



April 11, 2023

Members of the Committee on Commerce and Consumer Protection  
Minnesota Senate

Chair Klein and Members of the Committee:

Thank you for this opportunity to submit a letter commenting on health care reform in Minnesota and in particular on Senate File 49, the public option bill. We applaud the committee for taking up this important issue and we are grateful to have this opportunity to share our views.

In Minnesota and across the country, Americans for Prosperity activists engage friends and neighbors on key issues and encourage them to take an active role in building a culture of mutual benefit, where people succeed by helping one another. Health care reform is a top priority for us because it is deeply personal and because no individual or community can thrive and flourish without good health care.

Today, health care is too expensive, complex, and frustrating. But it does not have to be. Our members are committed to making health care truly affordable, transparent, and much less of a hassle for everyone.

Health care in Minnesota and across the nation has challenges and needs reform. But overall, it is a good system. We Americans enjoy superior quality and access; virtually universal access and, despite the excessive cost and hassle of health care today, most Americans are satisfied with their current coverage and not looking for more government involvement.

That is why, on behalf of our thousands of activists, members, and supporters across this state, we must respectfully oppose S.F. 49. This bill would mean a combination of higher costs for Minnesota families and deep payment cuts for Minnesota doctors, nurses, and hospitals, and thus reduced access and quality care for Minnesota patients.

The public option is sometimes described by its supporters as a first step toward a complete government takeover of health care. Other times, this slippery-slope aspect is downplayed. The fact is most public option supporters also support “universal coverage,” by which they mean some form of single-payer: a centralized, top-down, government-run system in which private health insurance options are replaced with something like today’s Medicaid program.



With a public option, Minnesotans would be limited to just one option: a government monopoly of health care that results in unaffordable cost hikes, additional burdens on taxpayers, and reduced access to care — changes that will hurt vulnerable and disadvantaged communities the most.

Instead of a public option, Minnesotans need and deserve a personal option: a set of sensible, targeted, nonpartisan reforms that expand choice, reduce costs, and guarantee universal access to the high-quality health care Minnesota families need, when they need it.

The public option has been passed in three states: Washington, Colorado, and Nevada. And so far, the idea has failed in all three. To date, it has not reduced premiums or improved quality or access anywhere it has been tried.

Why does the public option fail? Because it tries to rely on mandates and bureaucracy to produce the kind of high-quality, affordable care that only markets can produce. The only way a public option could reduce premiums would be to impose deep cuts in provider reimbursements, and force providers to accept those under-payments — something no state has yet been willing to do. In the three current public option states, lawmakers have declined to take these draconian steps, and as a result no savings have materialized and the public option scheme has flopped. Perhaps this is why S.F. 49 delegates most of its critical decisions, including provider reimbursement rates, to an unelected official: the health commissioner.

Another reason we oppose the bill is because MinnesotaCare forces patients into HMOs, which restrict their access to care.

For all these reasons, we urge the committee to reject this misguided and dangerous proposal.

We stand ready to help you give Minnesota families and small businesses the better health care system they deserve. Not with more government, but with more freedom, transparency, and more personal choice and personal control.

What would a personal option approach in Minnesota entail? For starters, it would create sensible, nonpartisan reforms such as enacting a safe harbor bill to ensure universal access to direct patient care arrangements. Direct patient care is a popular new way of delivering health care that offers unparalleled access, quality, affordability, and convenience. A DPC membership brings virtually unlimited access to trusted doctors, referrals to discounted

lab tests and imaging services, and often deep discounts on generic drugs — all for one low monthly fee, with no additional fees or hidden charges. Subscriptions are typically very affordable, and doctors make themselves available to patients at all hours, spending ample time with them.



A personal option would also entail reducing restrictions on such affordable coverage options as Farm Bureau Health Plans and similar plans offered by non-profit membership organizations. These plans, which are personally owned and portable, can be significantly more affordable than traditional group health plans because they are mutual aid rather than insurance, and thus can be exempted from costly federal mandates by the state legislature. Similarly, association health plans can help small businesses band together to purchase more affordable benefits for their members' employees.

A personal option would remove barriers so more physicians and nurses, including foreign-trained ones, can practice in our state. It would entail lowering barriers to out-of-state doctors and nurses delivering care to Minnesota residents, including by way of telehealth.

We would like to work with you to enact these and similar reforms in our state.

In the meantime, we are working with Minnesota's congressional delegation to promote needed federal health care reforms that can reduce the cost of coverage while maintaining protections for patients with preexisting conditions. We would welcome your support for those reforms too, and if you would like to learn more about the personal option, please visit our website: [www.personaloption.com](http://www.personaloption.com).

In closing, again, we oppose S.F. 49 and respectfully urge a "No" vote on it, because it would be harmful for Minnesota patients and taxpayers, and because there is a better way.

Thank you for this opportunity to share our views.

Sincerely,

RaeAnna K. Buchholz  
Legislative & Coalitions Director, Minnesota  
Americans for Prosperity