

March 26, 2015

Dear Speaker Daudt:

We are writing to urge you to oppose the elimination of MinnesotaCare, as proposed under HF 1665 (Dean). MinnesotaCare has provided reliable, comprehensive, affordable public health coverage to Minnesota families for over 20 years. Its elimination would harm over 90,000 Minnesotans who rely on it for affordable health care.

MinnesotaCare is an essential source of health coverage for working families across the state. Individuals are eligible for MinnesotaCare if they earn between \$15,500 and \$23,300 per year for a single individual – for example full-time workers earning \$8 to \$12 an hour. MinnesotaCare enrollees are parents and single adults who work in jobs that do not offer employer coverage. They are retail employees, child care providers, janitors, and small business owners. MinnesotaCare is a particularly important source of coverage in greater Minnesota. The 25 counties with the highest percentage of MinnesotaCare enrollees per capita are all in greater Minnesota.

HF 1665 would dramatically increase health care costs for MinnesotaCare families while also complicating enrollment, reducing critical benefits such as mental health services, and decreasing coverage stability.

Consider a 40 year-old single woman in Minnesota who earns \$22,000 a year as a child care provider. On MinnesotaCare, she pays \$43 a month plus a minimal deductible and co-pays for comprehensive, quality health coverage. Under HF 1665, she would lose her coverage and be eligible to purchase private insurance. On MNsure her options would include one or more silver plans with tax credits and cost-sharing reductions as required under the ACA (referred to as MinnesotaCare II in HF 1665). HF 1665 also proposes an unspecified amount of state-based premium assistance for MinnesotaCare II plans. Even with this assistance, her annual health care costs could double, triple, or worse. Even small costs sharing increases have significant impact on low-income workers, and the increases would be greatest for those with the greatest health needs.

Moreover, access to state-based premium assistance would be dependent on a timely build-out of MNsure functionality, and at best would only be available to consumers enrolling in a very limited number of silver plans. In this context, many consumers will opt to remain uninsured or select high-deductible Bronze plans, leaving them unable to actually access care.

HF 1665 would undermine the economic well-being of thousands of Minnesota families across the state. The elimination of MinnesotaCare would also put the health of thousands of Minnesotans at risk at a time when the state faces a \$1.9 billion budget surplus, and the Health Care Access Fund alone has a surplus of \$13 million. We would urge you to consider these harmful consequences and join us in opposing the elimination of MinnesotaCare.