



March 30, 2023

Dear Members of the Senate Health and Human Services Committee,

**On behalf of the Minnesota Chamber of Commerce, representing 6,300 employers and their more than 500,000 employees across the state, I am providing input on the A-3 DE amendment to SF 49 (Wiklund).**

**Article II – Health Care Affordability Board**

Our members share the concern about ever increasing health care costs. And we agree that there may be a role for a group of experts to help the state identify opportunities to lower health care costs. But we do have concerns about how the Health Care Affordability Board contained in Article II would be populated and about the regulatory role it would play in the state’s health care sector.

We believe that the independence of any group like the Health Care Affordability Board is paramount. Too often, boards, commissions, and task forces like the one being proposed here are influenced from the very start by the political appointment process used to select its members. Rather than using that same model here – relying on the Governor and legislative leaders to select the members of the board – we would recommend an appointment process that focuses on getting the right expertise on the board and does so through a process that is outside of the political and legislative arena. As an example, we recommend a process similar to what is included in SF 922, Sen. Utke’s health policy commission proposal. Using an appointment process like this will help to ensure both that the board members have the expertise necessary to do the job given them by the Legislature and the independence to do it well.

We also believe that setting up this board as a recommending body, rather than a regulatory body, makes sense. This is a model that works well at the federal level, with the independent Medicare Payment Advisory Commission (MedPAC) advising Congress with recommendations about Medicare issues. Before handing the Health Care Affordability Board broad regulatory authority over the state’s health care sector, we believe there is likely much that can be accomplished by first seeing how far we as a state can go in curbing health care costs by following the recommendations made by this independent group of experts.

**Article III – Public Option**

Government healthcare programs like Medicare, Medicaid, and MinnesotaCare pay doctors and hospitals much less than commercial health insurance plans do for medical services and procedures. As

a result, health care providers' operations are subsidized by higher prices paid by those with private insurance, who pay more to offset this differential.

Changing programs like MinnesotaCare, which pays health care providers significantly less than the commercial rate, into an expanded government-sponsored health insurance option that is available to any Minnesotan, regardless of income, will lead to significant financial impact on providers and hospitals – especially practices that operate on already narrow margins in rural areas and underserved communities. This, in turn, may further reduce access to critical care and services in some parts of the state. It will also lead to increased costs for those with private coverage – whether fully-insured or self-funded – because health care providers will likely shift even more costs to these Minnesotans.

These changes will only lead to increased instability in the commercial health insurance market in the state and would threaten the continued viability of the individual and small group markets in particular.

Thank you for the opportunity to provide this input.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bentley Graves", with a stylized flourish extending to the right.

Bentley Graves  
Director, Health Care & Transportation Policy