



April 1, 2025

Dear Committee Members:

I am reaching out to respectfully request your support for **HF2435**, which includes the Governor's budget proposal of **\$1.3 million per year** in sustainable and predictable funding for infectious disease prevention, response, and outbreak control.

The College of Veterinary Medicine and its Veterinary Diagnostic Laboratory are key partners to the Minnesota Department of Health (MDH) in our shared mission to protect the public from infectious disease threats. This investment is essential to ensure Minnesota remains prepared to prevent and respond to both current and emerging infectious diseases that affect the health and safety of our communities and our food supply. It enables timely interventions and reduces the risk of outbreaks that can affect both human and animal populations.

The MDH Public Health Laboratory and the University of Minnesota's Veterinary Diagnostic Laboratory are at the forefront of identifying emerging infectious and zoonotic diseases—such as Rabies, Tularemia, Q-fever, Leptospirosis, Lyme Disease, and others. By monitoring disease trends and preventing cross-species transmission, these laboratories play an essential role in minimizing environmental degradation and improving public health outcomes.

Integrating human health surveillance with veterinary and environmental monitoring enhances our ability to protect public health across all sectors. This collaborative approach is an indispensable part of our collective efforts to maintain a healthy, safe, and resilient Minnesota.

Sincerely,

A handwritten signature in black ink that reads "Laura K. Molgaard". The signature is written in a cursive, flowing style.

Laura Molgaard, Dean

April 2, 2025

Representative Jeff Backer
Representative Robert Bierman
Co-Chairs of the Committee on Health Finance and Policy

Re: HF 2435 — Bierman: Department of Health, health care, pharmacy services, background studies, Department of Human Services program integrity, health-related licensing boards, and certain fee provisions modified; forecast adjustments made; and money appropriated.

Subject: Well Management in Governor Budget Recommendations

Dear Chair Backer, Chair Bierman, and Health Finance and Policy Committee Members,

The Minneapolis Health Department appreciates the opportunity to provide stakeholder comments to the committee in consideration of the Governor's budget request for funding recommendations.

The Minnesota Department of Health's Well Management Program supports our work in the Minneapolis Health Department to preserve and improve the quality of drinking water resources, and we suggest that its priority in funding recommendations reflects our shared view of the importance of protecting public health and ground water for future generations.

We collaborate closely with the Well Management Program, which has delegated well program oversight in Minneapolis. This partnership includes training and support for our staff, enabling us to effectively administer a local well program that protects groundwater and public health. The Well Management Program has trained our inspectors to ensure consistent implementation of the Minnesota Well Code (Minnesota Statutes, Chapter 103I, and Minnesota Rules, Chapter 4725). Their ongoing assistance is crucial to our effective local regulatory program, including support for activities like locating and identifying unsealed wells, which pose a significant risk to drinking water quality by allowing contaminants to enter the groundwater.

Thank you for your consideration.

Sincerely,



Patrick Hanlon
Deputy Commissioner
Sustainability, Healthy Homes and Environment
Minneapolis Health Department



Minnesota Hospital Association

161 Rondo Ave., Ste. 1010
Saint Paul, MN 55103

www.mnhospitals.org

April 2, 2025

Submitted Electronically

Chair Backer, Chair Bierman, and Members of the House Health Finance and Policy Committee,

We are writing to you today on behalf of the Minnesota Hospital Association (MHA) regarding multiple provisions in HF 2435 (Bierman), the Governor's Health and Human Services budget bill proposal.

Concerns with Significant Licensing Fee Increases in Article 1. MHA is continuing to assess the potential financial impacts of the numerous significant licensing fee increases on hospitals proposed throughout Article 1 of HF 2435. Given the breadth of the fee increases proposed, MHA estimates that some hospitals could have net licensing fees increase by tens of thousands of dollars depending on the types of services they offer and the specialized equipment that they subsequently use. MHA understands that fees are necessary to support regulatory oversight and patient safety, however the apparent blanket fee increases in Article 1 may need adjustment to better align with actual costs to the Department. MHA will provide further comments if needed.

Additionally, MHA also continues to assess the potential impacts of Article 1, Sections 38-44 which establishes new governance, including fees, and rulemaking for X-ray service provider practices including service technicians, vendors, qualified medical physicists, qualified experts, and physicist assistants. Similarly, MHA will provide further comments if needed.

Support for Extension of Medical Assistance (MA) Audio-only Telehealth. MHA strongly supports the temporary extension of MA coverage of audio-only telehealth in Article 2, Section 4. MA coverage for audio-only telehealth services has been invaluable in expanding access to critical health care services and helping mitigate provider workforce shortages across Minnesota.

The telehealth study released by the MDH in September 2024 outlines how audio-only telehealth is an important tool to increase availability of equitable care to patients with behavioral health and chronic care conditions and individuals with limited broadband access. MHA encourages the legislature to support the Governor's proposal to preserve patient access to telehealth services in all geographic areas of the state by extending coverage of MA audio-only telehealth services.

Thank you for the consideration of our comments, we look forward to working with this Committee as the health and human services budget takes full shape. Sincerely,

Mary Krinkie
Vice President of Government Relations
mkrinkie@mnhospitals.org

Danny Ackert
Director of State Government Relations
dackert@mnhospitals.org

Senator Melissa Wiklund, Chair,
Senate Health and Human Services Committee

Representative Robert Bierman, Chair,
House Health Finance and Policy Committee

I'm writing to you today to express my support for increasing the fee structure for the inspection of food, pools and lodging services for the Minnesota Department of health. As a restaurant owner for 25 years, it's never an easy thing to see costs of business going up, especially in this environment of high labor and high food costs, but in this regard, I think it only makes sense that the costs for this valuable service would also increase in this inflationary environment.

My experience with this branch of the health department has been very positive. I am usually one that is cynical of the machinations of government. I've run small businesses all my adult life and engaging with regulatory agencies are generally one of the least favorite necessities of running a business. But over the years, I have come to appreciate the collaborative interactions I've had with this agency, and have come to realize that it is a service that is important and necessary for the health and well-being of the community, as well as the businesses that sometimes in the chaos of large volumes and tight budgets can lose track of vital things and leave themselves exposed in a way that have the potential to irreparably damage their reputation and finances.

Recently, my business experienced a fire, and the timing of that fire could not have been worse and the need for me to reopen as soon as possible was of vital importance if my business was going to survive. I contacted food branch of the Mdh and they were very responsive in helping me find the quickest Best path to reopening in a way that was compliant and safe. The systems that they have developed for inspection of facilities and the education of business owners and managers in order to maintain Vital safeguards for the public health are both effective and efficient. I support an increase in the fee structure for this branch of the Mdh so that it can maintain It's vital role in the areas of commerce that it watches over. Sincerely -

Owner : Bruce Black


Sydneys Frozen Custard.

UNIVERSITY OF MINNESOTA

Twin Cities Campus

*Center for Infectious Disease
Research and Policy*

Research and Innovation Office

*Mayo Memorial Building
420 Delaware Street SE
Minneapolis, MN 5545*

*Office: 612-626-6770
Fax: 612-626-6783
www.cidrap.umn.edu*

April 1st, 2025

Re: HF2435


Dear Representatives,

Thank you for the opportunity to share my strongest support for House File 2435, which will provide critical resources to the Minnesota Department of Health (MDH) for infectious disease prevention, response, and outbreak control. I come to this issue having served for 24 years at the MDH, 18 of those years in charge of infectious diseases for the state. I also served as State Epidemiologist for 15 years. I currently am a Regents Professor and Director the Center for Infectious Disease Research and Policy (CIDRAP) at the University of Minnesota.

During my tenure at the MDH, the general support from the state of Minnesota for infectious disease prevention, response and control was continually reduced as federal funds from the Centers for Disease Control and Prevention (CDC) became more available to the state. This trend has continued in the years since I left the MDH. In fact, today infectious disease activities are over 90% federally funded in Minnesota. But that funding has been decreasing or remained static while the costs for controlling these diseases have been increasing. Most concerning is what will happen with federal funding going forward. All indications from discussions with senior colleagues at the CDC point to major cuts in federal funds to states for infectious disease activities in the immediate months ahead. Such cuts will devastate the MDH's capacity to respond to these infectious disease threats without state resources.

The \$1.3 million requested by the MDH is essential support for protecting Minnesotans against the ever-growing threat of infectious diseases. As we witness the US government withdrawing critical support for infectious disease control around the world, we can expect spillover of those diseases right here in Minnesota. In addition, we have an increasing risk of domestic-related infectious challenges like measles and other childhood vaccine-preventable diseases, H5N1 influenza in poultry and dairy cattle with potential for human illness, rapidly increasing fatal antibiotic-resistant infections, growing threats from foodborne disease, and the expanding range of mosquitoes carrying viruses that are transmitted to humans. The list goes on! In short, it is my best professional judgment that Minnesota is on a collision course between a serious future lack of public health resources and the growing threat of emerging and existing infectious diseases. All citizens are at risk for these infections, and that risk will grow substantially if the MDH does not have the resources to respond. Thank you for the opportunity

to provide my input for your consideration. I'm happy to discuss this issue with the committee members and staff if that will be helpful.

A handwritten signature in black ink that reads "Michael T. Osterholm". The signature is written in a cursive style with a long horizontal stroke extending from the end of the name.

Michael T. Osterholm, PhD, MPH
Regents Professor
McKnight Endowed Presidential Chair in Public Health
Director, Center for Infectious Disease Research and Policy
Distinguished Teaching Professor,
Environmental Health Sciences, School of Public Health
Professor, Technological Leadership Institute, College of Science and Engineering
Adjunct Professor, Medical School



April 1, 2025

RE: HF 2435 – Governor’s Budget Proposal

Chair Backer, Chair Bierman, and Members of the Committee:

I am writing on behalf of the Local Public Health Association of Minnesota (LPHA) and our more than 250 members of public health leaders from city, county and Tribal public health departments across the state. Our mission is to work statewide to achieve a strong and effective public health system. I am providing this letter to detail items of support and concern included in HF 2435.

- **Substance Misuse Prevention Grant Restoration** – During the 2023 legislative session, \$10 million per year was allocated to local and Tribal health departments for creating and disseminating cannabis educational related materials, providing safe use and prevention training, technical assistance, and community engagement. At the end of the 2024 legislative session, \$3.6 million of those funds allocated for local public health were reallocated to other programs. Local public health is appreciative of the proposal in this bill to reallocate MDH funds to restore approximately \$2.5 million per year to these grants and hope for a full restoration of \$3.6 million per year. Local health departments are already being called upon by community partners to go into schools, work with community organizations and consult with businesses about the impacts of adult-use cannabis legalization and other substance prevention topics. Local public health agencies have a pivotal role in advancing education, preventing substance use before it starts, reducing stigma, and implementing evidence-based prevention strategies to enhance community resilience but need consistent, reliable funding to provide this support. (126.14)
- **Food, Pools and Lodging Fees and Statewide Hospitality Fee** – LPHA is supportive of efforts to ensure MDH has capacity to do environmental health-related inspections, ensuring restaurants and other facilities are safe. However, we are concerned about the recommendation to change the way that the Statewide Hospitality Fee is collected from establishments licensed by locally delegated agencies. Under this proposal, delegated local public health agencies would collect this fee annually at time of licensure and remit these payments to MDH by July 1 of each year. This proposal conflicts with current delegation agreements. This proposed change also leaves unresolved questions— would MDH bill local governments if they are unable to collect fees from establishments? Further, many local health departments have very limited capacity. If locally delegated agencies are serving in a fee collection role for the state, a percentage of that fee should be retained by the licensing jurisdiction for costs associated with collecting the fee. We are engaged in conversation with the MDH to address our concerns and obtain clarity on key issues in this proposal. (57.23)
- **Infectious Disease Infrastructure** – LPHA supports the proposal that provides \$1.3 million per year in ongoing funding to support infectious disease prevention, early detection, and outbreak response. Building capacity at MDH to conduct case investigation, provide technical assistance, education, and guidance to local public health, Tribal health, healthcare and other organizations will make Minnesota more resilient in the event of

infectious disease outbreaks such as measles, tuberculosis, or H5N1. (128.4)

- **Reduced Public Health Infrastructure Pilot Projects Grant Program** – The Governor's revised budget proposal also recommends a \$2 million per year reduction to the Public Health Infrastructure Pilot Projects Grant program. This program provides funding to selected community health boards and Tribal governments to pilot new public health delivery models that make health departments adaptive to workforce shortages, use resources more effectively and better address community health needs. For example, one agency implemented a rural data hub pilot project where they utilized their staff and infrastructure to provide data support to 10 neighboring counties. This ensured that each of those neighboring counties didn't have to use limited resources to build their own data infrastructure or hire additional staff to fill this need. As a result of this funding and testing this project, the region gained access to critical public health data that supports informed decision-making and strategic use of limited resources at the local level. Other agencies have implemented shared public health communications models across multiple counties to add capacity, reduce duplication, and maximize cost-sharing. This 1/3 reduction to the funds will directly result in a reduction of innovation and resource-sharing that can happen in local and Tribal health departments.
- **Reduced Emergency Preparedness and Response Sustainability Grants** – The Governor's revised budget proposal recommends a reduction in local and Tribal public health emergency preparedness grants of \$427,000 in FY 2026 and \$423,000 in each subsequent year. Responding to disasters and emergencies—whether health focused or not—is a core responsibility of Minnesota's local public health departments. The COVID-19 pandemic reinforced the need to have a strong infrastructure that can support a robust and sustained response to emergencies, both through planning and response. This investment has already been crucial in building capacity at local health departments. Previously, this work was funded entirely by federal grants which were cut over time, resulting in a system where there was very little capacity to prepare for and respond to emergencies. Given recent announcements at the federal level of significant reduction in COVID-19 related funding, state-level funding is more crucial than ever. This funding has provided each community health board with added capacity to fill gaps in emergency preparedness infrastructure allowing for dedicated staff that can focus on preparing for and responding to emergencies. Cutting these funds impacts our state's ability to respond to the next emergency.

Local public health agencies are on the front lines every day to protect and promote the health of our communities. We look forward to continuing our collective work to improve the health all Minnesotans.

Sincerely,



Kari Oldfield-Tabbert, Executive Director

UNIVERSITY OF MINNESOTA

Twin Cities Campus

*Center for Infectious Disease
Research and Policy*

Research and Innovation Office

*Mayo Memorial Building
420 Delaware Street SE
Minneapolis, MN 5545*

*Office: 612-626-6770
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April 1st, 2025

Re: HF2435

Dear Representatives,

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During my tenure at the MDH, the general support from the state of Minnesota for infectious disease prevention, response and control was continually reduced as federal funds from the Centers for Disease Control and Prevention (CDC) became more available to the state. This trend has continued in the years since I left the MDH. In fact, today infectious disease activities are over 90% federally funded in Minnesota. But that funding has been decreasing or remained static while the costs for controlling these diseases have been increasing. Most concerning is what will happen with federal funding going forward. All indications from discussions with senior colleagues at the CDC point to major cuts in federal funds to states for infectious disease activities in the immediate months ahead. Such cuts will devastate the MDH's capacity to respond to these infectious disease threats without state resources.

The \$1.3 million requested by the MDH is essential support for protecting Minnesotans against the ever-growing threat of infectious diseases. As we witness the US government withdrawing critical support for infectious disease control around the world, we can expect spillover of those diseases right here in Minnesota. In addition, we have an increasing risk of domestic-related infectious challenges like measles and other childhood vaccine-preventable diseases, H5N1 influenza in poultry and dairy cattle with potential for human illness, rapidly increasing fatal antibiotic-resistant infections, growing threats from foodborne disease, and the expanding range of mosquitoes carrying viruses that are transmitted to humans. The list goes on! In short, it is my best professional judgment that Minnesota is on a collision course between a serious future lack of public health resources and the growing threat of emerging and existing infectious diseases. All citizens are at risk for these infections, and that risk will grow substantially if the MDH does not have the resources to respond. Thank you for the opportunity

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A handwritten signature in black ink that reads "Michael T. Osterholm". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Michael T. Osterholm, PhD, MPH
Regents Professor
McKnight Endowed Presidential Chair in Public Health
Director, Center for Infectious Disease Research and Policy
Distinguished Teaching Professor,
Environmental Health Sciences, School of Public Health
Professor, Technological Leadership Institute, College of Science and Engineering
Adjunct Professor, Medical School

March 20, 2025

Committee Chairs
Health Finance and Policy Committee
Minnesota House of Representatives
100 Rev. Dr. Martin Luther King Jr. Boulevard Saint Paul, MN 55155

Subject: Recommendation for Increased Funding for the Minnesota Department of Health Food, Pools, and Lodging Services

Dear Committee Chairs,

I am writing to advocate for the augmentation of fees allocated to the Minnesota Department of Health's (MDH) Food, Pools, and Lodging Services program. As a consumer advocate with a focus on food safety and allergen control, I recognize the paramount importance of this program in safeguarding public health throughout Minnesota. Maintaining safe and sanitary conditions within food establishments, lodging facilities, swimming pools, and recreational sites is crucial, particularly for vulnerable populations, including children, the elderly, and individuals with food allergies or compromised immune systems.

The program's budget was last adjusted in 2017. Since then, operational costs have risen substantially, encompassing staff remuneration, state administrative charges, inspection-related travel expenditures, and essential technological upgrades. The current funding constraints have necessitated the vacancy of critical positions, a reduction in inspector training, and the deferral of inspections for certain food vendors, such as those operating at fairs and festivals, despite the heightened potential for food safety risks in these environments.

Furthermore, delays in the revision of the Minnesota Food Code, attributed to financial limitations, have resulted in the state's failure to adopt the most current FDA standards. These standards incorporate recent scientific findings and industry best practices, which directly impact food safety and allergen management in Minnesota. An outdated regulatory framework impedes the enforcement of optimal practices designed to mitigate allergen control violations and foodborne illness outbreaks.

The integrity of food safety should not be compromised by budgetary shortfalls. The MDH's capacity to conduct timely inspections, enforce regulations, and update public health guidelines is intrinsically linked to the well-being of Minnesota's residents. A judicious fee increase will enable the department to sustain its essential functions, ensuring that businesses adhere to the highest safety standards and that consumers are protected from preventable foodborne illnesses and allergen-related incidents.

I respectfully urge you to support the MDH's request for a fee increase, thereby enabling this vital program to continue to protect the health and safety of all Minnesotans. Thank you for your consideration.

Sincerely,

Lesley Fahey
431 Wilderness Dr, Chaska, MN 55318
LesleyFahey13@gmail.com
763-843-2326

Consumer Advocate

Michelle HW Hill
9122 Princeton Court
Woodbury MN 55125
michelle@allergenfreecook.com
Direct dial (612) 701-4004

March 18, 2025

Attn: Angie Wheeler, Environmental Health Manager
Minnesota Department of Health - Food, Pools and Lodging Services Section
Freeman Building
625 Robert Street N
St. Paul, MN 55164-0975

Senator Melissa Wiklund
Chair, Senate Health and Human Services Committee
2107 Minnesota Senate Building
St. Paul, MN 55155

Representative Robert Bierman
Co-Chair, House Health Finance and Policy Committee
5th Floor Centennial Office Building
St. Paul, MN 55155

Subject: Support for Increased Funding for the Minnesota Department of Health Food, Pools, and Lodging Services

Dear Senator Wiklund and Representative Bierman,

I am writing to express my strong support for the Minnesota Department of Health's (MDH) request to increase fees for the Food, Pools, and Lodging Services program. As a consumer advocate focused on food safety and allergen control, I recognize the critical role this program plays in protecting public health across Minnesota. Ensuring that food establishments, lodging facilities, swimming pools, and recreational sites maintain safe and sanitary conditions is essential, particularly for vulnerable populations such as children, the elderly, and individuals with food allergies or compromised immune systems.

The last budget modification for this program occurred in 2017. Since then, costs have risen significantly, including staff salaries, indirect state charges, travel expenses for inspections, and necessary technology upgrades. Without an increase in funding, MDH has been forced to leave positions vacant, reduce essential training for inspectors, and deprioritize inspections of certain food vendors, such as those operating at fairs and festivals, despite the potential for increased food safety risks in these settings.

Additionally, delays in updating the Minnesota Food Code due to funding constraints leave the state behind in adopting the latest FDA standards, which incorporate new scientific findings and industry best practices. This poses a direct risk to food safety and allergen management in Minnesota. An outdated regulatory framework limits the ability to enforce best practices that reduce allergen control violations as well as foodborne illness outbreaks.

Food safety should never be compromised due to budget shortfalls. MDH's ability to perform timely inspections, enforce regulations, and update public health guidelines directly impacts the well-being of Minnesota residents. A modest fee increase will allow the department to continue its essential work, ensuring that businesses comply with the highest safety standards while protecting consumers from preventable foodborne illnesses and allergen-related incidents.

I urge you to support MDH's request for a fee increase so that this vital program can continue safeguarding the health and safety of all Minnesotans. Thank you for your time and consideration.

Sincerely,
Michelle HW Hill
Consumer Advocate



Minnesota Veterinary Medical Association

101 Bridgepoint Way • Suite 100 • South Saint Paul, Minnesota 55075
ph 651-645-7533 • fx 651-645-7539 • mvma.org • info@mvma.org

April 1, 2025

Dear Co-Chair Backer, Co-Chair Bierman, and House Health Finance and Policy Committee members,

Please accept this letter of support on behalf of the Minnesota Veterinary Medical Association (MVMA) and its nearly 2,000 member veterinarians. We strongly support the proposed \$1.3 million/year funding in fiscal years 2026 and 2027 for infectious disease prevention, early detection, and outbreak response that is included in the current version of HF 2435 (lines 128.4–128.10).

Veterinarians play a vital role in Minnesota's public health infrastructure, often serving as frontline responders in the detection and management of zoonotic diseases, antimicrobial resistance, and emerging health threats.

Effective public health initiatives require collaboration between human and animal health sectors, and the proposed funding would ensure that the Minnesota Department of Health has the necessary resources to protect our communities and Minnesota producers from infectious disease risks. To protect human health, we must ensure we have healthy animals. Ensuring that our health department has the funding to work as a team to prevent and respond to diseases such as the H5N1 strain of highly pathogenic avian influenza (HPAI) is imperative.

The MVMA strongly urges the Minnesota Legislature to pass HF 2435 with this funding included to provide the Minnesota Department of Health with the resources needed to effectively combat infectious diseases. We appreciate the leadership and commitment demonstrated by the Governor and Legislature in prioritizing this essential public health funding.

Thank you for your consideration. Please do not hesitate to reach out if we can be of assistance.

Sincerely,

Kelly Andrews, CAE
Executive Director



CAPITOL OFFICE BUILDING
525 PARK STREET
SUITE 140
ST. PAUL, MINNESOTA 55103
651-645-0099 FAX 651-645-0098

April 2, 2025

House Health Finance and Policy Committee
Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Dear Chair Backer, Chair Bierman, and Members of the Committee,

The Minnesota Council of Health Plans, the trade association for Minnesota's nonprofit health plans (Blue Cross and Blue Shield of Minnesota, HealthPartners, Medica, Sanford Health Plan of Minnesota, and UCare) works every day to support access to high-quality affordable health care. We are writing to express our concern over several provisions contained in the Governor's Health and Human Services budget recommendations included in HF 2435.

HMO Surcharge Tax Increase

The first concern is the proposal to double the HMO surcharge from 0.6% to 1.25%. Every session, we hear concerns about the cost of health care and we are committed to the shared goal of keeping health care affordable and accessible. Nonprofit plans provide coverage for 94% of the fully insured market. As nonprofits, health plans do not have profits or shareholders to support, instead our historical 1-3% margins are reinvested to support Minnesotans. The surcharge increase of over \$260 million would add costs that would be passed along to premium payers – increasing the cost of health care coverage for your constituents buying health insurance on their own and the small business owners who provide coverage for their employees.

The Minnesota Center for Fiscal Excellence recently released Health Care Taxes in Minnesota – a report summarizing the current landscape of health care taxes in our state. It

shows that this tax increase would fall on markets that are already paying multiple other taxes. In addition to the HMO surcharge, plans pay a 1% premium tax to the Health Care Access Fund and a 3.5% premium assessment to help fund MNsure. Combined with the provider tax and the MA Hospital surcharge, taxes on this market would collectively exceed 9%. These taxes are significantly higher than what the largest employers pay on the self-insured market, which total 3.36%.

Beyond this tax increase, the Governor's proposal also increases several fees on HMOs that will only further exacerbate the pressures put on health care affordability for Minnesotans. The Council encourages the Legislature to focus on working to lower premiums and out-of-pocket costs, not increase them through more taxes and higher fees.

Prescription Drug Carve Out

Our second concern is the proposal to carve out the pharmacy benefit from the state's managed care program. The most important question that needs to be answered on this proposal is – will the lives of the 1 million Minnesotans enrolled in managed care be improved?

Minnesota implemented managed care almost 40 years ago because using only a fee-for-service model in Medical Assistance was providing poor access to care for Minnesotans served by public programs. Prescription drugs are a central component of these services and separating this benefit from managed care organizations (MCOs) and moving it back into the fee-for-service model will have a number of downstream impacts for enrollees. Separating out the pharmacy benefit will mean that enrollees who are used to being able to go to their MCO for all of their healthcare related needs and assistance, will now need to reach out to DHS or a separate entity for pharmacy-related concerns.

The managed care model provides several significant benefits to the state, but most importantly, it improves health outcomes because of care coordination performed by MCOs. Care coordination means serving the whole person and managed care is most effective when care management extends across all health care services. When MCOs do not have a direct line of sight into the pharmacy benefit, it has a detrimental impact on their ability best provide care for enrollees. Separating out the pharmacy benefit will make it challenging for MCOs to understand which enrollees may have a new diagnosis as evidenced by new prescriptions, to do medication therapy management, to stratify for clinical program enrollment, to identify enrollees that may have medication adherence issues, and to manage the pharmacy lock-in program to assist enrollees with high potential

for medication misuse. Without oversight of the pharmacy benefit, MCOs will not be able to answer questions related to prescriptions or to help facilitate solutions – enrollees will be faced with a back-and-forth between DHS and their pharmacy.

As the committee debates this topic, we again ask, will this change improve the lives of the 1 million Minnesotans enrolled in managed care? A few years ago, the state embarked on a preferred incontinence program because of potential cost savings, which occurred, but also resulted in Medical Assistance enrollees not getting the products and care they needed which impacted their overall health. We should be focused on enrollee care and member experience first and foremost.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lucas Nesse', with a stylized, sweeping underline.

Lucas Nesse
President and CEO