



Minnesota Senate
Committee Health and Human Services
March 14, 2024
Senate File 4778 – Minnesota Care Public Option

Dear Senate Health and Human Services Members,

The Minnesota Business Partnership is a membership organization consisting of business leaders from Minnesota's largest employers, employing almost half a million workers across the state. Minnesota ranks near the top in the nation for health care coverage, and we are very grateful to our many world-class health care providers headquartered here in Minnesota. Health care affordability, access, and equity are vitally important to our members, and I write to express some of our concerns regarding SF 4778.

While we share the goal of affordable and accessible health care, this bill is not the way to improve the state's health care system. SF 4778 will increase cost-shifting onto commercial policyholders in both the self and fully insured markets to compensate for lower government reimbursement rates. Consequently, higher health care expenses passed onto private insurers will inevitably result in increased rates for those enrolled in employer-sponsored health insurance programs.

SF 4778 could reduce access to health care and increase costs as the limitations of cost-shifting are reached. With a growing public payer population, health care providers will face mounting challenges in offsetting lower reimbursement rates. This could force providers, especially those already operating on thin margins to reduce services, particularly in rural and underserved areas.

Despite being home to numerous world-class health care providers, this bill threatens to erode the industry's competitive edge and puts Minnesota at a disadvantage to attract global talent to our state, particularly amidst a workforce shortage.

We currently have no way of knowing the full scope of consequences this proposal could have for Minnesota patients, providers, employers, and taxpayers. We respectfully ask committee members oppose SF 4778.

Thank you,

Abby Loesch

Health Policy Director
Minnesota Business Partnership