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March 27, 2024

Chair Ron Latz
Senate Judiciary and Public Safety Committee
3105 Minnesota Senate Bldg.
St. Paul, MN 55155

Dear Chair Latz,

On behalf of Minnesota Farmers Union (MFU), I write to share our organization's support for SF4837, which will put in place strong protections for Minnesota taxpayers when the current moratorium on Health Maintenance Organization (HMO) conversions is lifted. We are grateful for Senator Wiklund's leadership on this important topic.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers and rural communities since 1918 and at our most recent annual convention our members voted to make ensuring affordable and accessible care in rural Minnesota a top priority for this year. Protecting the public benefit assets that Minnesota's non-profit HMOs have built up is a key part of meeting those goals.

Without the protections included in SF4837 Minnesota will be at risk when the moratorium on conversions expires in 2026. Other states with weak conversion regulations have seen the value of charitable assets severely undervalued and public assets used to pay millions in executive bonuses. For-profit acquisitions of nonprofit HMOs have also fueled further consolidation in healthcare.

Minnesota's nonprofit HMOs have benefited from significant public investment. SF4837 serves to help ensure that public investment continues to be used for the public's benefit by:

- Recognizing nonprofit health plan assets as public benefit assets.
- Establishing independent valuation of health plan's assets to ensure full and fair value.
- Ensuring opportunities for the public to weigh in on conversions.

We again thank Senator Wiklund for her leadership on this issue and urge the committee to support this legislation. If you have any questions, please contact our Government Relations Director, Stu Lourey, at stu@mfu.org or (320) 232-2047 (C). Thank you for considering the needs and perspectives of Minnesota's farm families.

Sincerely,

Gary Wertish
President, Minnesota Farmers Union