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October 1, 2015

The Honorable Lucinda Jesson, Co-Chair  
Minnesota Health Care Financing Task Force  
540 Cedar Street  
Saint Paul, MN 55101

Sahra Noor, Co-Chair  
Minnesota Health Care Financing Task Force  
425 20<sup>th</sup> Avenue South  
Minneapolis, MN 55454

Dear Commissioner Jesson and Co-Chair Noor:

As the Health Care Financing Task Force continues its work, I would like to recommend rate stabilization reforms to address a number of issues that have arisen through the Commerce Department's role as Minnesota's health insurance market regulator.

As you know, Minnesota's health insurance companies requested significant rate increases this year for plans sold on the individual market. While only approximately six percent of Minnesota consumers purchase health insurance on the individual market, these requested rate increases impact thousands of Minnesotans and their families as well as the stability of the overall health insurance marketplace.

The State of Minnesota must take the lead in examining additional reform options to strengthen consumer protections as well as stabilize the health insurance marketplace to keep health insurance coverage affordable and accessible. These state reforms are now especially necessary due to the eventual elimination of federal rate stabilization programs at the end of 2016.

I ask that the Task Force examine these issues in detail in the coming weeks. My recommendations include:

1. A Minnesota price stability mechanism;
2. Looking deeper and examining insurer's reserves and profits;
3. Policies that foster greater price transparency and cost competition; and
4. Carefully considering the option of merging the individual and small group markets.

Commissioner Jesson and Co-Chair Noor

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It is vital that the Legislature becomes fully engaged in these issues prior to the 2016 session. The work of the Task Force is a good opportunity to present options to Legislators for discussion and action next year. I offer the full assistance of the Commerce Department to you in order to move forward on addressing these important issues.

Sincerely,

A handwritten signature in black ink that reads "Mike Rothman". The signature is written in a cursive, flowing style.

Mike Rothman

*Commerce Commissioner*

cc: The Honorable James Metzen, Minnesota Senate  
The Honorable Paul Gazelka, Minnesota Senate  
The Honorable Tony Lourey, Minnesota Senate  
The Honorable Julie Rosen, Minnesota Senate  
The Honorable Kathy Sheran, Minnesota Senate  
The Honorable Michelle Benson, Minnesota Senate  
The Honorable Joe Hoppe, Minnesota House of Representatives  
The Honorable Joe Atkins, Minnesota House of Representatives  
The Honorable Matt Dean, Minnesota House of Representatives  
The Honorable Diane Loeffler, Minnesota House of Representatives  
The Honorable Tina Liebling, Minnesota House of Representatives  
The Honorable Tara Mack, Minnesota House of Representatives  
The Honorable Joe Mullery, Minnesota House of Representatives