



Health Plan Partnership of Minnesota

[S.F. 4699 Wiklund](#) HHS Omnibus

Article 3

HPPM is opposed to the public option Minnesota Care- Buy-in

HPPM supports the Governor's Position of additional evaluation and actuarial analysis. The public option will fundamentally change the health care ecosystem in Minnesota. HPPM requests waiting for more data.

Uninsured rate in Minnesota is 3.8%

We do not know what impact the public option will have on the remainder of the market.

- *Opposition:*
- Federal authorization of a 1332 waiver *freezes the design* of the public option.
 - Federal approval is based on the specific design submitted. The 1332 waiver request must be supported by modeling, demonstrate federal budget neutrality, and not leave any insured individual worse off than without the waiver.
- The public option study did not estimate the risk to hospitals and key health care infrastructure caused by low reimbursements. Access to care is at risk.
 - Data collected from MHA members show 67% of hospitals and health systems had negative operating margins. Lower reimbursement rates will exacerbate the problems.
- Lower reimbursement rates may further deteriorate the health care workforce.
 - Lower pay will limit the ability to attract talent and retain talent.
 - Metro areas would likely maintain more commercial payors and thus offer better compensation than rural areas, limiting provider access in rural areas.
- The current study did not consider the likelihood employers would drop coverage.
 - The public option study estimated 100,000 Minnesotans selecting the option but did not consider migration from private health care coverage.
 - Employers under 50 employees may drop coverage moving them to the Public Option
 - Individual Health Care Reimbursement Account may be utilized by midsize and large employers will shift more people into the Public Option
- Cost shifting will increase the cost of other insurance.
 - Employers who do not move to the public option will have costs shifted to their health coverage.
 - Union plans including SEGIP will have higher costs.



- Minnesotans may see significant increases in premiums with the expiration of reinsurance. The public option implementation schedule leaves a gap where Minnesotans may face insurance coverage shock.

Article 4

HPPM Opposes the repeal of for-profit HMOs

- The legislative study on HMO conversion will be completed in June.
- To date, there is no evidence of operational differences between the two types of HMOs
- DHS selected a for-profit HMO to provide services for PMAP enrollees because of the value and quality the HMO provided.
- This provision may cost money as DHS will have to facilitate the transition of more than 30,000 PMAP recipients.
- How will Minnesotans who selected for-profit HMO coverage transition to other coverage?
- Why is it good policy to reduce Minnesotans choices on the Exchange?
- Will passage of this legislation create a “takings” action?

Mandates

HPPM opposes unfunded mandates. While they are well intentioned, mandates raise the cost of coverage for Minnesotans who access coverage in the fully insured market.

Misc Article

- Minnesota Health Records Act
 - HPPM opposes this approach to patient data protection
 - The data privacy standards in this provision create administrative complexity.
 - This committee has done great work on telemedicine. The provisions in this bill create a barrier for data transmission that may complicate access to care.
 - HPPM supports an update to the Minnesota Health Records Act
 - MHRA was created in the paper records era, and we face the reality of AI and LLM in health care.
 - We pledge to work with Chair Liebling, Rep Elkins, and stakeholders to develop an updated model.
 - We support a prohibition on patient records being used for fundraising.



We thank Chair Wiklund, the authors, and committee members for their work and look forward to conversations in service to Minnesotans.