



Minnesota Senate
Committee on Health and Human Services
April 18, 2024
SF 4699-A2 amendment

Dear Senate Health and Human Services Committee 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 we appreciate the opportunity to provide feedback relative to the Committee's consideration of the Senate's Health Omnibus bill and directly on the A2 amendment, specifically the language on the implementation of the MinnesotaCare public option.

While we share the goal of affordable and accessible health care, this proposal is not the way to improve the state's health care system. The public option 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. The public option could also 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 proposal 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. There are many questions left unanswered about how the public option will impact Minnesotans. We currently have no way of knowing the full scope of consequences this could have on Minnesota patients, providers, employers, and taxpayers.

Sincerely,

Abby Loesch
Health Policy Director
Minnesota Business Partnership