



February 17, 2021

Professional Distinction

Personal Dignity

Patient Advocacy

Senator Benson
Members of the Health and Human Services Finance and Policy Committee
Minnesota Senate Bldg.
95 University Ave W, St Paul, MN 55103
St. Paul, MN 55155

Senator Benson and Members of the Health and Human Services Finance and Policy Committee:

With 22,000 members, the Minnesota Nurses Association (MNA) is the largest voice for professional nursing in the State of Minnesota. We are a leader in both the labor and health care communities and a voice for our members on issues relating to the professional, economic and general well-being of nurses and in promoting the health and well-being of the public. We write to express our opposition to SF 694, the Minnesota premium security plan funding operation extension bill.

MNA was opposed to the Minnesota Premium Security Plan when it was first passed. In 2017 we asked the Legislature to carefully consider if reinsurance was the right approach to address rising premiums and deductibles and shrinking provider networks. The reinsurance program was designed for the state to pay health companies for high-cost claims, but in return there was no guarantee the insurance companies would offer affordable premiums, reasonable deductibles, and comprehensive provider networks. The state was proposing to spend up to \$542 million to prop up a market made up of about 4% of Minnesotans who purchase individual coverage for themselves and their families. We support the intent to help those people but we would have preferred to do it in a sustainable way, not this expensive government effort to get them into insurance they might not be able to afford to use.

In 2018, the early impacts of the reinsurance program were seen when the 2019 rates for the individual market were released. In the individual market, rates were slated to decrease, but we wonder whether that's an actual decrease or a smaller increase than anticipated if the reinsurance program were not in place.

More recently, according to information on the Department of Commerce website, In the individual market, the 2021 average rate changes range from a 0.67 percent increase to a 4.21 percent increase over the prior year's rates

Our objections remain the same in 2021 as they were in 2019 and 2017. Reinsurance is not a game-changer in the broader push to control health care spending, instead it artificially reduces the cost of premiums. Once the program goes away there is nothing that will keep the cost of premiums from going up.

345 Randolph Avenue
Suite 200
St. Paul, MN 55102

Tel: 651.414.2800
800.536.4662

Fax: 651.695.7000

Email: mnnurses@mnnurses.org

Web: www.mnnurses.org

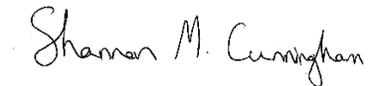


AFL-CIO

While reinsurance has shifted the burden of paying the bills to the state government, the program has done nothing to tackle the increasing costs of hospital and physician care or prescription drugs, and it has reduced the federal assistance available to Minnesotans in private plans and to MinnesotaCare.

For those reasons we oppose SF 694 and extending the reinsurance program beyond what is already in statute.

Sincerely,

A handwritten signature in black ink that reads "Shannon M. Cunningham". The signature is written in a cursive, flowing style.

Shannon M. Cunningham
Direction of Community and Government Relations
Minnesota Nurses Association

