



# STATE OF MINNESOTA

## Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

January 24, 2017

Dear Conferees:

Thank you for your work to advance premium relief for Minnesotans who are purchasing 2017 individual market health insurance and facing unaffordable premiums. As you know, open enrollment for 2017 coverage for these Minnesotans began on November 1, 2016 and ends on January 31, 2017. It is critical that the Legislature move quickly to provide this relief to Minnesotans as soon as possible.

Based on my meeting last week with Majority Leader Gazelka and Speaker Daudt, it is my understanding that the Conference Committee will adopt my proposal to provide a 25 percent premium subsidy to individual market customers who are hit hardest by rising premiums. I appreciate your willingness to accept this change, which will bring relief to Minnesotans using the quickest, most efficient approach available. Commissioner Frans is my administration's lead on the negotiations for SF1 and he will be providing a few technical updates and clarifications to my original bill language for your review during the Conference Committee.

I also discussed with the Leaders that I am willing to accept the following provisions that are included in the House and Senate versions of the bill:

- **Premium subsidy audit:** I agree to accept the provision that requires that the Office of the Legislative Auditor conduct an audit of the subsidy. My original bill assigned this duty to the Commissioner of Commerce.
- **Transition of care coverage for 2017:** I agree to accept the provision that would allow some Minnesotans whose health insurance was terminated to continue to access their current health care providers for 120 days into 2017. This provision appropriates \$15 million one-time for the health plans to implement the change. While I agree with this approach, I request that you work with Commissioner Frans to add language to the bill that ensures that Minnesota Management and Budget can effectively implement the provision.
- **Agricultural Cooperative Health Plan:** I agree to accept the provision that is now included in both the House and Senate bills to allow these cooperatives to offer insurance coverage to their members, as allowed under federal law.

As I stated in my January 12, 2017 letter to the Leaders, I believe reinsurance should be considered separately from SF1 and I am committed to working with the legislature on an approach that is effective and sustainably financed for 2018 and beyond. I have already met with Senator Benson and Commissioner Rothman on this topic, and am committed to finding a cost effective solution.

There are other provisions in both the House and Senate versions of SF1 that deserve serious consideration and I do not agree to as part of this bill. I am strongly opposed to a provision added on the House floor that would allow health insurers to sell products in Minnesota that do not include coverage for critical conditions such as cancer, diabetes and mental health.

Thank you again for your work on the Conference Committee. Commissioner Frans will lead the negotiations from my administration. He and my staff are available to answer questions or provide assistance you may need as you meet this week.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Dayton", is written over the typed name and title.

Mark Dayton  
Governor