



Minnesota House of Representatives

September 26, 2017

The Honorable Thomas E. Price, M.D.
Secretary of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Price,

We, as members of the Minnesota House of Representatives, write today to express our disappointment with your decision to reduce funding for Minnesota's Basic Health plan (BHP), MinnesotaCare. Your recent approval of a 1332 waiver for Minnesota is not the waiver we requested to implement our state's reinsurance program. We requested that the waiver hold Minnesota's BHP harmless. We had assurances from your agency and other federal agencies that our waiver would be approved with no reductions in funding for our BHP. Democrats and Republicans alike share the goal of stabilizing the private health insurance market, but we cannot do so in a way which jeopardizes the availability of quality health care for Minnesotans or that furthers cost shifting to others in the insurance market.

We were alarmed to hear that Minnesota's BHP funding would be reduced by \$369 million. Worse, in the waiver, Minnesota is only set to receive \$208 million for our reinsurance program, funds Minnesotans would have received in the form of tax credits without the waiver; this math simply does not make sense for Minnesotans.

We look at health care through a lens of innovation, from our robust medical device industry to lifesaving research at institutions such as the Mayo Clinic and University of Minnesota. We value having a healthy population, as evidenced by our second-lowest uninsured rate in the nation and our high rankings on many health measures.

Our BHP, created with bipartisan support, provided health insurance to working Minnesotans for over 25 years. Hundreds of thousands of Minnesotans, farmers, small business owners, young adults, and single parents, have used it to provide their families with affordable health care. Under the plan, Minnesotans, many of whom live in rural areas, have access to high-quality providers. Cutbacks to our BHP will result in increased uninsured rates and the transfer of costs, such as expensive emergency room utilization and delayed diagnoses, to others in the insurance market.

It's disappointing that our state is facing a brutal cut when your administration has called upon states to create their own innovative ideas to our nation's health care challenges. MinnesotaCare



was a solution developed over two decades ago that works for Minnesota. This is the kind of innovation your agency should be encouraging. Instead, your action of cutting our BHP funding goes in the opposite direction. We cannot fathom why your agency insists on moving us in a direction in which fewer Minnesotans would be insured and insurance costs would rise.

The reinsurance proposal is expensive to the state and a short term response to a market reeling under uncertainty. Reinsurance is a large subsidy to insurers with little accountability to the public, but it's what our state legislature approved and what our Governor allowed to become law. It's unconscionable that your agency would not only drag your feet in approving our waiver, but penalize Minnesota so harshly. We call on you to reverse your action devastating our state's BHP. Time is running out as the 2018 premium rates need to be finalized soon for public posting on October 2. It's time for you to live up to your responsibility in approving the waiver we requested, and to do so in a manner that does not jeopardize the rest of the health care market serving Minnesotans.

Sincerely,



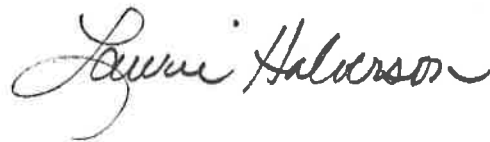
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State Representative



Erin Murphy
State Representative



Tina Liebling
State Representative



Laurie Halverson
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Diane Loeffler
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Jack Considine
State Representative



Dave Pinto
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Mike Freiberg
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Liz Olson
State Representative



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State Representative



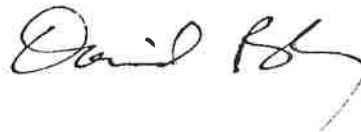
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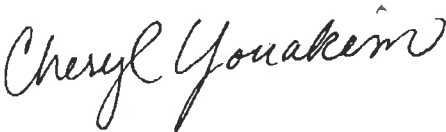
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Clark Johnson
State Representative



Erin Maye Quade
State Representative



Fue Lee
State Representative



Julie Sandstede
State Representative



Connie Bernardy
State Representative



Sandra Masin
State Representative

CC: The Honorable Steve Mnuchin, Secretary of the Treasury
The Honorable Mick Mulvaney, Director of the Office of Management and Budget