



March 26, 2025

Dear Members of the Health and Human Services Committee,

On behalf of the Minnesota Medical Association (MMA), representing more than 10,000 physicians and physicians-in-training across the state, thank you for the opportunity to weigh in on SF 2669.

The MMA supports language in Article 2, Section 4 to extend coverage of audio-only telehealth services. Without legislative action this session, coverage for these services will expire at the end of the fiscal year. Following the 2024 Minnesota Department of Health (MDH) study into the use and effectiveness of telehealth, it is clear these services are working well for both patients and providers. Audio-only telehealth is especially important for patients with limited access to internet or audio-visual technology, and the MMA strongly supports extending coverage for these services.

The MMA also supports language in Article 8, Section 4, allocating \$1.3 million per year for infectious disease prevention, response, and outbreak control. There is concern among the physician community about the increase in outbreaks of infectious disease across the country. Over 90% of funds to address infectious disease prevention in Minnesota is currently allocated by the federal government. Given the uncertainty of the continuation of these funds, the MMA supports the funding for infectious disease prevention.

Lastly, the MMA is disappointed that the Department of Human Services recommendation to increase Medical Assistance (MA) reimbursement rates for outpatient physician services to 100% of Medicare was not included in the bill. The 2024 DHS study found that MA payment rates have failed to keep up with the cost of delivering care, causing clinics to make difficult business decisions about services to cut or limit. The Legislature has authorized only one across-the-board increase in MA physician and other professional outpatient payment rates since 2011 (a 5% increase in 2014). In that same time, the cost of delivering care has increased by 24%, as measured by inflation in medical practice costs. Without this needed increase, clinics will close, services will be reduced, and patients in every corner of the state will find it more difficult to access care. I urge legislators to consider including the contents of SF1402, which raises outpatient physician and community mental health services, per the DHS recommendation. This proposal maximizes available federal matching funds through an assessment on managed care organizations, of which 99% of the assessment is paid back through increased capitation rates.

Thank you for the opportunity to weigh in on SF 2669.

Sincerely,

Edwin Bogonko, MD
President, Minnesota Medical Association