

April 17, 2024

Senator Melissa H. Wiklund
Chair, Health and Human Services Committee
2107 Minnesota Senate Bldg.
St. Paul, MN 55155

Senator Paul J. Utke
Ranking Minority Member, Health and Human Services Committee
2403 Minnesota Senate Bldg.
St. Paul, MN 55155

Dear Senators:

We are writing to express our concerns regarding the proposal to create a new public option health insurance system—S.F. 4699, the vehicle for the Committee's omnibus budget/policy bill.

We all agree that Minnesotans deserve access to affordable and high-quality health care, but rushing the public option is not the way to improve the state's health care system. We urge lawmakers to pause and take time to address the list of serious concerns and unanswered questions regarding the proposed public option.

As the Minnesota Department of Commerce has repeatedly acknowledged, the state's recent report on the public option does not express the full cost of creating, administering, and providing necessary technological support for this new state government program. On the contrary, the Department made clear that "the report does not capture the full fiscal impact to the state or the health care system more broadly."

In other words, lawmakers currently have no way of knowing the full scope of consequences this proposal could have for Minnesota patients, consumers, health care providers, employers, and taxpayers. One of the few things made clear in the state's report is that just a small percentage of Minnesota's uninsured population would be covered by the public option and enacting it would have a minimal impact on expanding coverage.

At the same time, a public option could negatively impact a wide range of Minnesotans' existing health coverage choices. Most clearly, the reliance on low payment rates to hospitals and clinics in order to achieve a marketable premium will result in cost shifting onto remaining commercial policyholders in the self and fully insured markets. Government-level provider payment rates could impact patients' ability to access vital health services close to home and in a timely manner, worsening the access problem for those in rural or underserved communities.

Rather than rushing ahead to pass legislation creating the public option, lawmakers should slow down and take the time to learn the answers to the many important questions that remain unanswered regarding the public option's potential costs and consequences.

Thank you for your consideration and your commitment to improving access to affordable, high-quality health care in Minnesota.

Sincerely,



