



February 28, 2018

Members of the Health and Human Services Reform Committee,

HF 1440 (Baker) and the proposed DE3-1 amendment are due to be presented to the Health and Human Services Reform Committee this Thursday, March 1. This bill seeks to address the untenable epidemic challenges of Opioid abuse in Minnesota. We all want to find the right answers to this perplexing and complicated problem devastatingly affecting families across the state.

However, we have three major concerns with this attempt to find answers to the problem and plan to score it negatively if the bill reaches the House floor in its current form.

First, HF 1140 includes a new tax/fee for the manufacture and distribution of opioid drugs. The bill also layers a new regulatory burden on top of already strong state and federal regulations for this class of drug. These fees and costs always fall directly on the consumer and these are already expensive drugs. In this case, we are talking about taxing people in hospice care, cancer patients and others facing intractable pain. Given the high level of state subsidy to healthcare, this burden falls on the taxpayer as well.

Second, there is no need to increase taxes in a time of budgetary surplus and as per Minnesota Statutes 645.44 sub. 19, a fee is a tax, even if it has the word "stewardship" in front of it. This is particularly true in the healthcare area where exploding costs are adding to the insurance crisis.

Third, the new tax would create another fund, which we are opposed to because it leads to a lack of budgetary transparency. The fiscal note for the Senate companion of this bill simply shows that there will be funds collected. We believe that if the funds exceed the amount projected, the mandate of the task force and the grant program associated with it will grow in response often losing focus and legislative oversight. Such special funds rarely go away because they create a new set of dependent clients, which tend to multiply over time regardless of the original need.

In spite of the goal of addressing this crisis, we conclude this is not a fiscally sound solution to the problem of opioid addiction and abuse. If you have any questions, you can me at 612-888-0844. Thank you.

A handwritten signature in black ink, appearing to read "Ted Lillie".

Ted Lillie President, Taxpayers League of Minnesota