

April 22, 2025

RE: Support for prohibiting facility fees at clinics and other health care providers (SF2669)

Dear Chair Rest and Members of the Senate Taxes Committee,

We are writing today in strong support of prohibiting facility fees at clinics and other health care providers (SF2669-A6, Article 1, Sec. 3). These provisions are a crucial step toward improving health care affordability and transparency for Minnesotans.

In 2022, Minnesotans spent a record \$66.8 billion on health care, according to the Star Tribune. This represents a 15% increase from the previous year due to price spikes, though the actual quantity of health care services increased less than 1%. Minnesotans are paying for out-of-control health care costs through rising premiums, increased cost-sharing, and extraneous facility fees tacked on medical bills by hospital systems and not covered by insurance.

These fees amount to hidden charges that lack transparency and strain the budget of Minnesotans who are already spending more on health care each year. In addition, the ability to charge these fees drives health systems to buy up independent clinics, creating more and more revenue for hospitals that can afford to grow and consolidate, not necessarily the hospitals that need it most. By prohibiting hospital-based facility fees in clinics, lawmakers can begin to decrease out-of-pocket expenses for patients, temper consolidation, and increase transparency and equity in hospital funding streams.

This policy is common sense and moves Minnesota in the right direction. No other wealthy nation in the world spends as much on health care than the United States, yet our health care access and outcomes rank at the bottom. High health care costs are driven by corporate consolidation, bloated spending on administration, and investor-driven profiteering across health care infrastructure.

Policymakers are responsible for making health care work for everyone, and holding hospitals and other providers accountable for out-of-control costs that hurt people who need care and strain public resources.

We urge lawmakers to take this critical step to make health care costs more affordable and transparent.

Signed,

Minister JaNaé Bates and Alexa Horwart
Co-Executive Directors
ISAIAH

Emilia González Avalos
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