

January 7th, 2016

To: Members of the Health Care Financing Task Force

Re: Restoring MinnesotaCare

Dear members of the Health Care Financing Task force:

This December, two important reports highlighted the resources available for Minnesota to make health care more affordable for working families, many of whom are seeing health care costs claim a larger and larger share of their paychecks. Minnesota's Health Care Access Fund (HCAF) is projected to have a more than \$1 billion dollar surplus in FY 2019. The HCAF was established in 1992 to increase access to health care, contain health care costs, and improve the quality of health care services. Recent modeling done by actuarial firm Milliman for the Health Care Financing Task Force shows that Minnesota could save additional HCAF resources and stabilize working families' healthcare by restoring MinnesotaCare eligibility to qualified households earning up to 275% of the Federal Poverty Level (FPL). We therefore write to urge you to support the following recommendations:

- **Provide an option for affordable, high-quality coverage for more working families by restoring MinnesotaCare eligibility.** MinnesotaCare is a homegrown innovative solution for people who work hard in lower-wage jobs but are not offered options for affordable quality health coverage by their employer or the market. The estimates prepared by Milliman show that MinnesotaCare is good for the state as well as families. In fact, of the three options for such families scored by Milliman, this one had the lowest cost for the state.
- **Protect high-quality, affordable coverage by retaining the provider tax.** If the provider tax is allowed to expire, Minnesota will lose a crucial resource for providing quality, affordable health insurance to working families. Our state's health care system will risk being defined by the gap between those who are paid enough to afford good insurance and those who are not.
- **Restore affordable premiums and cost-sharing for MinnesotaCare.** Last session, Minnesota passed legislation that placed an unnecessary burden on the backs of MinnesotaCare users in the form of higher premiums and cost-sharing. Studies repeatedly show that even small cost increases cause low-income patients to reduce their use of effective health care. Given the healthy outlook in the HCAF, these cuts are even more unnecessary.

Currently, MinnesotaCare covers more than 100,000 Minnesotans who work hard but still struggle to make ends meet. It is used by employees of small businesses, by entrepreneurs, and by farmers, providing a crucial service from the streets of our cities to the fields of Greater Minnesota. A robust MinnesotaCare has become especially important with our state's recent premium increases in the private market, which are forcing more families to choose high-deductible plans that can leave them financially devastated if they break a limb or fall ill. In contrast, the state is negotiating greater and greater value for state, federal, and individual MinnesotaCare dollars.

Just as MinnesotaCare efficiently serves our diverse workforce, building on MinnesotaCare's success will meet the wide-ranging mission of the Task Force. These recommendations honor your mission to "[reduce] barriers to accessibility and affordability of coverage" by allowing more Minnesotans' access to an affordable, high-quality coverage option. These policy choices encourage "seamless coverage" by

promoting better alignment among Minnesota's health care options. These recommendations are financially sustainable, and they propel Minnesota forward on our decades-long tradition of innovating health care affordability and equity for working families.

Sincerely,

AARP

African Immigrant Services (AIS)

AFSCME Council 5

Center for Earth Spirituality and Rural Ministry
of the School Sisters of the Notre Dame

Children's Defense Fund-Minnesota

CHUM

Community Action Duluth

Growth & Justice

Hennepin County Medical Center

Immigrant Law Center of Minnesota

ISAIAH

Jewish Community Action

Jewish Family Service of St. Paul

Joint Religious Legislative Coalition (JRLC)

Lake Superior Community Health Center

Land Stewardship Project

Legal Services Advocacy Project

Minneapolis Urban League

Minnesota AIDS Project

Minnesota Budget Project

Minnesota Council of Child Caring Agencies

Minnesota Council of Nonprofits

Minnesota Farmers Union

Minnesota Health Care Safety Net Coalition

Minnesota National Farmers Organization

Minnesota Nurses Association

MN Association of Community Health Centers

MN Community Action Partnership

NAMI Minnesota

NARAL Pro-Choice Minnesota

National Multiple Sclerosis Society, Upper
Midwest Chapter

Northwest Community Action, Inc.

OutFront Minnesota

PICO Center for Health Organizing

Planned Parenthood Minnesota, North Dakota,
South Dakota

Portico Healthnet

Rainbow Health Initiative

SEIU Minnesota State Council

TakeAction Minnesota

The Arc Greater Twin Cities

The Minnesota Consortium for Citizens with
Disabilities

Three Rivers Community Action

UFCW Local 1189

Vietnamese Social Services of Minnesota