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March 22, 2023

Senate File 1771 (Marty)

Dear Chair Wiklund and Members of the Senate Health and Human Services Committee,

The National Federation of Independent Business (NFIB) represents over 10,000 small businesses in every corner of our state. NFIB's mission is to advocate for the best interests of Main Street.

Respectfully, NFIB Minnesota opposes SF 1771. There is a choice and affordability problem in health insurance and health care, but a single payer system is not the solution. Recent experience in other states demonstrates the impracticality of a state-run single payer plan.

In 2011, Vermont enacted legislation to create a single payer system. Despite an already high insured rate, the state would have had to double its annual budget to fund the system.¹ Assumptions about tax increases, federal funding, potential costs, benefit levels, and administrative savings varied widely, leading Vermont to abandon the plan in 2014.

Former Governor Peter Shumlin explained: *"These are simply not tax rates that I can responsibly support or urge the Legislature to pass... In my judgment, the potential economic disruption and risks would be too great to small businesses, working families and the state's economy."*²

In 2017, California pegged the cost of a state-run single payer plan at \$400 billion per year. The staggering price tag led then-Gov. Jerry Brown to dismiss it entirely, saying: *"This is called 'the unknown by means of the more unknown.' In other words, you take a problem, and say 'I am going to solve it by something that's ... a bigger problem,' which makes no sense."*³

We encourage lawmakers to focus on market reforms that give small employers more tools to manage healthcare costs and make it easier for them to provide a sustainable array of employer-sponsored coverage options.

Sincerely,

A handwritten signature in black ink, appearing to read 'John L. Reynolds', is written above the typed name.

John L. Reynolds
Minnesota State Director
National Federation of Independent Business
john.reynolds@nfib.org

¹ Fitzgerald, Jay, "Costs derail Vermont's dream of single payer health plan," Boston Globe, 1/25/2015

² Wheaton, Sarah, "Vermont bails on single-payer health care," Politico.com, 12/17/2014

³ Cadelago, Christopher, "Jerry Brown sounds skeptical note on single-payer health care for California," Sacramento Bee, 3/23/2017