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April 9, 2024

Health and Human Services Committee
95 University Avenue W.
St. Paul, MN 55155

Chair Wiklund and Members of the Committee:

The Minnesota Council of Health Plans, the trade association for Minnesota's nonprofit health plans (Blue Cross and Blue Shield of Minnesota, HealthPartners, Medica, Sanford Health Plan of Minnesota, and UCare), would like to express our concerns regarding the provisions related to the public option that are included in the Governor's Health and Human Services Budget Bill – S.F. 5385.

The bill includes appropriations from the Health Care Access Fund to continue the actuarial and economic analyses and community engagement for a Minnesota Public Option. The Council agrees that this proposal needs additional analysis and vetting and supports thoroughly studying the impacts of a public option, including impacts to the remaining individual market, sustainability of providers, and patient access to care. However, the Council opposes the inclusion of funding for technology and implementation planning and funding to prepare and submit a state innovation waiver. The Council believes it is premature to submit a waiver and proceed with implementation without a full understanding of the cost and impacts of a public option.

The Council urges caution when considering implementing this type of significant disruption to the individual market and health care system. New York is the only other state that has attempted to expand a Basic Health Plan (BHP). New York received approval on March 1, 2024, to *suspend* their BHP and replicate the program for up to 250% FPL, beginning April 1, 2024. In their 1332 waiver application, New York explains the reason for this approach is "in the interest of reducing coverage disruptions to as many consumers as possible" and cites a heightened administrative burden from running two separate programs. They also included funding to ensure removing the 200-250% FPL population from the individual market risk pool would not result in instability or premium increases for those remaining on the individual market.

Given the only other state contemplating such a move determined separate programs would result in coverage disruptions and heightened administrative burden, the Council urges considerations of additional approaches alongside what is currently included in the Minnesota Public Option Proposal. We also encourage legislators to review the results of the RAND [study](#) commissioned by the Council that provides enrollment and cost analysis on alternative options. The Council desires to serve as a resource as the state contemplates a public option and we are looking forward to engaging with the author further on this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Lucas Nesse", with a stylized flourish at the end.

Lucas Nesse President and CEO