



April 26, 2025

Dear Chair Marty and Members of the Senate Finance Committee:

On behalf of the Minnesota Ambulatory Surgery Center Association (MNASCA), I am writing to express our opposition to the proposed increase in Minnesota's provider tax from 1.8% to 2% as included in the Senate Omnibus Health and Human Services Bill (SF 2669, Article 6, Section 22).

We echo the concerns raised by the Minnesota Medical Association (MMA), which has called the provider tax one of the most regressive taxes in our healthcare system. Increasing this tax raises the overall cost of care and places a disproportionate burden on smaller providers like ambulatory surgery centers (ASCs), many of which operate on narrow margins and lack the financial reserves of large health systems.

This proposed increase comes at a time when healthcare providers are already grappling with a wave of costly new state mandates—including Paid Family and Medical Leave, Earned Safe and Sick Time, new ergonomic standards, limits on medical records charges, surgical smoke evacuation requirements, medical debt regulations, and salary transparency laws. Taken together, these policies are creating significant administrative and financial pressure on providers across the state.

Unlike some other assessments, the provider tax is not reimbursable meaning its full cost falls directly on healthcare professionals and facilities that are already stretched thin by workforce shortages, rising costs, and stagnant reimbursement rates. For ASCs, this could mean scaling back services, reducing access, or even closure—jeopardizing timely, affordable care for thousands of Minnesotans.

We urge you to reject this proposed tax increase and instead pursue equitable, sustainable solutions that do not compromise frontline healthcare providers or reduce access to essential care.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tracy Mills", is written over a light blue horizontal line.

Tracy Mills, President

Minnesota Ambulatory Surgery Center Association