



STATE OF MINNESOTA

Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

April 23, 2012

The Honorable Michelle L. Fischbach
President of the Senate
State Capitol, Room 226
75 Rev. Dr. Martin Luther King, Jr. Blvd.
St. Paul, Minnesota 55155

Dear Madam President:

I have vetoed and am returning Chapter 213, Senate File 247, a bill requiring local government employers to approve participation in or withdrawal from the Public Employees' Insurance Program (PEIP). PEIP has generated millions of dollars in savings for public employees, their local government employers, and taxpayers across our state. It is troubling that the legislature would consider a measure like this to restrict competition in the insurance marketplace.

PEIP provides coverage for approximately 5,000 police officers, teachers, maintenance workers, and other local employees statewide. More than half of its 83 participating groups have 26 or fewer employees and 32 have 10 or fewer employees. PEIP pools small groups of local employees into larger pools, resulting in lower cost coverage than a local unit of government may be able to obtain elsewhere.

We should be encouraging employees to seek competitive bids for their health care coverage, not adding additional barriers to exploring options. Creating a new step in the approval process for police officers, teachers, maintenance workers, and local employees, as they attempt to access affordable health care is ill-advised.

The bill does nothing to encourage competition between private insurance companies. To control increasing health care costs for public employees, their employers, and, ultimately, Minnesota taxpayers, we need to give them more ways to access a competitive market place, rather than place restrictions on the options currently available to them.

Sincerely,



Mark Dayton
Governor

cc: Senator David H. Senjem, Senate Majority Leader
Senator Thomas M. Bakk, Senate Minority Leader
Senator Gary Dahms
Representative Kurt Zellers, Speaker of the House
Representative Paul Thissen, House Minority Leader
Representative Joe Hoppe
The Honorable Mark Ritchie, Secretary of State
Mr. Cal R. Ludeman, Secretary of the Senate
Mr. Albin A. Mathiowetz, Chief Clerk of the House of Representatives