotiated compromise to raise the fiscal year cap from $5 million to $10 million and establish a pro-rata distribution that does not exceed $100,000 per individual. Combined, these changes will allow more Minnesotans to access restitution when they have been defrauded. This language has been considered by the Senate Finance Committee, and there is no fiscal note impact.

For further discussion on this topic, please contact Thomas Elness, AARP Minnesota Associate State Director of Advocacy at telness@aarp.org. Thank you for your consideration.

Sincerely,

Cathy McLeer
State Director, AARP Minnesota

5/12/2026
Re: Support for Exclusion of Reinsurance Extension in Commerce Omnibus

Dear Members of the HF4188 Conference Committee,

We are writing today to thank you for not including the permanent extension of the state's reinsurance program in your respective omnibus bills. We know that negotiations can sometimes bring in issues in conference that did not travel in either bill, and we encourage you not to extend reinsurance or the reinsurance waiver authority this year. We care deeply about affordable insurance for Minnesotans on the individual market and beyond. Therefore any extension of reinsurance should not be undertaken without requiring insurers to fund the program and adding protections for MinnesotaCare, especially as Minnesota faces drastically increased state share of MinnesotaCare and Medicaid costs due to HR1.

Since 2017, Minnesota has been an outlier in the scale of public subsidy for reinsurance, authorizing over $1.2 billion dollars in state funding. That funding came 55% from the General Fund and 45% from the Health Care Access Fund, in addition to over $500 Million in lost BHP revenue due to interactions with reinsurance. The GF has been repaid nearly 80% of its investment, while the HCAF hasn't been repaid and now faces a deficit by FY 2028.

Last year the legislature authorized an assessment on health plans for the 2027 plan year, along with a tax credit to refund this assessment to the plans in 2029. Bills introduced this year and stalled in both the House and Senate would have made this arrangement permanent.

Reinsurance is not a silver bullet. Shockingly, Congress did not extend enhanced premium tax credits, resulting in skyrocketing premiums for Minnesota families that are pushing many families out of coverage and outpacing the potential influence of reinsurance. This costly program does not address health care costs or access. It subsidizes a health care marketplace where more than 50% of Minnesotans are enrolled in high-deductible bronze plans that lead to delayed care and saddle patients and providers with medical debt. While households that earn over 400% of the FPL can see lower premiums from reinsurance, it displaces federal tax credits for lower income Minnesotans, even increasing premium costs for some.

Thank you for ensuring reinsurance is not extended without measures to protect MinnesotaCare and responsibly steward state funds.

Sincerely,

AFSCME Council 5
AFSCME Council 65
Committee to Protect Health Care
Education Minnesota
ISAIAH
Minnesota AFL-CIO
Minnesota Association of Professional Employees (MAPE)
Minnesota Nurses Association
SEIU Healthcare MN & IA
Unidos

An association of resources and advocacy for children, youth and families
www.aspiremn.org

May 11, 2026

Dear Commerce Policy Conference Committee Members,

AspireMN is a statewide association of children and family serving organizations with delivery of care in children's mental health, child welfare, and a variety of service models oriented to provide early intervention for families, meet critical needs and promote family preservation.

As you compose your final agreement, we respectfully encourage inclusion of language in Article 3, Section 11 clarifying the inclusion of clinical trainees as part of our mental health workforce across all payors. For our children's mental health continuum clinical trainees deliver essential care as they conclude their studies to become licensed mental health professionals. Clinical trainees are definitionally included chapter 245I and are currently providing care across our mental health continuum, inclusive of all payors.

At this key time for children and families in need of mental health care, it is important that we confirm participation of our full workforce, clinical trainees included. This legislation codifies current practice in 62Q – creating certainty for clients, payors and providers. MN Department of Commerce reviewed and confirmed over the summer and again as they testified to the House Commerce Finance and Policy that the language does not create a new mandate.

We remain hopeful that this clarification of clinical trainees within our workforce will help to create greater stability for delivering vital mental health care services to children, families and all Minnesotans.

Thank you for your thoughtful leadership.

Warm regards,

Kirsten Anderson
Executive Director

Representatives Koegel and O'Driscoll, Co-Chairs
Senator Klein, Chair
Conference Committee on HF4188, Commerce Policy
May 12, 2026

Commerce Chairs and Conferees,

On behalf of the National Association of Social Workers, MN Chapter (NASW - MN) and the MN Society for Clinical Social Work (Clinical Society), we are writing in support of the Senate provision in Article 3, section 11, a provision that establishes reimbursement eligibility and parity for clinical trainees providing mental health services.

Clinical social workers (LICSW) make up the largest group of mental health providers in Minnesota. NASW - MN is the largest membership organization of professional social workers in our state, representing nearly 2000 social workers, and the Clinical Society is a professional group that advances the practice of clinical social work in Minnesota. Collectively, our organizations offer experience and expertise in mental health practice.

Clinical trainees are an established and essential part of the mental health continuum, particularly in Greater Minnesota where provider shortages are most acute. Authorized per MN Statute 245I.04, Subd. 6, these professionals have completed or are enrolled in accredited graduate programs and are fulfilling supervised practice requirements for independent licensure. Practicing under strict clinical supervision, they are a vital bridge to care for clients and a necessary pipeline for the future workforce.

Despite their established role, Optum has indicated that care delivered by clinical trainees is not eligible for reimbursement under its commercial plans without a specific contract addendum. While some providers hold older authorizations, these permits are currently unavailable to new applicants. No other major insurance carrier in Minnesota requires this type of specialized authorization for clinical trainee reimbursement, creating a patchwork system that disproportionately impacts rural clinics that rely on trainees to meet community demand.

This provision provides statutory clarity to ensure uniformity and market parity in insurance reimbursement, fostering consistency for both providers and the clients they serve. Four other states (CA, CO, IA, MA) have already taken this successful step to stabilize their mental health infrastructure.

By adopting the Senate language, Minnesota can protect the provider pipeline and ensure that access to mental health services is not dictated by an arbitrary billing requirement from a single carrier. We urge your support in including this provision in the final conference committee report.

Thank you for your leadership and for your commitment to Minnesota's mental health continuum.
Sincerely,

Karen E. Goodenough, PhD, LGSW
Executive Director
NASW-MN

James Stolz, LICSW, LADC
Legislative Committee
Clinical Society

Minnesota Association of Community Mental Health Programs

Representative Erin Koegel,Chair
Commerce Conference Committee
May 11, 2026

Dear Chair Koegel and Committee Members

On behalf of the Minnesota Association of Community Mental Health Programs (MACMHP), I am sending this letter to support of House File 4188 – Commerce Policy Bill and it provision on reimbursement parity for clinical trainees delivering mental health and substance use disorder care.

The Minnesota Association of Community Mental Health Programs (MACMHP) is the state's leading association for Community Mental Health Programs, representing 36 community-based mental health programs and CCBHCs across the state. MACMHP's member agencies all provide a spectrum of mental health and substance use disorder services to our communities from the same organization. Providing care in these models means agencies must comply with all the various mental health services' regulations of the state. As essential community providers, MACMHP member clinics serve some our most medically complex individuals with many social and economic challenges.

We are working to build our programs to respond to as many needs of our clients and communities as we can. In this current workforce crisis and sparsely invested mental health and SUD environment, community mental health and SUD programs turn to training and developing the next generation of mental health professionals – clinical trainees.

Trainees are among the backbone of workforce in our outpatient mental health care spaces. Until recently, it was clear these professionals are delivering the same high-quality care services of a licensed professional, under the supervision of their licensed supervisor until they are licensed to practice independently. These services, within a clinical trainee's clinical scope, are the same as every mental health professional and need to be recognized as such across all payor types.

MACMHP thanks this Committee and rest of the legislature for the good work you have done over these several years to continue to build and invest in our mental health systems. We look forward to continue working with you, the Department and our other community partners. We are hopeful for the passage of HF 4188 to ensure our programs can continue to workforce and access needs of our communities.

Thank you for your leadership and support.

Jin Lee Palen
Executive Director

Members of the HF 4188 Conference Committee:

I am currently facing significant challenges in managing my daughter Gwen's care due to Medica's recent policy change on home care nursing. To maintain even partial continuity, we have been forced to exhaust my daughter's waiver budget just to keep her longtime nurse of five years at 40 hours per week. Her assessed need is 127 hours per week, and we have been unable to fill those hours despite ongoing efforts. Prior to the coverage change, we had identified a qualified nurse willing to work with Gwen, but we could not allocate sufficient waiver funds to support her. Having to turn that nurse away was a heartbreaking setback, especially as we were seeking relief to prevent caregiver burnout.

Since early March, my daughter has been hospitalized four times, including one emergency ambulance transport. The lack of adequate nursing support at home is directly contributing to delayed discharges and repeat hospitalizations—outcomes that are not only harmful to her, but also far more costly than appropriate home-based care.

At the same time, we are now being directed to use waiver funds for items that were never intended to replace primary medical coverage—such as adaptive equipment and other supports that improve her quality of life. We have had to forgo many of these or pay out of pocket. As a single-income household—made necessary by my wife leaving her job to care for our daughter—this has become unsustainable. With both of us now spending extended time in the hospital to advocate for her care, we are effectively without income.

I want to be direct: this coverage change is not sustainable for families like mine. Without intervention, it will result in loss of housing stability and, ultimately, children remaining—or even dying—in hospital settings because they cannot safely return home. There was no meaningful safety net in place when this change was implemented, and the current appeals process is controlled by the same entity making the determinations.

From what I am seeing firsthand—both in my daughter's care and from conversations with specialists, palliative teams, and other families—this is not an isolated issue. There are children, including those on hospice, who are effectively stuck in hospitals because the necessary supports are no longer accessible at home. Families are living in hospital rooms simply to be with their children. The attached photo is one I just took while writing this email—it reflects the reality we are living in right now.

This drastic change in coverage, with no change to the existing law, no public debate, no decision by legislators - is undoing protections Minnesota has worked hard to establish for its most vulnerable residents. It is shifting costs to taxpayers through increased hospital stays, additional county administrative burden, and inefficient use of waiver resources. Despite public testimony suggesting that outreach and safety planning occurred, our

county case manager—and others in Anoka County—were not informed and are now scrambling to restructure already-approved care plans. This adds further cost and strain to an already overburdened system.

While it appears the omnibus bill is gaining traction, the damage from this coverage change is already being felt and will continue to have lasting consequences for families like mine.

Sincerely,

Nick Keis

763-300-4625

NKEIS2014@gmail.com

Members of the HF 4188 Conference Committee,

I am asking you today — pleading with you — to understand what is happening to families like mine and to stop it before more children are put in danger.

My daughter Addison has had 24/7 nursing coverage her entire life. She is medically fragile, complex, and now on palliative care. At the very moment when her body is failing and her needs are increasing, we are being forced to cut back on nursing hours because of newly imposed caps. We are being told to "use your waiver," even though every family in this room knows that is not a real solution. Waivers run out. Waivers were never designed to replace skilled nursing. And waivers cannot keep a child alive.

We have always been a family that learned to do as much as we could ourselves. PICU doctors taught us how to revive our own daughter — and we have had to use those skills more times than I can count. But as Addison's medical complexities grow, we are facing the heartbreaking truth that her body is declining. This is the moment when we should be relying more on skilled nursing, not less. This is the moment when we should be able to be her parents, not her only line of defense.

Instead, we are rationing hours. Stretching shifts. Making impossible choices so we don't run out of care before the end of the week.

And the consequences have been catastrophic.

Since the beginning of this year, Addison has been hospitalized multiple times for emergency stays. One of the most terrifying episodes happened when her GI system suddenly failed. Addison released over 3,000 mL of bile — for context, a normal stool amount is around 300 mL. We had never seen anything like it. We didn't know how much was too much, whether to go in, whether this was a crisis or something we could manage at home. It felt almost silly to call for help.

But it wasn't silly. It was life-threatening.

When our nurse arrived the next day, she immediately recognized that Addison was in metabolic acidosis. By the time the ambulance came, Addison was completely unresponsive. The PICU spent two days stabilizing her — rehydrating her body so she could breathe, move, and speak again. When children like Addison go through something like this, it injures their brain. And every time her brain is injured, she loses abilities she will never get back.

This is what happens when families are forced to cut nursing hours.

And it didn't stop there. Addison has now developed generalized tonic seizures due to the decline of her brain. Her neurologist — who has cared for her for years — has told us

plainly that “sudden death is likely.”

One Sunday, when we had no nursing because we were trying to stretch our hours, Addison had a seizure that stopped her breathing. We had to revive her ourselves. The ambulance was taking too long. We were losing her. We called her nurse — off shift, at home — and she ran out of her house and came to help us because she knew we couldn’t get Addison back on our own.

This is real. These are not hypotheticals. These are not administrative issues. These are life-and-death moments happening in Minnesota homes because families are being forced to reduce medically necessary nursing care.

We need skilled eyes on our children. We need trained professionals who can recognize the signs we cannot. We need support to prevent emergencies, not just respond to them. And we need to be parents — not the only barrier between our child and a fatal outcome.

Health plans are imposing illegal limits. Families are being pushed into waiver budgets that cannot sustain this level of care. Children are being put at risk. And parents are being traumatized.

You have the power to stop this.

We need clear, enforceable statutory language that prohibits health plans from reducing medically necessary nursing hours, prevents the misuse of waivers as a substitute for skilled nursing, and ensures real accountability when plans violate the law.

Please — for Addison, for my family, and for every medically fragile child in Minnesota — stop this before another family faces the unthinkable!

Melanie Lees
763-280-2373

May 12, 2026

Chair Koegel, Chair O'Driscoll, Chair Klein, and members of the conference committee:

On behalf of the Minnesota Chamber of Commerce, representing more than 6,300 businesses of all sizes and industries across the state, we respectfully submit the following comments on HF 4188 (Rep. Koegel; Sen Klein), the Commerce Policy omnibus bill. Commerce policy impacts nearly every sector of Minnesota's economy, and it is important that any final agreement promote a stable, predictable regulatory environment that supports innovation, investment, and economic growth while avoiding unnecessary costs and operational burdens on employers.

Health Insurance Mandates

The Chamber respectfully asks the conference committee not to add any new or expanded mandates to the fully insured market, including the individual market and small and large group markets. As the legislature adds mandates on commercial health insurance markets, costs for businesses increase, making premiums unaffordable for businesses and their employees. For small and mid-sized businesses in particular, premium growth directly affects hiring decisions, wage growth and long-term investment.

Affordability remains one of the most significant challenges facing Minnesota businesses and their employees. Employers want to continue offering comprehensive, competitive health coverage, but sustained premium increases place pressure on both businesses and working families.

Artificial Intelligence Regulation

The Chamber strongly supports a unified federal standard to prevent fragmented regulations, discourages state-level restrictions that limit innovation and increase risk, and promotes investment in critical AI infrastructure, education, and workforce preparation and development.

Aligning with existing laws and minimizing state regulatory barriers will ensure Minnesota remains a hub for AI innovation, avoiding isolation among states embracing the benefits of AI. Minnesota has an opportunity to lead in an AI economy, but doing so will require a thoughtful and collaborative approach.

We urge the Legislature, broadly, to support the development of a consistent federal framework, refrain from advancing Minnesota-specific AI regulatory proposals this session and

establish a clear structure to evaluate AI-related policy moving forward. Taking this approach will help ensure Minnesota remains competitive while responsibly addressing emerging issues.

Health Plan Regulation
The Chamber understands the intent to provide oversight when a health plan is in a financially distressed position, but requiring advance approval of compensation decisions for health plan officers is a significant shift from how the state has traditionally approached oversight and moves into decisions that are typically handled by a plan's board.

Recent financial challenges and market exits in Minnesota's health plan market have been driven by broader cost pressures and utilization trends, not executive compensation. It also raises broader concerns about what other salaries the state could seek to regulate. If the state begins micromanaging compensation decisions here, it's fair to ask whether similar approaches could be applied to other state-regulated sectors, including other lines of insurance, hospitals, or health care providers facing financial challenges.

We urge the committee to remove this provision to avoid unintended consequences for health plan stability and the broader regulatory framework.

Health Data Under the Minnesota Consumer Data Privacy Act
The Minnesota Chamber of Commerce still has concerns with the underlying language in HF2700 (Rep. Elkins), which seeks to broadly define health data and classify that data as sensitive data. By defining the data as sensitive, it then needs to be handled at a higher standard by businesses. The expansive definition of what constitutes health data, and its classification as sensitive data, creates new compliance needs for businesses which are not traditionally considered health-sector businesses. In this proposal, health data is defined so broadly that it creates uncertainty about what specific types of information are intended to be regulated. The Chamber respectfully asks the conference committee not to add this provision to the conference report at this time.

Sincerely,

Jonathan Cotter
Director, Health Care and Commerce Policy
Minnesota Chamber of Commerce

April 10, 2026

Dear Governor Walz, Legislative Leaders and House and Senate Committee Chairs:

On behalf of the undersigned organizations, we would like to share our perspective on the growing number of proposals seeking to regulate artificial intelligence (AI) as well as automated and digital tools in Minnesota. Our organizations represent tens of thousands of employers of all sizes across Minnesota that are investing in new technologies, supporting jobs, and competing in a rapidly evolving global economy.

AI is a transformative force driving economic growth, innovation, and competitiveness across industries and regions. AI empowers Minnesota businesses of all sizes to enhance efficiency, expand markets, and create jobs. Furthermore, AI has the potential to revolutionize government operations by offering user-friendly interfaces, streamlining processes, and improving accountability through advanced fraud detection. By embracing AI, Minnesota can unlock significant opportunities to boost productivity and establish itself as a leader in the global economy, delivering benefits to businesses and communities large and small.

AI and automated tools are already being used in core business functions across Minnesota. Employers – increasingly small employers – rely on these technologies for workforce management, fraud detection, inventory management, customer service, and operational monitoring. In regulated settings such as health care, insurance, and even government services, these tools support administrative processes, claims processing, care coordination, and facility and systems management to better support employees, patients, vendors, customers, and taxpayers. These are not emerging or hypothetical uses; they encompass foundational components of modern commerce and are becoming widely adopted practices that deliver more efficiency, higher quality, and better results.

We strongly support a unified federal standard to prevent fragmented regulations, discourage state-level restrictions that limit innovation and increase risk, and promote investment in critical AI infrastructure, education, and workforce preparation and development. Aligning with existing laws and minimizing state regulatory barriers will ensure Minnesota remains a hub for AI innovation, avoiding isolation among states embracing the benefits of AI.

We see the current policy approach to regulating AI in Minnesota moving in the opposite direction. Through multiple committees this session, legislators are advancing proposals that seek to define and regulate AI, automated decision systems, electronic monitoring tools, pricing practices, and health care applications in isolation. This fragmented approach risks creating inconsistent, overly broad definitions that may unintentionally capture routine and longstanding business practices and tools used by businesses to manage their day-to-day operations. It will also create significant difficulties for compliance and confusion among impacted businesses as well as workers and consumers. This may discourage the use of technologies at all, including those that support safety, efficiency, or to a worker's benefit – or worse, business investment and expansion in Minnesota entirely. **We believe adoption of AI regulatory bills should be paused for this session.**

Many of the harms policymakers seek to address, such as discrimination, unfair or deceptive practices, or misuse of personal data, are already governed by existing state and federal laws. Minnesota has nation-leading consumer protection statutes, health records acts, employment laws, privacy and digital protections, and human rights protections that apply regardless of whether a decision is made by a person or supported by technology. We believe the focus should be on enforcing existing standards rather than creating new and potentially duplicative regulatory frameworks before clear, AI-specific gaps have been identified.

For these reasons, we urge the Legislature to take a more structured and collaborative approach moving forward. This should include the creation of dedicated AI subcommittees in both the House and Senate with primary jurisdiction over AI-related policy, with mandatory referral for any AI bill. We also support the establishment of a task force to evaluate the use and impact of AI across industries, assess how existing laws address potential harm, and identify any real gaps that may warrant targeted policy considerations. This effort should include meaningful participation from the business and economic development communities,

technical experts, and academic partners. Task force work and policy development should occur alongside any ongoing federal efforts to establish a unified federal standard to avoid duplicative or conflicting requirements and support Minnesota's competitiveness in a global market.

We are working directly with our members to better understand how businesses are using AI and related tools in their operations and how Minnesota-specific regulatory proposals would affect those uses, and we look forward to continuing to update the Legislature as we gather additional input.

Minnesota has an opportunity to lead in an AI economy, but doing so will require a thoughtful and collaborative approach. We urge the Legislature to support the development of a consistent federal framework, refrain from advancing Minnesota-specific AI regulatory proposals this session, and establish a clear structure to evaluate AI-related policy moving forward. Taking this approach will help ensure Minnesota remains competitive while responsibly addressing emerging issues.

We appreciate the opportunity to share our significant concerns with the current state of regulating AI in Minnesota this legislative session and you have our commitment to work cooperatively and productively with you on AI policy in the future.

Sincerely,

Minnesota Chamber of Commerce
Minnesota State Council of SHRM
Minnesota Business Partnership
Health Plan Partnership of MN
Minnesota Grocers Association
CTIA
Associated General Contractors of Minnesota
DIGIN Midwest
Minnesota Automobile Dealers Association
Minnesota Ski Areas Association
Builders Association of Minnesota
Minnesota Realtors®
Minnesota Telecom Alliance
BOMA Greater Minneapolis
Minnesota CPA Society
Minnesota Bankers Association
TechNet
NAIOP Minnesota
Minnesota Retailers Association
Insurance Federation of Minnesota
Housing First Minnesota
Hospitality Minnesota
Associated Builders and Contractors MN/ND Chapter
Minnesota Cable Communications Association
Minnesota Service Station & Convenience Store Association
Minnesota Trucking Association
Minnesota Hospital Association

MINNESOTA COUNCIL of HEALTH PLANS

CAPITOL OFFICE BUILDING
525 PARK STREET
SUITE 140
ST. PAUL, MINNESOTA 55103
651-645-0099 FAX 651-645-0098

May 12, 2026

Commerce Policy Omnibus Conference Committee
95 University Avenue W.
St. Paul, MN 55155

Chair Klein, Chair O'Driscoll, Chair Koegel, and Conferees:

The Minnesota Council of Health Plans, the trade association for Minnesota's nonprofit health plans (Blue Cross and Blue Shield of Minnesota, HealthPartners, Medica, and Sanford Health Plan of Minnesota), appreciates the opportunity to provide feedback on the Omnibus Commerce bills. Throughout this legislative session, the Council has expressed support for policies that maintain stability in the market, lower costs, increase access to high-quality care, and prevent waste, fraud, and abuse.

We appreciate the inclusion of some of the technical changes requested by the Minnesota Comprehensive Health Association (MCHA) in the Senate language to ensure continued efficient operation of the reinsurance program. We urge the Department of Commerce to work with MCHA to ensure their concerns are fully addressed.

We, likewise, appreciate the compromise Senate language prohibiting the use of artificial intelligence (AI) in final adverse prior authorization determinations. This language allows plans to continue to use AI to expedite approvals for Minnesotans, while reinforcing our existing practice of ensuring any adverse determinations are only made by a licensed medical professional.

We would also like to draw to your attention four areas of concern with the Commerce Omnibus language that have serious implications for the stability and affordability of the health insurance markets in Minnesota.

Home Care Nursing Coverage – New Mandate
Home care nursing is a covered benefit in Medicaid and the fully-insured market as required under 62Q.545. Minnesota's Essential Health Benefits Benchmark Plan (EHB) expressly incorporates a quantity limit of 120 visits per year and some health plans in the fully-insured market previously exceeded that threshold in their plan offerings. Health plan premiums are already expensive because the underlying costs of care are expensive. Providers have been increasing their prices for

these services. To try to keep insurance more affordable, health plans previously exceeding the 120-visit threshold have recently sought to return to the standard. Those limitations were reviewed and approved by the Department of Commerce in annual plan filings. It is important to note that once an enrollee reaches their commercial coverage limit, coverage continues under Medicaid.

The Senate language prohibits any limitation in commercial coverage. This would result in increased costs and have a significant impact on premiums for Minnesotans in the fully insured market. This language has not gone through an official 62J review, and the fiscal note left many questions unanswered over state defrayal requirements for the costs of new mandates, as required under federal law. If there is not defrayal, health plan actuaries estimate that this proposal would result in a per member per month (PMPM) premium increase of $37.50. Put into context, this would increase annual premiums for a family of four by $1,800.

We are committed to working on a solution to maintain access to these important services while also safeguarding affordability. Proponents have argued that more commercial coverage is needed because Medicaid rates are too low. If so, the solution should be to increase Medicaid rates rather than shift even more costs into the fully-insured market and onto the monthly premium bills paid by Minnesotans.

Extending Reinsurance

We are disappointed to not see language from SF 3936/ HF 3388 included in the omnibus, which would extend reinsurance past its current sunset at the end of 2027. With the loss of federal enhanced premium tax credits at the end of 2025, it is not a stretch to say reinsurance saved the individual market this year. Past analysis has concluded that premiums have been 22-36% lower as a result of reinsurance. For 2026, the Department of Commerce has stated that premiums were 47% lower, partly due to interaction with the expired federal enhanced premium tax credits. The reinsurance program allowed thousands of Minnesotans to have access to needed care that they otherwise would not have had. In a time of major changes at the Federal level, including Medicaid eligibility changes, preserving the affordability of the individual market is more important than ever. We urge the committee to include an extension of the successful reinsurance program. Minnesotans who buy insurance on their own, like farmers, entrepreneurs, small business owners, and daycare providers, deserve certainty that this vital program will continue.

Medicare Supplement Guaranteed Issue Changes

Last year's commerce omnibus included extensive changes to Medicare Supplement plans that will go into effect this August. The original proposal would have resulted in an almost 90% increase in premiums for Minnesota seniors. Through the Legislature's work in the 2025 session, changes were made to reduce that premium impact by about half. However, we remain deeply concerned about premium increases and market stability.

This year, UCare exited the market statewide and another large for-profit carrier reduced its market presence from 72 counties down to 27 counties. It is important to note that individuals who involuntarily lose coverage already have guaranteed-issue protections. While seemingly small, the language included in the omnibus will have a long-term impact on the risk mix in plans. Case mix

unpredictability exacerbates the challenges with accurate pricing of products and can lead to increased premiums.

Now is the time to shore up the market, not add new uncertainty. We urge consideration of delaying the effective date of the 2025 law by two years to protect seniors from significant premium increases and promote greater stability.

Commerce Health Plan Oversight
We do not have concerns regarding the consolidation of Health Maintenance Organization (HMO) regulation under the Department of Commerce included in the Senate Language. We do, however, have concerns regarding the Department of Commerce's proposal which would insert a requirement for approval from the Department of Commerce around compensation or benefits of health plan officers or directors. Health plan employee compensation and benefits was not the reason for closure of one of our member plans and is an overreach of oversight.

We appreciate the opportunity to provide feedback to the conferees and look forward to continuing to work together on our joint goals of health care affordability and accessibility.

Sincerely,

Lucas Nesse
President and CEO

May 12, 2026

The Honorable Matt D. Klein
Chair, Senate Commerce and Consumer Protection Committee
Minnesota Senate

The Honorable Erin Koegel
Chair, House Commerce Finance and Policy Committee
Minnesota House of Representatives

RE: Commerce Omnibus HF 4188/SF 4365, Article 4, Section 7

Dear Chair Klein and Chair Koegel:

I write on behalf of DISH Network and DIRECTV regarding Article 4, Section 7 of HF 4188/SF 4365, which would prohibit certain prescription drug advertisements on television. DISH and DIRECTV respectfully request that this provision be removed from the bill. At minimum, if the provision remains, it should be narrowed to ensure that liability applies only to the entities that create, place, insert, or control the advertisement.

As drafted, Article 4, Section 7 risks imposing liability on video providers that do not control the advertisements at issue. Much of the programming DISH and DIRECTV deliver to Minnesota subscribers is carried as a live pass-through feed. Whether the advertisement originates from a local broadcast station filling a market-specific slot or from a national network distributing a single feed across markets, the result is the same: DISH and DIRECTV do not select, schedule, insert, approve, or have prior knowledge of the advertisements embedded in those feeds. They distribute third-party programming as provided under their carriage arrangements and are not parties to the underlying advertising transactions.

This distinction is critical. If the Legislature intends to regulate prescription drug advertising, the obligation should fall on the entities that control the advertisement and the decision to place it. It should not create enforcement risk for video distributors that retransmit a live third-party feed and have no practical ability to review each advertisement before it airs.

For these reasons, DISH and DIRECTV respectfully request that Article 4, Section 7 be removed from HF 4188/SF 4365. If the provision remains under consideration, the Conference Committee should include a clear safe harbor for multichannel video programming distributors, satellite providers, streaming video distributors, cable operators, and other video programming distributors that do not create, sell, place, insert, or control the advertisement.

Thank you for your consideration.

Sincerely,

Cameron Onumah
Orrick, Herrington & Sutcliffe LLP
On behalf of DISH Network and DIRECTV

mntech
Minnesota Technology Association

May 12, 2026

To the Honorable Chairs and Members of the Conference Committee on HF4188:

MnTech writes in opposition to Section 13 of the Senate engrossment, [325M.40] Minor Access to Chatbots. MnTech represents Minnesota's technology sector, including the companies and engineers in this state who take AI safety most seriously as a substantive problem. AI safety is important to us, and the authors are raising a concern we share. MnTech's position is not that the legislature should do nothing on AI. Our position is that this language, enacted this session, will make Minnesota minors less safe, not more, for three reasons.

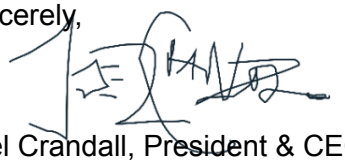
The definition does more than its authors intend. Subd. 1(d) defines "chatbot" as any AI system with a natural-language interface "capable of meeting a user's social needs." Carveouts exclude customer service bots, video-game NPCs, and voice speakers, but a general-purpose AI tutor used by a Minnesota high school student to work through an essay is "capable of meeting a user's social needs" within the meaning of the bill, and Subd. 2(a) prohibits it. Given enforcement mechanisms in the bill, the rational compliance response is to block all Minnesota users under 18 from a wide range of beneficial AI products, which could mean lost educational opportunities.

Prohibition pushes minors toward less safe products, not away from them. The closest analogues, social media age-verification mandates and state-level access laws, have a clear empirical track record: minors route around them, and the use moves to offshore, unregulated, lower-safety products with no compliance incentive and no presence for the Attorney General to enforce against. The minors most likely to be harmed are the ones most likely to find the workaround. Meanwhile, responsible developers actively building age-appropriate safeguards such as self-harm detection, crisis-resource escalation, and parental-visibility features face the same liability as developers investing nothing.

The pace of the technology counsels against statutory specificity right now. Section 13 takes effect July 1, 2027. Definitions written in May 2026 will not describe the products on the market then. Oregon, Nebraska, Maine, California, and Connecticut have all moved companion-AI legislation in the last sixty days, testing duty-of-care, disclosure, and design-mandate models. Minnesota will be in a substantially stronger position to legislate well in 2027 by acting on evidence from those experiments rather than projection. There is no policy advantage to being first; there is a real advantage to being right.

We respectfully believe it is best to strike Section 13 from the conference report. If the conferees believe the concern is urgent enough to address this session, MnTech is prepared to work with the authors on alternatives the sector can support. Acting carefully on AI is not the same as failing to act on AI. We are available to staff, members, and authors at any time and look forward to having further discussions on this important policy area.

Sincerely,



Joel Crandall, President & CEO
Minnesota Technology Association

TECHNET
THE VOICE OF AMERICAN INNOVATION

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May 4, 2026

HF 4188 – Commerce Omnibus – Oppose Chatbot Provision

TechNet opposes the chatbot provision (page 37, line 20) HF 4188, which would prohibit minors from accessing chatbot technologies which raises significant concerns regarding scope, implementation, and unintended consequences.

Establishes a broad prohibition on minors' access to chatbot technologies
Even with defined exclusions, this provision is likely to capture general-purpose AI systems that are inherently multifunctional and context-dependent. Chatbots are widely used across educational tools, productivity platforms, and general information services. The prohibition likely impacts common and beneficial uses rather than being narrowly tailored to specific high-risk applications.

Creates significant operational challenges by requiring platforms to prevent minors from accessing chatbot services
This provision will necessitate some form of age verification across dynamic, user-driven interactions for all users. General-purpose AI systems cannot reliably distinguish between different use cases in real time, and implementing age-based restrictions would be difficult to do consistently across services. This creates uncertainty for both platforms and users and raises concerns about feasibility.

Age verification presents challenges, including data privacy & data security risks
Verifying user age in a reliable and privacy-protective manner remains a complex and unresolved issue. Many approaches require the collection of sensitive personal information, which introduces new privacy and data security risks—particularly for minors. Rigid or prescriptive requirements may also create conflicts with existing federal frameworks that allow for flexible, risk-based approaches, while disproportionately burdening smaller developers.

Not sufficiently targeted to address clearly defined harms.
This provision applies broadly to chatbot technologies based on their ability to engage in conversational or relational interactions, without distinguishing between higher-risk and lower-risk use cases. A more effective approach used in other states would focus on narrowly defined categories of concern while preserving access to widely used and beneficial tools.

Enforcement framework creates substantial legal and operational risk
The provision establishes a private right of action alongside significant civil penalties, including damages and attorney's fees. When combined with ambiguity around compliance obligations, this structure increases the likelihood of litigation and may discourage companies from offering services in Minnesota altogether.

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For these reasons, we respectfully encourage the Minnesota House not adopt not the chatbot provision of HF 4188 as passed by the Senate. We welcome the opportunity to work on development of a more tailored approach that addresses concerns while ensuring that policies remain workable and appropriately scoped.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. Our diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over three million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance.

Sweepstakes Casino Prohibition

SF4474/HF4410
Rasmussen, Marty, Maye Quade, Limmer, Klein
Davids, Koegel, Bakeberg, Cha, Reyer, Virnig

*****SF4474***- Passed the Senate 62-3 on 4/30/26**

Known Supporters:
(Letters- https://www.senate.mn/schedule/committee/3118/20260324)

-Minnesota Indian Gaming Association
-MN Family Council
-MN Catholic Conference
-Joint Religious Legislative Coalition
-Allied Charities of Minnesota
-MN Vets Organizations
-Citizens Against Gambling Expansion
-Canterbury Park
-Electronic Gaming Group
-Problem Gambling Community

Known Opponents:

-Online Casinos, including Modo Casino and its parent company ARB Gaming

Unaffected Products:

-McDonalds Monopoly (Company has no objections)

-Social casinos and games like Candy Crush (Electronic Software Association has no objections)

May 11th, 2026

Chairs O'Driscoll, Koegel, and Klein and members of the Conference Committee on HF4188 (Commerce Policy),

On behalf of the undersigned, we urge your support for the inclusion of language from SF4474, which clarifies Minnesota law to explicitly prohibit illegal online, dual currency sweepstake casinos. On April 30th, the Minnesota Senate overwhelmingly supported the ban language with a vote of 62-3. This needed action follows the 25+ states that have recently passed similar laws, or have legislation pending, to ban or limit these illegal casinos. This is not a partisan or controversial issue, as both red and blue states have overwhelmingly, and sometimes unanimously, clarified their statutes with language like that found in SF4474.

It is incumbent on the Legislature to evaluate the changing dynamics of gaming in Minnesota and respond appropriately. This year, two gaming issues need immediate attention, closing the sweepstakes loophole and modernizing meat raffle limits.

Sweepstakes companies are deceptively advertising their casinos to evade Minnesota's clear policy of prohibiting online gambling. Estimates show they have taken around $170M in Minnesota player losses in the last year. If their illegal activities are not stopped by the current Legislature through enforcement made possible by this pending legislation, these online casinos will increase their presence and market-share, to the detriment of the highly regulated and benefits-contributing existing gaming providers in the state.

Meat raffles are an important part of the state's charitable gambling industry and culture. Increasing meat prices have threatened these games and a non-cash limit adjustment is warranted and should be supported by the Conference Committee.

Please include both of these provisions in your conference committee report – to both stop illegal sweepstakes casinos and also to ensure charitable meat raffles continue to be viable and successful.

ALLIED CHARITIES ACM OF MINNESOTA

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Andy Platto, Executive Director- MN Indian Gaming Association (MIGA)

Linda Dvorak, Commander- American Legion Department of Minnesota

Jack Meeks, Chairman- Citizens Against Gambling Expansion (CAGE)

Jewish Community Relations Council of MN and the Dakotas
Minnesota Catholic Conference
Minnesota Council of Churches
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May 11th, 2026

Joint Religious Legislative Coalition
P.O. Box 4233
Saint Paul, MN 55104

Dear House and Senate Commerce Policy Bill Conferees,

I am writing on behalf of the Joint Religious Legislative Coalition in support of the sweepstakes casino ban language included in HF4188. The Joint Religious Legislative Coalition (JRLC) is a state-wide coalition formed through the partnership of our three sponsoring faith organizations: the Minnesota Catholic Conference, the Jewish Community Relations Council of Minnesota and the Dakotas, and the Minnesota Council of Churches. As people of faith, we advocate alongside our neighbors of differing religious backgrounds to address poverty and advance social justice. JRLC respectfully ask your support for including the language from SF4474 in the HF4188 conference committee report. This language would clarify Minnesota law to explicitly prohibit illegal online, dual-currency sweepstakes casinos.

Online dual-currency sweepstakes casinos present precisely the kind of harm that calls for legislative attention. Minnesota should stop online operators—many of them outside the ordinary reach of state oversight—from exploiting loopholes that avoid consumer protections, responsible gaming safeguards, tax compliance, and meaningful accountability. If a product functions like gambling, creates gambling-like harms, and encourages repeated wagering for something of value, the Legislature should treat it accordingly.

This issue is not simply about regulating an industry.
It is about whether Minnesota will allow predatory online gambling models to take root by hiding behind clever legal labels. A state that has made deliberate policy choices about gambling should not allow those choices to be bypassed through digital workarounds.

This is not a partisan issue.
It is a question of whether states will preserve the integrity of their gambling laws in the face of rapidly evolving online products designed to operate in the shadows. Now is the time to act. The Minnesota Senate overwhelmingly supported this clarifying language on April 30 by a vote of 62–3. Similar action is being taken across the country, with more than 25 states having recently passed, considered, or advanced legislation to ban or limit these unlawful online casino models.

The extraction of wealth from Minnesota is significant.
The AARP Bulletin recently reported that more than 75 million Americans—about one in five—now have an account with an online sports betting service. The same article highlights the growing concern that online and app-based gambling can be especially dangerous because of constant availability, personalized marketing, inducements to keep playing, and the ability to lose money quickly and privately. Those risks are not limited to sports betting. They apply with equal force to online casino-style products that are accessible from a phone, available at all hours, and designed to keep users wagering.

Minnesota families should not be left exposed while illegal sweepstakes casinos increase their presence and normalize online gambling under another name. Estimates indicate that these operators have already taken approximately $170 million in Minnesota player losses in the last year. Without legislative clarification, that market will continue to grow, and the harms will fall most heavily on those least able to

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absorb them: young people, seniors, people struggling with compulsive gambling, and families already living with financial stress.

For these reasons, the Joint Religious Legislative Coalition urges you to include the SF4474 dual-currency sweepstakes casino prohibition language in the HF4188 conference committee report. Doing so will help protect Minnesota families and prevent the further normalization of predatory online gambling.

Thank you for your consideration.

Sincerely,

Leah Patton
Executive Director, Joint Religious Legislative Coalition

Request to add HF2627 (Humane Pet Shop Bill) to Commerce Committee Omnibus Bill

Minnesotans overwhelmingly support prohibiting the sale of puppies in new pet shops.
A new statewide poll from Remington Research Group asked voters if they would "support or oppose a bill in Minnesota to prevent new pet stores from selling puppies."

- 76% of Republicans support this policy
- 72% of Democrats support this policy
- 67% of Non-Partisans support this policy

HF2627 is a practical, bipartisan animal welfare and consumer protection measure that will prevent the sale of dogs and cats in any new pet stores, while allowing existing puppy stores to continue to sell puppies so long as they adhere to commonsense transparency requirements. Importantly, it will ensure bad actors known for sourcing puppies from awful puppy mills, deceiving consumers, selling sick puppies and engaging in predatory lending can't move into Minnesota. This bill (and companion SF1943) has passed four committees this year. In both the House and Senate Judiciary Committees, no legislators voted against the bill—this shows the hard work that stakeholders and advocates have done to get the bill to this place.

HF2627 is the result of many stakeholder conversations and represents a massive compromise. The pet shop owner who has historically been the primary opposition to the bill has removed his opposition due to compromises, including the grandfather clause, language allowing existing puppy stores to be sold, and removal of the provision that would have required puppy stores to disclose breeder information in advertisements.

HF2627's prohibition on new puppy stores is based on laws in place in Vermont and Maine that are working as intended. It is NOT based on California's law. HF2627's pet store sourcing and transparency provisions are based on laws in many states that are also working as intended, with zero unintended consequences reported from those states.

HF2627 is a fair, carefully crafted solution, that protects animals, consumers, and existing businesses alike. Minnesota will remain wide open to the booming $158 billion dollar pet products and services market, and residents will continue to source pets from shelters, rescues, responsible breeders, and existing puppy stores.

ACDR | Association for Consumer Debt Relief

May 11, 2026

Honorable Chair Klein
Honorable Co-Chair Koegel
Honorable Co-Chair O'Driscoll
Senator Seeberger
Senator Frentz
Senator Duckworth
Representative Elkins
Representative Perryman

RE: Support for the Minnesota Department of Commerce's Legislative Proposal Regarding Treatment of Accreditation in House File 4188

The Association for Consumer Debt Relief ("ACDR") is the national trade association representing debt settlement companies that assist families in resolving unmanageable, unsecured debt burdens. As affordability continues to create financial stress in Minnesota and across the country, our members work alongside consumers struggling to manage their unsecured debts and negotiate settlements with their creditors, enabling them to regain their financial footing and improve their economic well-being. Our industry operates under both a robust federal consumer protection framework and a registration and regulatory regime managed by the Minnesota Department of Commerce ("the Department") pursuant to Chapter §332B of the Minnesota Statutory Code.

We write in strong support of legislative provisions contained on page R51, line 105.21-page R54, line 109.3 and also Section 53 109.5 supported by the Senate and originally put forward by the Department within H.F. 3706-S.F 4164. 1 The provisions are critical and would, if enacted into law, ensure that debt settlement providers currently registered to operate in the state continue assisting Minnesotans to settle their unmanageable debt burdens. Absent passage of the Department's proposed provisions, the ability of consumers in Minnesota to access debt settlement programs could be further constrained due to the state's unique accreditation law. Under the existing accreditation law, any changes to the list of accrediting entities active in the debt settlement marketplace would require amendments to the underlying statute. The Department's proposal would ease this statutory bottleneck. We urge the inclusion of these important accreditation provisions and passage as part of H.F. 4188.

[1] H.F. 3706/ S.F. 4164, 94th Leg., Reg. Sess. (Minn. 2026), https://www.revisor.mn.gov/bills/94/2026/0/SF/4164/

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601 Thomas 13th St, NW, Suite 710S,
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Association for Consumer Debt Relief

Far too many Minnesotans are struggling under the weight of historic levels of consumer debt. The average Minnesota consumer is carrying $7,380 in credit card debt, representing a 5.3% annual increase.[2] Amidst this consumer debt crisis, maintaining as many options as possible for Minnesotans to address their debt burdens is critical. While we appreciate that the provision repealing the accreditation requirement for debt settlement providers is part of a broader package of amendments being considered by the Legislature, enactment of this statutory amendment is essential for this session.

We look forward to continuing working with the Legislature and the Department to develop and implement additional policies that will expand access to debt settlement programs that can help Minnesotans escape high-interest debt traps while avoiding bankruptcy.

Thank you for your commitment to preserving as many options as possible for Minnesotans struggling with their debts, and your prompt attention to this important matter.

Respectfully submitted,

Robert Sweeney
Government Affairs Manager
Association for Consumer Debt Relief

[2] LendingTree, Credit Card Debt by State, https://www.lendingtree.com/debt-consolidation/state-debt-study/ (last visited May 4, 2026).

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Commerce Conference Committee
95 University Ave W - MSB 1150
St. Paul, MN 55103

MCCD
Minnesota Consortium of Community Developers

May 12, 2026

Dear Chairs Koegel, O'Driscoll, and Klein, and Members of the Committee,

The Minnesota Consortium of Community Developers (MCCD) is an association of nonprofit community development organizations and Community Development Financial Institutions (CDFIs) committed to expanding the wealth and resources of communities through housing opportunities and economic development initiatives. MCCD's mission to build strong and stable communities can only be achieved by addressing the harms and inequities that have shaped housing and economic development policies at every level of government.

We write in strong support of investing in the Strengthen Minnesota Homes Program. Access to stable and affordable property insurance coverage is a critical foundation for strong, resilient communities across the state. From affordable housing developers who operate homes for thousands of families to first-time homeowners and small businesses that drive our local economies, Minnesotans rely on insurance to safeguard their properties and comply with requirements from their investors and lenders. **Right now, the spiraling cost of insurance and lack of availability have become an alarming burden on property owners of all kinds.**

In 2025, MCCD worked across sectors and with Republican and Democratic legislators to pass a bill establishing a Task Force on Homeowners & Commercial Property Insurance. **One of the recommendations from the Task Force included investing in the Strengthen Minnesota Homes Program, HF 4223.** The Strengthen Minnesota Homes Program will help increase the resiliency of Minnesota homes and help ensure that Minnesotans can afford their property insurance. This program is a proactive, cost-saving investment, not just disaster recovery after the fact.

Thank you for your time and consideration. MCCD and our members would like to make ourselves available to provide any additional information to help inform your decisions. Please reach out to Kelly Law (klaw@mccdmn.org) should you need any further information.

Sincerely,

Kelly Law

Kelly Law, Senior Policy and Field Building Manager, MCCD