



May 1, 2024

Chair Marty and Members of the Senate Finance Committee:

Thank you for this opportunity to testify on healthcare reform in Minnesota and on Senate File 4699, the omnibus health and human services supplemental appropriations and policy provisions bill that includes language to move Minnesota toward establishing a public option within the MinnesotaCare program. We applaud the committee for taking up this important issue and we are grateful to have this opportunity to share our views and solutions on how to improve the healthcare system to put patients in the driver's seat for their care needs.

**On behalf of our thousands of activists, members, and supporters across this state, we strongly oppose the public option provisions within SF 4699.**

In Minnesota and across the country, AFP 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. **Healthcare reform is a top priority for us because it is deeply personal and because no individual or community can thrive and flourish without good healthcare.**

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

Healthcare 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 healthcare today, **most Americans are satisfied with their current coverage and are not looking for more government involvement.**

Last session, the legislature passed a bill to authorize a public option. We opposed that bill because **the public option has failed everywhere it has been tried**, and because the bill was a pig in a poke. It did not answer a number of key questions, such as how much it would cost taxpayers, and how deeply it would reduce provider reimbursements.

Now, with this bill, we are beginning to receive answers to those questions. And unfortunately, the emerging answers confirm our long-held view that the public option is simply not a good idea for Minnesota.

As we understand the bill, it would establish a new program in our state that offers government-subsidized health insurance to all state residents who earn more than 200% of the federal poverty guidelines and who do not have an affordable offer of employer-sponsored insurance (ESI).

This "public option" would be created on top of, and in coordination with, the existing MinnesotaCare program. Eligible individuals could sign up for the public option through the MNSure marketplace. They would receive their coverage through managed care plans contracted to provide



benefits, similar to what happens today in MinnesotaCare and the Medical Assistance program (Medicaid).

Public option enrollees' premiums would be paid by the government, except for a required enrollee contribution, which would be on a sliding scale based on household income. At the high end, enrollees with income above 550% of the federal poverty level would pay no more than 10% of their income in premiums.

The bill would require the managed care plans to pay doctors, hospitals, and other medical providers at rates equal to 100 percent of what Medicare pays. For context, **MinnesotaCare managed care plans today pay about 83 percent of Medicare rates on average, while private commercial insurers pay around 200 percent of Medicare.**

The Minnesota Commerce Department has estimated that, under the version of the public option reflected in this bill, around 131,000 people would enroll, and state expenditures would increase by about \$364 million, in the first year.

Naturally, these projections are uncertain. Alas, they could easily be too low. As we've seen in state after state that has expanded Medicaid, the actual costs of a new, taxpayer subsidy program can easily come in higher than the highest estimate considered during the legislative debate.

**In fact, in some Medicaid expansion states, actual costs to the state have been double the projected amounts. The biggest contributor to this problem is the so-called woodwork effect — people signing up for benefits they are already eligible for, simply because they've heard about a new program.** Additionally, people migrate from other forms of coverage that cost taxpayers less than the new program. Any proper estimate of this bill's costs must take such anticipatable effects into account.

**So far, a form of public option has been passed in three states: Washington, Colorado, and Nevada. And so far, the idea has not lived up to its billing. It has certainly not reduced premiums nor improved quality or access.**

**Realistically, there is only one way a public option can reduce premiums: impose deep cuts in provider reimbursements — something no state has been willing to do.** Minnesota does not even try to do it in this bill. Indeed, it seems the bill implicitly abandons the idea that the public option can lower prices through more robust competition. **This bill does not really increase competition. Instead, it puts more people on taxpayer-subsidized health insurance, and at a high cost per enrollee.**

Clearly, this is a poor use of taxpayer money. And frankly it's a luxury in a state like ours, where, for all intents and purposes, we have universal coverage. An estimated 95.3 percent of Minnesota residents today have health insurance. And the 4.7 percent of Minnesotans who are uninsured include wealthy people who self-insure, people who are eligible for existing forms of coverage but have not enrolled, and undocumented residents who are not eligible for most forms of subsidized health coverage.



**If the goal of this bill is to reduce costs, it fails. If the goal is to get more people covered, it's a solution in search of a problem.**

**We should step back and ask ourselves why we are doing this. If the bill would neither reduce costs for patients nor significantly expand access for the uninsured, but would cost taxpayers hundreds of millions annually – why do it? Incidentally, most of that money would go directly to insurance companies rather than to patients. If we must spend more taxpayer money on healthcare, why not give it to patients?**

For all these reasons, we urge the committee to reject this expensive and, in our view, misguided proposal.

**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 healthcare Minnesota families need, when they need it.**

We stand ready to help you do that. Let's work together to give Minnesota families and small businesses the better healthcare 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 primary care arrangements (see [SF 4458](#)).** Direct primary care is a popular new way of delivering healthcare 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 more time with them, on average, than traditional, insurance-based doctors do.

**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. They 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 also means removing government barriers so more physicians can practice in our state.** For example, foreign-trained physicians, and medical-school graduates who have not yet completed a residency. Why not let these “almost physicians” practice under a temporary license under a doctor's supervision, with a chance, after a few years, to become permanently licensed doctors?



Another idea. Why not reduce barriers to out-of-state doctors and nurses delivering care to Minnesota residents, including by way of telehealth?

To be fair, most of today's healthcare woes stem from misguided federal policies. There's not much we can do about those in Saint Paul. But we can work with our congressional delegation. We can promote sensible, nonpartisan federal reforms that reduce the cost of coverage while maintaining protections for patients with preexisting conditions. We can also take steps to ensure that we do not exacerbate the existing issues with implementing another flop of a public option in Minnesota that becomes a drain on taxpayer dollars for another state-run program that Minnesotans – when we talk to them at the doors – do not want.

Let's work together on both sides of the aisle to make Minnesota the best place in the world to be sick, and the best place to get and stay healthy. To learn more about the personal option, visit our website: [www.personaloption.com](http://www.personaloption.com).

**We oppose the public option provisions included within SF 4699 and respectfully urge a “No” vote on it or that the language be removed because it would impose needless burdens on Minnesota taxpayers — and because there is a better way.**

Thank you for this opportunity to share our views.

Sincerely,

*RaeAnna K. Lee*

RaeAnna K. Lee  
Legislative & Coalitions Director, Minnesota  
Americans for Prosperity  
[rlee@afphq.org](mailto:rlee@afphq.org)

**Attachments:**

Direct Primary Care One-Pager  
Fund Patients, Not The System: A Personal Option Campaign  
Personal Option Policy Agenda  
Personal Option Healthcare Vision for Lawmakers  
Duluth News Tribune: Minnesota should reject a public option in health care  
Duluth News Tribune: Local View Public health option would hurt more than help Minnesota



# Direct Primary Care

---

Americans for Prosperity empowers people to earn success, contribute to their communities, and live meaningful lives. This requires a health care system that helps more people access better care at a lower cost—where health care providers compete to offer the best health care products and services at the best prices that meet the needs of patients. Unfortunately, many state and federal laws act as barriers to access and innovation.

One way to help providers effectively meet the needs of patients is to reform state regulations that prevent physicians and other health care providers from practicing direct primary care.

## WHAT IS DIRECT PRIMARY CARE?

Direct Care (DPC) is a new and innovative arrangement that growing numbers of physicians are offering to provide better and more affordable primary care for patients. Unlike traditional doctors who bill on a fee-for-service basis, DPC doctors provide patients unlimited access to high-quality medical services, including chronic disease treatment, clinical and laboratory services, and comprehensive care management in exchange for a flat monthly membership fee.

## EXPANDING DIRECT PRIMARY CARE RESULTS IN BETTER CARE AT LOWER COST

The current third-party fee-for-service system delivers poorer quality care at higher costs to patients. The compliance costs involved with billing and negotiating with insurance companies account for 40 percent of the average doctor's overhead expenses and consume half of their workday, leaving less time to care for patients.

As a result of America's cumbersome third-party reimbursement system, growing numbers of physicians are considering leaving the practice of medicine, exacerbating state physician shortages. According to the U.S. Department of Health and Human Services, nearly 80 million Americans live in communities that face a physician shortage.

These primary care shortages impose long-lasting and even fatal harm on America's most vulnerable patients. Individuals who lack a reliable source of primary care experience delays in diagnosis, pay higher health care costs, and die earlier than patients who can regularly access basic medical care.

## WHY STATES NEED DIRECT PRIMARY CARE

Empowering health care providers to deliver DPC is a crucial element of comprehensive health care reforms that will improve patient access to high-quality health care. Since DPC practices spend significantly less on overhead expenses, they can afford to work with smaller patient panels and spend more time with each patient. DPC physicians on average spend more than four times as much time with their patients as traditional fee-for-service physicians. This allows physicians to develop strong relationships with their patients.

Under DPC's enhanced doctor-patient relationship, physicians can more effectively evaluate patients on a long-term basis and improve health outcomes. A 2018 study of a Colorado-based pilot program found that patients who enter DPC arrangements visit emergency rooms 31 percent less often than individuals who rely on fee-for-service physicians.

Increasing access to DPC will also lower health care costs. A DPC program offered to public employees in North Carolina reduced out-of-pocket costs by 46 percent and reduced

prescription drug spending by 36 percent compared to workers with traditional physicians. Overall, this translated into a 23 percent reduction in overall health care spending, or an annual savings of \$3,120 for each patient.

As lawmakers consider their options to remove barriers on direct primary care, they should pursue the following reforms to make their efforts most impactful:

**1. Insurance Regulations:**

States should define DPC as a non-insurance financial contract in order to exempt these doctor-patient agreements from insurance regulations.

**2. Medication Dispensing:**

States should authorize DPC providers to dispense medications directly to patients.

**3. Health Savings Accounts:**

Federal lawmakers should allow individuals with HSAs to enroll in DPC agreements and pay periodic DPC fees with HSA dollars.

**4. Direct Health Care Agreements:**

States should allow medical practices to deliver any type of health care service through DPC's direct pay model.

Fund Patients, Not the System!

# THE PERSONAL OPTION

Quality, affordable  
health care you can trust.





FUND PATIENTS, NOT THE SYSTEM:

# A Personal Option Campaign

Do you feel helpless when dealing with the U.S. health care system?

A majority of American voters (56%) feel helpless when dealing with the U.S. healthcare system. They believe the system is in charge, not them.

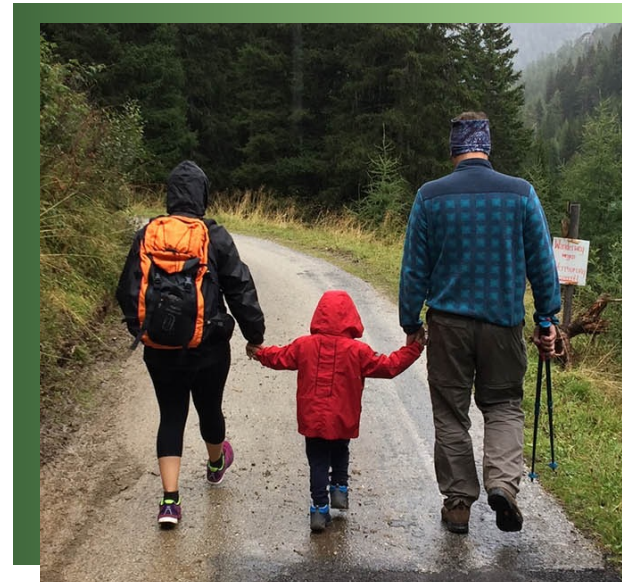
American health care is plagued by excessive cost, limited access to providers, too much paperwork, and surprise billing.

Despite decades of government meddling to fix these problems – particularly since 2010 – our healthcare system has only become more expensive and more burdensome. Indeed, from January 2000 to February 2023, healthcare inflation increased 115% while overall consumer inflation increased 78%.

The patient-centered system everyone wants will only happen when patients are empowered to shop for value. Currently, 92% of all health care dollars are spent by third parties – mostly insurance companies – who call the shots. Let's put those dollars directly into the hands of individuals and families.

It's time to give Americans more control over their own health care.

**It's time for a Personal Option.**



# What is the Personal Option?

## THE PERSONAL OPTION IS THE BETTER WAY TO BETTER HEALTH CARE.

Every man, woman and child in our country should be able to access the health care they need. And because health care is so personal, everyone should be able to choose the coverage that is right for them – regardless of their income.

The Personal Option is the doctor-supported plan that trusts you to make your own decisions about your own health care.

The Personal Option:

- Provides a personal healthcare credit paid directly to individuals, so they'll not only get to choose the healthcare arrangement that is right for them, but they will also never have to worry about losing coverage – that's peace of mind
- Removes the government barriers that prevent patients from accessing the latest innovative, life-saving treatments.
- Allows patients access to non-insurance coverage options like direct primary care, where doctors charge a low monthly fee for a range of common services – sort of like a gym membership for health care.
- Gives patients the freedom to choose their own doctor by putting them in charge of their healthcare decisions.

The Personal Option healthcare plan is the only one that takes this patient-driven approach. By funding patients instead of feeding the healthcare system, it puts you in control.


The Personal Option is simple, affordable health care for life.








# How would the **Personal Option** make health care better?


Rather than empty promises of single-payer proposals like Medicare for All or the public option, the Personal Option is built around a menu of reforms that are proven to work. Here's what the plan entails:

 **Empower patients with health savings accounts:** You can save tax free for retirement and education, so why not health care? A health savings account is like a 401(k) for health care that puts you in control.

 **Unleash insurance-free coverage:** Direct patient care is like a monthly gym membership for health care. Imagine having direct access to your doctor, 24/7, for a low monthly fee you can actually afford.

 **Let doctors own hospitals:** Rampant hospital consolidation is creating huge regional monopolies that keep prices high. By allowing doctors to again own hospitals, we can increase competition and lower prices.

 **Make healthcare coverage portable:** With a personal healthcare credit paid directly to individuals, Americans could buy the healthcare coverage that suits them best. And they would always have access to quality coverage – even if they change jobs. That's peace of mind.

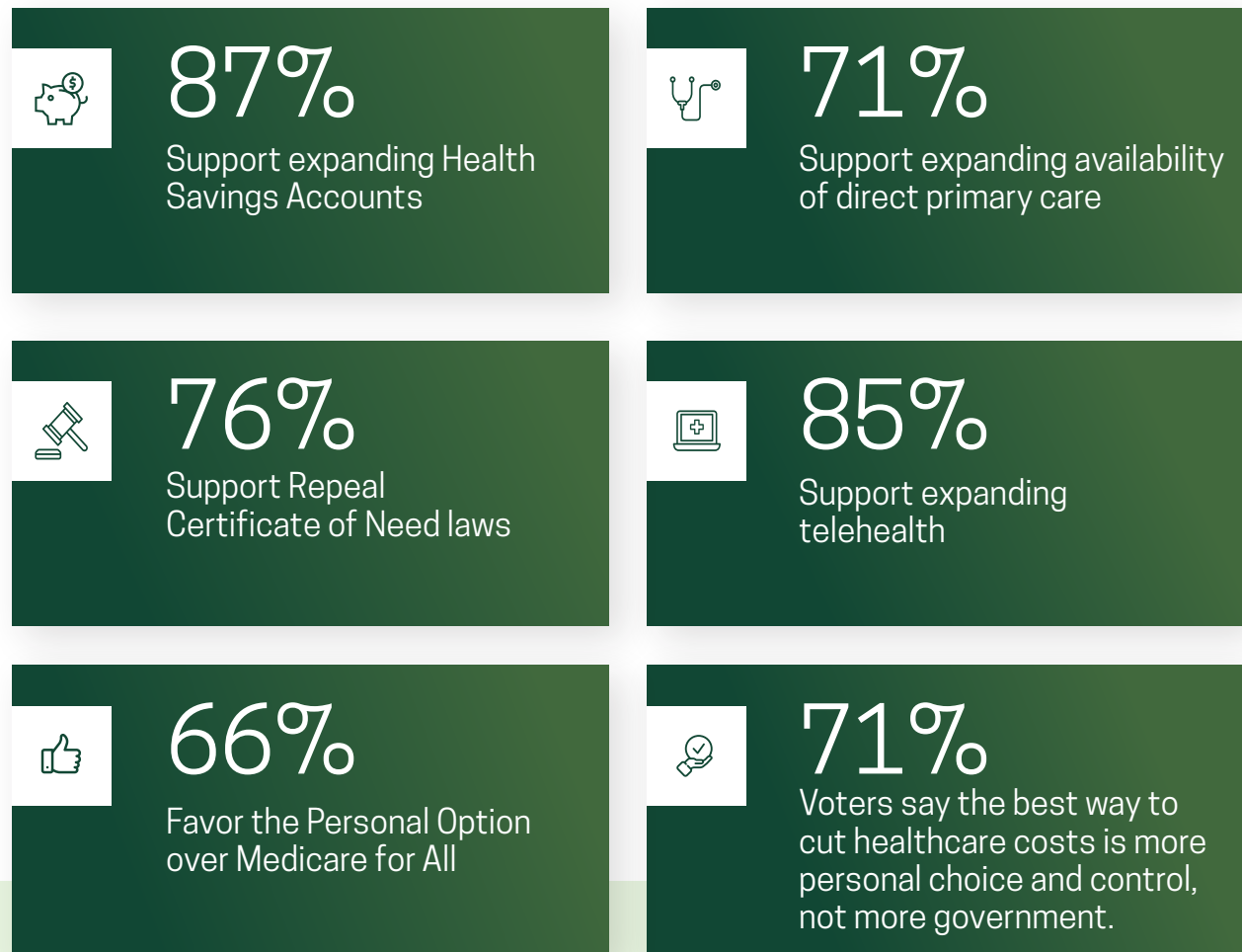
 **Offer low-income Americans something better:** A personal healthcare credit would allow the poor access to healthcare coverage options that are currently out of reach - all while saving taxpayers money.



# What do Americans think of the Personal Option?

Extensive polling by Public Opinion Strategies, one of America's premier political polling firms, finds the Personal Option and its specific policy components enjoy broad appeal. The plan tests well on its own and when matched against Medicare for All or the Public Option. The Personal Option provides free-market healthcare advocates a comprehensive plan that resonates with voters.

The Personal Option and its individual policies are very popular.



## WHAT ARE THEY SAYING ABOUT THE PERSONAL OPTION?

# Members of Congress



*“Due to current federal laws, only 10% of Americans can take advantage of Health Savings Accounts. I’m fighting to ensure the American people who want a HSA have access to one. We need a Personal Option.”*

– Rep. Cory Mills  
(Florida’s 7th District)



*“More innovation in health care is pivotal to keeping Floridians healthy. This is why I support solutions in the Personal Option, including expanded HSAs, telehealth opportunities—especially in our rural communities—and direct primary care agreements.”*

– Rep. Kat Cammack  
(Florida’s 3rd District)



*“Telehealth is expanding and transforming the healthcare industry. We need more innovative solutions to our healthcare system like the Personal Option.”*

– Rep. Greg Steube  
(Florida’s 17th District)



*“Giving the American people more choices in their health care—that’s what we’re talking about with the Personal Option.”*

– Rep. Bill Johnson  
(Ohio’s 6th District)



*“70% of Americans want a Personal Option in health care that makes it easier for them to receive care through telehealth.”*

– Rep. Brian Fitzpatrick  
(Pennsylvania’s 1st District)



*“I think the Personal Option is right on. It really is about personal choice, as opposed to the government running health care.”*

– Rep. Lloyd Smucker  
(Pennsylvania’s 11th District)

## WHAT ARE THEY SAYING ABOUT THE PERSONAL OPTION?

# Doctors

*“Giving patients the power to make decisions is the way to put health care back on the right track. The inclusion of Direct Primary Care and reliance on Health Savings Accounts in the Personal Option shows that it is the right approach to better, more affordable health care.”*

– Josh Umbehr, M.D.

*“The fact that the Personal Option includes an emphasis on Direct Primary Care shows how far advanced it is in its thinking. The future of health care undoubtedly includes DPC as a significant part of the answer.”*

– Lee Gross, M.D.

*“Certificate of Need laws are one of the big injustices that bureaucrats across the country have imposed on patients. They restrict access to care and therefore also raise prices. These problems were recognized as a part of the response to COVID, and the Personal Option helps make sure that these bad laws never return.”*

– Kimberly Legg Corba, M.D.

*“Patients and doctors have had more and more wedges driven between them. Health Savings Accounts help remove these barriers to the patient-physician relationship and put health care back on track. The Personal Option’s focus on this aspect of health care will reduce prices and unlock even more innovation.”*

– Katarina Lindley, D.O. FACOFP

*“As a Direct Primary Care (DPC) doctor, I am greatly appreciative and in full support of the DPC aspects of the Personal Option. I feel that if implemented this plan would greatly encourage the wider adoption of this innovative and cost-effective model of primary care.”*

– Chad Savage, M.D.





## WHAT ARE THEY SAYING ABOUT THE PERSONAL OPTION?

# In the News

### WASHINGTON EXAMINER

#### Empowering patients in healthcare.

The offered solutions vary, but most could be part of a “Personal Option” — reforms that would put patients back in control of their care and coverage. Patients, not insurance companies or government bureaucrats, should have the power to choose the doctors they see and the insurance plans that fit their financial needs.

### ROLL CALL

#### Americans Need a Personal Option for Healthcare, Not a Public Option.

The LIBRE Initiative supports these reforms, and others, as part of what we call a health care personal option, sensible reforms that would bring greater choice, lower costs and more price transparency.

### THE HILL

#### Health reforms both parties should endorse.

AFP activists around the country have been building support for many of these reforms under the banner of giving Americans a “Personal Option.”

### NATIONAL REVIEW

#### Americans for Prosperity Releasing ‘Personal Option’ Health-Care Model at Odds with Dr. Big Brother.

With Senate Democrats ready to spring a health-care public-option bill in the coming weeks, while House Democrats are rallying behind a Medicare-for-all push, it comes fortuitously timed for Americans for Prosperity to launch the next phase of its Personal Option effort, which contends health care can be better, have greater access, and be affordable.

# Join us to pass a Personal Option

The Personal Option offers a robust menu of policy reforms that will give Americans more choice and control over their own health care, saving them money while expanding access to the doctors they want to see.

The way to beat a bad idea — government-run health care— is with a better one. A Personal Option is the smarter alternative to government-controlled health care that can enable lawmakers to go on offense and make meaningful, lasting change.

Across the nation, principled state and federal lawmakers are working to pass components of the Personal Option. These include proven reforms such as:

- expanding access to tax-free health savings accounts,
- repealing certificate-of-need laws,
- increasing telehealth access,
- creating affordable insurance options and
- promoting price transparency.

**These reforms, and their sponsors, deserve our support.  
Here is how you can help:**



## Contact

your legislators and let them know you support a Personal Option for health care.



## Visit

[personaloption.com](https://personaloption.com) to learn more about the Personal Option, including what you can do to [spread the word](#).



## Explore

Americans for Prosperity's 2023 federal policy agenda.

# About Americans for Prosperity

Americans for Prosperity is dedicated to the belief that every person has a unique set of gifts and the ability to contribute to society in their own way, an idea that has inspired progress since our country's founding.

Driven by this belief, Americans for Prosperity engages in broad-based grassroots outreach, recruiting and uniting concerned citizens in all 50 states to advocate for long-term solutions to the country's biggest problems that prevent people from realizing their incredible potential – unsustainable government spending and debt, a broken immigration system, a rigged economy, and a host of other issues.

Visit [americansforprosperity.org](https://americansforprosperity.org) for more information.





# Personal Option Policy Agenda



## How does a Personal Option deliver better health care?

1. Removes barriers between patients and the medical professionals they trust.
2. Empowers patients to shop for value as true consumers.
3. Expands coverage options that make health care less of a hassle.

Health reforms that expand government control, such as “Medicare for All” or a “Public Option,” cannot give Americans what they need and deserve: affordability, dependability, and consumer choice. Instead, policymakers should get behind a Personal Option that expands choice, reduces costs, and gives Americans control over their care.

### ▼ Give all Americans access to a Health Savings Account (HSA)

Health savings accounts (HSA) are tax-advantaged savings accounts for medical expenses, similar to a 401(k). The money invested in an HSA isn’t taxed so long as it is used for a qualified medical expense. This tax advantage essentially gives HSA holders up to a 37% discount (depending on the holder’s tax bracket) on each out-of-pocket health care purchase.

However, HSAs are only available to people with a federally defined high-deductible health insurance plan — just 10% of Americans. **Congress should change the law so that every American who wants an HSA can have access to one.**

#### ▼ Promote patient and doctor relationships through Direct Primary Care

There is an exciting new type of medical relationship between doctors and patients called Direct Primary Care. DPC is the epitome of personalized health care because in a DPC arrangement, there is no health insurance company involved. Instead, patients pay a flat membership fee to a doctor in exchange for primary care services, preventive services, and drug discounts. It's like a Netflix subscription to your favorite doctor.

The IRS does not categorize Direct Primary Care fees as a tax-deductible medical expense, and the agency puts onerous limitations on DPC access for certain Americans. **Congress should override the IRS when implementing health care reform, so that all Americans can choose to join a DPC and deduct health care costs on their tax returns.**

#### ▼ Expand employer-funded health care reimbursement options

Health Reimbursement Arrangements (HRAs) are employer-funded plans that reimburse workers for their medical expenses. A recent federal regulation allows workers to use funds from their HRA to pay for private, portable health insurance that they can take with them job-to-job. **Congress needs to:**

- **Shift this regulation into a law so this benefit can't be taken away.**
- **Allow HRAs to be used to buy short-term renewable health insurance plans, which usually cost far less than traditional plans.**

Association Health Plans let individuals and businesses band together to buy affordable health insurance coverage at lower group rates. Employers save money, and workers get better health insurance for lower premiums than they would on the Obamacare exchanges. However, the Labor Department regulation that allowed AHPs was blocked by a federal judge. **Congress needs to pass a bill to legalize Association Health Plans.**

Short-term health insurance can be an affordable solution for those looking for health coverage during transitional periods in their lives. These plans are often 50-80% less expensive than more comprehensive plans, making them ideal for people who don't want to pay for coverage they don't need. In many states, these plans are banned or restricted. **Congress should act to ensure Americans are allowed access to short-term health insurance options.**

#### ▼ Reduce drug prices without government price-fixing

Certain brand name prescription drugs cost too much, but we need to make sure we lower their prices in the right way. Government price-fixing won't work. Economists say it would reduce the number of new drugs, increase costly hospital stays, and have disastrous health impacts. Instead, we should:

- **Promote competition by bringing more generic drugs to market.**
- **Allow for the sale of drugs already approved by advanced countries we trust.**
- **Reduce seniors' prescription costs by capping out-of-pocket drug prices and closing coverage gaps.**

#### ▼ Streamline federal drug approvals without sacrificing safety

A more effective FDA would get more life-saving drugs and therapies to people faster — without sacrificing safety. That's particularly important when you consider it takes 10 years and \$3 billion to bring a new drug to market. Many of these new drugs are approved years earlier in other countries, to the detriment of American patients. This causes needless suffering and death. FDA reform means:

- **The FDA should clear for sale drugs and devices** that have already been approved by advanced countries we trust, such as Germany, England, and Japan.
- **We should lift the FDA gag rule that prohibits the sharing of valid scientific information with doctors** about possible uses for drugs outside the limits of that drug's labeling — even when the information could be life-saving.
- **We should learn from FDA's incredible success in speedily approving COVID-19 vaccines in 2020** and make its streamlined "Operation Warp Speed" approach the rule for all drugs rather than the exception. This will reduce costs and save lives.

#### ▼ Increase access to telehealth services

Telehealth allows patients to report symptoms or visit with a doctor virtually, over a computer or smartphone, instead of having to be in-person. The pandemic dramatically revealed the need for telehealth services, particularly for those living in underserved rural and urban communities.

Studies show that the use of telehealth reduces infection and hospitalization rates and saves money: a true win-win. But telehealth access is often restricted by insurance company rules and government red tape. **It's time to lift outdated telehealth restrictions and spur a digital health revolution that saves lives and money.**

#### ▼ Repeal certificate-of-need laws, empower health facilities to compete

State and local "certificate of need" or CON laws are well-named: they're the biggest "con" in American health care. These unnecessary, harmful laws require hospital systems and other health facilities to get approval from a government agency before they can open or expand their facilities in a given area. Often, just adding a single new bed or MRI machine requires government approval, a process that can add years and thousands of dollars in costs.

In truth, CON laws are never needed and would be viewed as unacceptable in any other market. These laws often give entrenched existing facilities veto power over competitors that might want to come into their area. This restricts patients' options and keeps costs high. Sadly, more than half the states currently have a CON law on the books. **All Certificate of Need laws should be repealed to boost competition and reduce costs for patients.**

#### ▼ Liberate physician assistants and nurses to fully practice their training

Nearly 80 million Americans do not have sufficient access to a health care provider. That is because many states won't allow non-physician providers, such as advanced practice registered nurses and physician assistants, to practice to the full scope of their training; they must work under the supervision of a physician. **To increase access to medical care in underserved areas and to reduce costs, states should allow nurse practitioners to independently practice to the full extent of their education and training.**

State licensure laws impede the ability of doctors and nurses to care for patients across state lines, including via telehealth. We saw during the pandemic how these laws hindered doctors and nurses from going where they were needed. Removing excessive licensing barriers would greatly improve choice, competition, and quality care options. **States should enact reforms to automatically recognize out-of-state health professional licenses. Congress should ensure doctors and nurses are paid for care lawfully delivered across state lines.**

#### ▼ Promote price transparency and certainty for health care services

In nearly every business, the consumer can see the price up front. Health care, unfortunately, does not operate this way. Prices are often hidden, and costs, even for a routine procedure, can vary wildly without any apparent justification. Unable to shop for value, patients get hit with excessive bills and surprise charges.

The truth is that health care costs will not come down until we have real price transparency. **It’s time to put consumers in the driver’s seat, for example, by empowering patients to shop for value using tools like tax-free Health Savings Accounts and Direct Primary Care arrangements.** Doing this will incentivize doctors and hospitals to publish, and compete on, their cash-pay prices. And that will mean lower costs and higher quality for all of us.

Make your voice heard today.

SIGN OUR LETTER

First Name

Last Name

Email

Zip Code

STAY INFORMED



# Our Personal Option Health Care Vision For Lawmakers



## How lawmakers can help give Americans a Personal Option in health care

Americans aren't looking for a government takeover of health care, they want to keep what works and fix what's broken. A Personal Option offers a robust menu of policy reforms that will give Americans more choice and control over their own health care, saving them money while expanding access to the doctors they want to see.

## What members of Congress are saying about the Personal Option

[“Due to current federal laws, only 10% of Americans can take advantage of Health Savings Accounts. I’m](#)

[“More innovation in healthcare is pivotal to keeping Floridians healthy. This is why I support solutions in the](#)

[“Telehealth is expanding and transforming the Healthcare industry need more innovative](#)

<

fighting to ensure the American people who want a HSA have access to one. We need a Personal Option.”

Rep. Cory Mills (Florida’s 7th District)

Personal Option, including expanded HSAs, telehealth opportunities—especially in our rural communities—and direct primary care agreements.”

Rep. Kat Cammack (Florida’s 3rd District)

solutions to our healthcare system I Personal Option.”

Rep. Greg Steube (Florida’s 17th District)

>

# 10 actions lawmakers can take to advance a Personal Option in health care

Across the nation, principled state and federal lawmakers are working to pass components of a “personal option” approach to health reform. These include proven reforms such as expanding access to tax-free health savings accounts, repealing certificate-of-need laws, increasing telehealth access, creating affordable insurance options, and promoting price transparency. These reforms, and their sponsors, deserve our support.

The way to beat a bad idea — a Public Option — is with a better one. A Personal Option is the smarter alternative to government-controlled health care that can enable lawmakers to go on offense and make meaningful, lasting change.

## ▼ 1. Give patients more control of their health care dollars

Let every American open a tax-free health savings account, a powerful tool that saves you money by enabling you to pay and save for health care, tax-free

- *Enact the Health Care Fairness for All Act (H.R.3129) by Congressman Pete Sessions*
- *Enact the Healthcare Freedom Act (H.R.1769) by Representative Chip Roy*

Make tax-free health savings accounts even better by increasing how much you can save in your HSA and what you can spend the money on

- *Enact the Health Savings Act (S.1158, H.R.2959) by Senator Marco Rubio and Representative Jake LaTurner*

Let every employee use tax-free money from their employer to buy personally tailored, portable health insurance that stays with them from job to job

- *Enact the CHOICE Arrangement Act (H.R.3799) by Representative Kevin Hern*

## ▼ 2. Give patients direct access to doctors

Protect patients’ freedom to use direct primary care, a new model that lets you pay a flat monthly subscription for access to your most trusted doctors and to deep drug discounts

- *Enact the Primary Care Enhancement Act (S.628, H.R.3029) by Senator Bill Cassidy and Representative Lloyd Smucker*

## ▼ 3. Expand telehealth access

Unleash a digital health revolution by allowing patients to share medical information with trusted doctors remotely in real time

- *Enact the bipartisan CONNECT for Health Act (S.2016, H.R.4189) by Senator Brian Schatz and Representative Mike Thompson*
- *Enact the bipartisan Telehealth Expansion Act (H.R.1843) by Representative Michelle Steel*



## Ensure rural Americans can take advantage of telehealth

- *Enact the Protecting Rural Telehealth Access Act (S.1636, H.R.3440) by Senator Joe Manchin and Representative Chris Pappas*

## ▼ 4. Free up health facilities to expand and compete

Reduce prices by ending inflated and dishonest billing of Medicare by local hospital monopolies

- *Enact the SITE Act (S.1869) by Senator Mike Braun*
- *Enact the FAIR Act (H.R.3417) by Representative Kevin Hern*

Lift the federal moratorium on physician-owned hospitals

- *Enact the Patient Access to Higher Quality Health Care Act (S.470, H.R.977) by Senator James Lankford and Representative Michael Burgess*

Repeal local certificate-of-need laws, which restrict competition and drive up costs for patients

## ▼ 5. Liberate medical professionals to deliver care

Let nurses, pharmacists, and physician assistants deliver care for which they're trained

Relax burdensome local rules that require a physician's supervision

Encourage states to recognize the licenses of professionals from other states, so doctors and nurses can practice across state lines

Let doctors and nurses bill Medicare for care they deliver outside their home state

Allow foreign-trained physicians to treat Americans during an emergency

Make commonsense COVID-19 policy waivers permanent

## ▼ 6. Reduce prescription drugs costs

Streamline FDA drug approvals to give patients and doctors more options without reducing safety

- *Enact the RESULTS Act (S.1712, H.R. 3532) by Senator Ted Cruz and Representative Chip Roy*
- *Enact the Promising Pathway Act (S.1906) by Senator Mike Braun*
- *Enact the Biosimilar Red Tape Elimination Act (S.2305) by Senator Mike Lee*

Remove barriers to robust pharmaceutical competition and price transparency

Repeal harmful prescription drug price controls that drive up costs and stifle life-saving innovation

## ▼ 7. Expand affordable insurance options

Protect access to short term health insurance plans, which can be significantly more affordable than traditional plans

- *Enact the Health Coverage Choice Act (H.R.76) by Representative Andy Biggs*

Legalize association health plans, which let small businesses band together to buy affordable coverage for their employees

- *Enact the Association Health Plans Act (H.R. 2868) by Representative Tim Walberg*
- *Enact the CHOICE Arrangement Act (H.R.3799) by Representative Kevin Hern*

Regulate insurance more sensibly so it costs less

Eliminate needless mandates so consumers can buy only what they need

*Eliminate price controls so young people can afford insurance, which reduces costs for everyone*

- Enact the reforms contained in “Health Care Choices 2020,” a comprehensive plan to reduce health care costs that has been endorsed by more than 80 national organizations and experts*

▼ 8. Promote price transparency

Incentivize doctors and hospitals to publish, and compete on, their cash-pay prices

Arm patients to shop for value using such powerful tools as tax-free health savings accounts and direct primary care

▼ 9. Strengthen government safety nets to protect the most vulnerable

Give low-income families more choice and control

Provide tax-free government contributions to low-income families’ health savings accounts

Let seniors choose the health insurance plan that works best for them

Assign new Medicare enrollees to a high-quality, competitive Medicare Advantage plan, while letting them choose a different plan or switch to Original Medicare if they wish

Restore Medicaid to its original mission as a safety net for the truly vulnerable

Phase out federal Medicaid subsidies for adults who are not disabled or poor

Give states flexibility so they can target resources to those who need it

Restructure Medicaid to control costs, eliminate waste and protect taxpayers

▼ 10. Help people, not insurance companies

Reform government subsidies so money is controlled by individuals, rather than by third parties like insurers and employers

- Enact the Health Care Fairness for All Act (H.R.3129) by Congressman Pete Sessions*

Share your perspective with us.

TAKE OUR SURVEY

First Name

Last Name

Email

Zip Code

STAY INFORMED

©2023 Americans for Prosperity copyright

[Privacy Policy](#)

[Terms of Use](#)

**OPINION COLUMNS**

## *Local View: Public health option would hurt more than help Minnesota*

From the column: "Instead of looking to a government option, Minnesota should promote a system that empowers patient choice and removes barriers that drive up costs and reduce quality of care."



Adam Zyglis / Cagle Cartoons

**Opinion by Dr. Robert Koshnick**

March 10, 2023 at 2:49 PM

 Share

 Opinion

Minnesota lawmakers are considering legislation to expand government-run health care. The House Commerce Committee [recently passed](https://minnesotareformer.com/briefs/democrats-make-progress-on-free-school-meals-carbon-free-energy-and-numerous-)(<https://minnesotareformer.com/briefs/democrats-make-progress-on-free-school-meals-carbon-free-energy-and-numerous->

[other-bills/](#)) bill HF96 and referred it to other House committees for consideration. If enacted into law, this bill would harm Minnesota patients through higher prices, reduced access, and lower quality care.

Government-run health care is the wrong prescription for Minnesota, which had lowered insurance premiums that skyrocketed following Obamacare, according to a recent [report](https://files.americanexperiment.org/wp-content/uploads/2023/02/ReinsuranceReport.pdf?v=1675381722)(<https://files.americanexperiment.org/wp-content/uploads/2023/02/ReinsuranceReport.pdf?v=1675381722>) by the Center of the American Experiment. When Obamacare went into effect, premiums increased 119% from 2014 to 2017, resulting in Minnesota ranking 37th for affordability — in the bottom tier of unaffordable states.

Minnesota today has become a role model for health care by focusing on private insurance and other consumer options. A waiver from the federal government allowed Minnesota to shift federal funds from Obamacare toward offsetting the highest-risk individuals in the individual market. The state currently ranks third in the nation for affordability, according to the report. Enrollment in unsubsidized health plans has increased by 21% since 2018, expanding coverage to over 100,000 individuals. In 2021, the state health department [announced](https://www.health.state.mn.us/news/pressrel/2022/uninsured042122.html)(<https://www.health.state.mn.us/news/pressrel/2022/uninsured042122.html>) a historic low in uninsured Minnesotans.

Legislators are poised to make a grave error if they adopt the public option and undermine the private insurance that covers millions of consumers across the state. Doing so would not address the real issues facing health care in Minnesota — it would exacerbate them.

Thousands of doctors across the state already face low reimbursement rates from government programs such as Medicare and Medicaid, forcing providers to raise consumer prices to stay afloat. A public option would expand these low reimbursement rates.

When the state of Washington tried to implement a similar public option starting in 2021, it experienced these problems firsthand. The results have included fewer health care providers participating in public-option plans and financial troubles for those involved. The Washington State Hospital Association [reported\(https://www.wsha.org/articles/washington-hospitals-face-unprecedented-financial-distress-action-needed-by-legislature/\)](https://www.wsha.org/articles/washington-hospitals-face-unprecedented-financial-distress-action-needed-by-legislature/) that in the first quarter of 2022, “hospitals and health systems in Washington lost nearly \$1 billion, with a negative 10% operating margin.” And by the end of 2022, five counties still [lacked\(https://www.politico.com/news/2022/12/27/health-care-costs-public-option-00075150\)](https://www.politico.com/news/2022/12/27/health-care-costs-public-option-00075150) any provider coverage. Minnesota should look at these warning signs before enacting government-run insurance.

A majority of Americans prefer a health care system centered around private insurance, according to [Gallup\(https://news.gallup.com/poll/468401/majority-say-gov-ensure-healthcare.aspx\)](https://news.gallup.com/poll/468401/majority-say-gov-ensure-healthcare.aspx) . Instead of looking to a government option, Minnesota should promote a system that empowers patient choice and removes barriers that drive up costs and reduce quality of care.

For example, we need to expand access to direct patient care, an approach where people pay a monthly fee for open access to primary care. Direct primary care has been shown to dramatically decrease emergency-department use, hospitalizations, and costs. Direct primary care typically efficiently uses telehealth to increase patient access. Widespread use of direct primary care could transform U.S. health care to a much more cost-effective primary care-centered medical care system.

A public option, such as the one the Minnesota Legislature is considering, would increase government control, creating a health care monopoly that would reduce choice and competition and drive up costs. That's not what Minnesota health consumers need or want. Minnesotans would instead benefit from the expansion of



personal options, such as health savings accounts, individual coverage health reimbursement accounts, and other means yet to be developed — to put them in control of their medical care.

More autonomy for patients and more freedom for doctors to provide necessary care are critical. That would increase patient satisfaction and decrease physician burnout. A public option would harm doctors and patients alike.

**Dr. Robert Koshnick of Detroit Lakes, Minnesota, is a retired primary care physician and the author of “**

**Empower-Patient Accounts, Empower**

**Patients**([https://www.amazon.com/Empower-Patient-Accounts-](https://www.amazon.com/Empower-Patient-Accounts-Empower-People-Koshnick/dp/1737648121/ref=sr_1_1?crid=18Y5FHVoTL3LQ&keywords=Empower-Patients+Accounts+Empower+Patients%21&qid=1678384622&s=books&sprefix=empower-patients+accounts+empower+patients+%2Cstripbooks%2C180&sr=1-1)

[Empower-People-Koshnick/dp/1737648121/ref=sr\\_1\\_1?](https://www.amazon.com/Empower-Patient-Accounts-Empower-People-Koshnick/dp/1737648121/ref=sr_1_1?crid=18Y5FHVoTL3LQ&keywords=Empower-Patients+Accounts+Empower+Patients%21&qid=1678384622&s=books&sprefix=empower-patients+accounts+empower+patients+%2Cstripbooks%2C180&sr=1-1)

[crid=18Y5FHVoTL3LQ&keywords=Empower-](https://www.amazon.com/Empower-Patient-Accounts-Empower-People-Koshnick/dp/1737648121/ref=sr_1_1?crid=18Y5FHVoTL3LQ&keywords=Empower-Patients+Accounts+Empower+Patients%21&qid=1678384622&s=books&sprefix=empower-patients+accounts+empower+patients+%2Cstripbooks%2C180&sr=1-1)

[Patients+Accounts+Empower+Patients%21&qid=1678384622&s=](https://www.amazon.com/Empower-Patient-Accounts-Empower-People-Koshnick/dp/1737648121/ref=sr_1_1?crid=18Y5FHVoTL3LQ&keywords=Empower-Patients+Accounts+Empower+Patients%21&qid=1678384622&s=books&sprefix=empower-patients+accounts+empower+patients+%2Cstripbooks%2C180&sr=1-1)

[books&sprefix=empower-](https://www.amazon.com/Empower-Patient-Accounts-Empower-People-Koshnick/dp/1737648121/ref=sr_1_1?crid=18Y5FHVoTL3LQ&keywords=Empower-Patients+Accounts+Empower+Patients%21&qid=1678384622&s=books&sprefix=empower-patients+accounts+empower+patients+%2Cstripbooks%2C180&sr=1-1)

[patients+accounts+empower+patients+%2Cstripbooks%2C180&sr](https://www.amazon.com/Empower-Patient-Accounts-Empower-People-Koshnick/dp/1737648121/ref=sr_1_1?crid=18Y5FHVoTL3LQ&keywords=Empower-Patients+Accounts+Empower+Patients%21&qid=1678384622&s=books&sprefix=empower-patients+accounts+empower+patients+%2Cstripbooks%2C180&sr=1-1)

[=1-1\) .”](https://www.amazon.com/Empower-Patient-Accounts-Empower-People-Koshnick/dp/1737648121/ref=sr_1_1?crid=18Y5FHVoTL3LQ&keywords=Empower-Patients+Accounts+Empower+Patients%21&qid=1678384622&s=books&sprefix=empower-patients+accounts+empower+patients+%2Cstripbooks%2C180&sr=1-1) **He wrote this exclusively for the News Tribune.**

Dr. Robert Koshnick

 Share

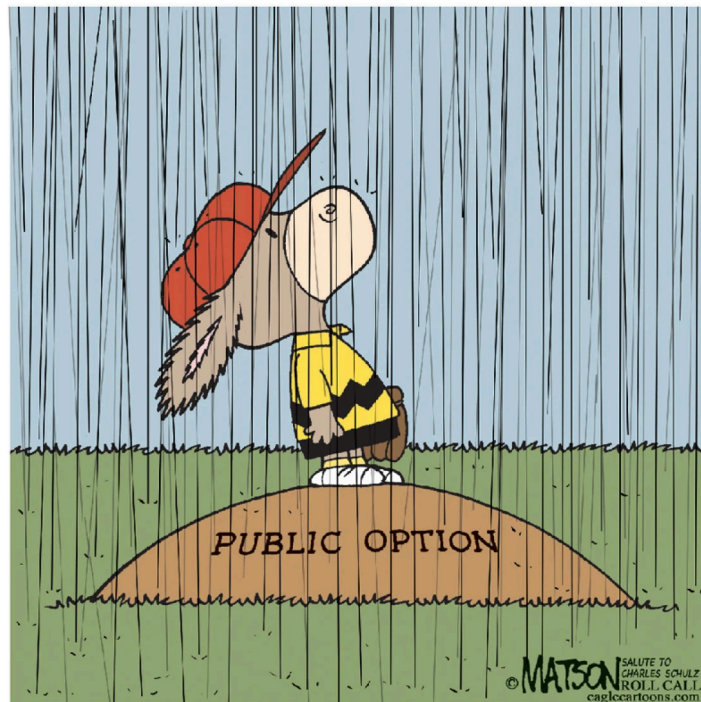
 Opinion

 Tags

## OPINION COLUMNS

## Statewide View: Minnesota should reject a public option in health care

From the column: "There's a better way. A personal option ... arms you with direct subsidies and tax-free health savings accounts, enabling you to choose coverage that truly meets your needs."



R.J. Matson/Cagle Cartoons

---

### Opinion by Jake Coleman

April 29, 2024 at 10:12 AM

---

 Share

 Opinion

---

After last year's legislative spending spree, Minnesota lawmakers are champing at the bit to take more of your hard-earned money, this time by creating a health care “ [public option](https://kstp.com/politics/lawmakers-to-tout-plans-for-new-minnesotacare-public-options-wednesday-afternoon/).

(<https://kstp.com/politics/lawmakers-to-tout-plans-for-new-minnesotacare-public-options-wednesday-afternoon/>) ”

The name sounds appealing. Who could object to everybody having another health care choice? But the reality is problematic: higher costs, greater government control, and unfair competition. It is an expensive short-term fix with long-term negative consequences.

Minnesotans deserve a better way that creates real choice and lower prices by putting individuals, not the government, in control of their care.

The public option

[bill\(https://www.house.mn.gov/members/Profile/News/15529/39075\)](https://www.house.mn.gov/members/Profile/News/15529/39075) on the table would expand MinnesotaCare, our existing government offering for the working poor, allowing everybody to enroll regardless of their income.

Supporters say this scheme would force private insurers to compete and lower their costs. The problem is, it's hard to compete against government subsidies. It's like starting a running race with your competitor already halfway to the finish line.

To be sure, health insurers need stiff competition. But that competition should be fair and should lead to better outcomes for everyone. The public option would not.

Instead, it would require Minnesotans to pay even more in taxes. A [study\(https://www.documentcloud.org/documents/24497107-2024\\_public\\_option\\_report?responsive=1&title=1\)](https://www.documentcloud.org/documents/24497107-2024_public_option_report?responsive=1&title=1) published earlier this year found that the public option would cost the state between \$86 million and \$364 million. Lawmakers who support the bill say they [don't know\(https://minnesotareformer.com/2024/03/22/minnesota-governor-says-public-option-wont-happen-this-year-and-other-labor-news/\)](https://minnesotareformer.com/2024/03/22/minnesota-governor-says-public-option-wont-happen-this-year-and-other-labor-news/) where that money would come from. But we know, don't we? It would come from you and me, in the form of higher taxes.

Would the cost be worth it? If the goal is for everybody to be insured, the answer is no. Minnesota has one of the lowest uninsured rates in the nation at 3.8%. That's less than half the national average. The study estimates only 12% of uninsured Minnesotans would enroll in the public option, leaving the number of uninsured practically unchanged.

Everybody else who opts for the government plan would simply shift from their current, private coverage to take advantage of taxpayer-subsidized premiums. Some people might benefit — but at a high cost to all of us.

Simply shuffling pieces around the board is not the change that Minnesotans need.

The government plan would reimburse doctors and hospitals at Medicare rates, which are only about half of what private insurers pay on average. That differential would make doctors reluctant to accept public-option patients and thus make it harder for those patients to access the quality care they need.

The current system isn't perfect. It's plagued by high prices, low transparency, and weak competition due to misguided government policies. Minnesotans don't want more government control over their health care, and they don't want a complete overhaul of the system. They want to keep what works and fix what's broken.

One reason costs are so high is the large amount of money flowing to health insurance companies and other special interests, with little cost control. A public option would double down on this failed approach by funneling more of your tax dollars to these same third parties.

There's a better way. A [personal option](https://personaloption.com/) is a doctor-supported plan that puts you and your family in charge of your health care dollars. It arms you with direct subsidies and tax-free health savings

accounts, enabling you to choose coverage that truly meets your needs and gain access to services and doctors your health plan doesn't cover. What you don't spend can be saved for future medical expenses. And this plan would retain strong government safety nets for the vulnerable.

Under a personal option, patients would shop for value and providers would compete for their business based on price and quality. We'd see lower prices and far more price transparency.

If you like what you have, you can keep it. But if you want more and better health care, you can have that, too. From low-cost, subscription-based primary care to affordable, short-term renewable plans, you can pick what works best. It's like Amazon for health care.

Americans prefer a personal option over the public option because it delivers what government mandates and bureaucracy can't: hassle-free, affordable health care.

Health care today is too expensive, complex, and frustrating. But it doesn't have to be.

Let's say no to the public option — and say yes to a personal option for all Minnesotans.

**Jake Coleman of Waconia, Minnesota, is state director for the nonprofit Americans for Prosperity-Minnesota**(<https://americansforprosperity.org/state/minnesota/>)

•

Jake Coleman

## READ MORE IN OPINION

**Local View: State of Duluth is one of hope, better housing solutions**  
(<https://www.duluthnewstribune.com/opinion/columns/local-view-state-of-duluth-is-one-of-hope-better-housing-solutions>)  
1h ago



is-one-of-  
hope-  
better-  
housing-  
solutions)

(https://w  
ww.duluth  
newstribun  
e.com/opin  
ion/colum  
ns/statewi  
de-view-  
bidens-  
title-  
insurance-  
waiver-is-  
a-threat-  
to-  
minnesota  
ns)

**Statewide View: Biden's title-insurance waiver is a threat to Minnesotans**(https://www.duluthnewstribune.com/opinion/columns/statewide-view-bidens-title-insurance-waiver-is-a-threat-to-minnesotans)

20h ago

(https://w  
ww.duluth  
newstribun  
e.com/opin  
ion/colum  
ns/pro-  
con-

**Pro/Con: Resolving border crisis will require increased immigration**(https://www.duluthnewstribune.com/opinion/columns/pro-con-resolving-border-crisis-will-require-increased-immigration)

1d ago

resolving-  
border-  
crisis-will-  
require-  
increased-  
immigratio  
n)

 Share

 Opinion

 Tags