



6/15/2021

Mr. Chair and members of the committee,

We are writing in support of the discontinuation of the “reinsurance” program in the Commerce omnibus. As organizations representing and serving Minnesotans who purchase health care coverage through individual or small group insurance or MinnesotaCare, we have been extremely concerned about the growing costs and shrinking benefits of reinsurance.

The price tag for extending the reinsurance program would have been over \$400 Million, spread between the HHS and Commerce bills, and would have come on top of hundreds of millions already invested in the program and lost in federal BHP funding as a result of reinsurance. The recent American Rescue Package includes a new cap on premium contributions for benchmark coverage at 8.5% of income in the individual market, and lower premiums for lower income enrollees, and will also therefore increase BHP funding. This further decreases the potential benefit of continuing reinsurance, while increasing the potential cost to the state.

Originally reinsurance was proposed as a two year bridge to stabilize the market. Then a two year extension was granted, which ends at the end of this calendar year. Then two or more years of extension had been proposed, with no end in sight. Thank you for recognizing that it is time to turn our attention to more sustainable, long term solutions to health care affordability.

The Land Stewardship Project is an organization committed to promoting a just food and farming system and the creation of healthy, sustainable communities. We represent thousands of households across the state, farmers and small businesspeople, in rural and urban settings.

The Minnesota Nurses Association is 22,000 dedicated RNs and other healthcare professionals in Minnesota, Wisconsin, North Dakota, and Iowa, who promote the professional, economic, and personal well-being of nurses through collective action. Our members care for patients in hospitals, clinics, nursing homes, and other healthcare settings.

SEIU Healthcare Minnesota represents 50,000 healthcare workers in hospitals, clinics, nursing homes, and self-directed homecare.

TakeAction Minnesota is a grassroots organization representing 55,000 individual Minnesotans in every county in the state and 22 organizational members advocating together for racial, gender, and economic justice at the local, state, and federal level.