



March 24, 2021

Re: Support for SF 694

Dear Chair Stephenson and members of the House Commerce Finance and Policy Committee:

The undersigned organizations represent thousands of individuals facing serious, acute and chronic health conditions in Minnesota. Our organizations have a unique perspective on what patients need to prevent disease, cure illness and manage chronic health conditions. We strive to put our diversity, knowledge, and expertise to use as a resource regarding any decisions affecting state health insurance marketplaces and the patients that they serve.

Our organizations support SF 694, legislation to continue reinsurance through the 2022 benefit year. We are committed to ensuring that any changes to the healthcare system achieve coverage that is adequate, affordable and accessible for patients. A strong, robust marketplace is essential for people with serious, acute and chronic health conditions to access comprehensive coverage that includes all of the treatments and services that they need to stay healthy at an affordable cost.

Reinsurance is an important tool to help stabilize health insurance markets. Reinsurance programs help insurance companies cover the claims of very high cost enrollees, which in turn keeps premiums affordable for other individuals buying insurance on the individual market. Reinsurance programs have been used to stabilize premiums in a number of healthcare programs, such as Medicare Part D. In 2020, Minnesota saw a 21.3 percent reduction in unsubsidized premium rates because of reinsurance.<sup>1</sup>

Stabilizing health insurance marketplaces is particularly important given the outbreak of COVID-19. The projected costs related to testing and treatment for COVID-19 in the commercial market alone may increase by as much as \$250 billion over the course of one year.<sup>2</sup> By continuing funding for Minnesota’s reinsurance program, Minnesota can help continue to offset some of the projected premium increases, making health insurance more affordable and accessible for Minnesotans.

Continued funding for the reinsurance program will help to significantly reduce premiums and increase the number of individuals obtaining health insurance through the individual market. This would help patients with pre-existing conditions obtain affordable, comprehensive coverage.

On behalf of our organizations, we ask you to support SF 694. For more information, please contact Emily Myatt, Minnesota Government Relations Director for the American Cancer Society Cancer Action Network, at [emily.myatt@cancer.org](mailto:emily.myatt@cancer.org).

Sincerely,

American Cancer Society Cancer Action Network  
American Diabetes Association  
American Heart Association  
Arthritis Foundation  
Epilepsy Foundation of Minnesota

JustUs Health  
The Leukemia & Lymphoma Society  
Minnesota Breast Cancer Coalition  
National Multiple Sclerosis Society

<sup>1</sup> Justin Giovannelli et al., The Benefits and Limitations of State-Run Individual Market Reinsurance (Commonwealth Fund, Nov. 2020). <https://doi.org/10.26099/q2z8-nv33>

<sup>2</sup> <https://www.law360.com/articles/1256170/attachments/0>