

Senator John Marty's statement on the "Public Option" and his reasons for opposing the legislation

Minnesotans need healthcare for all. We must continue to fight for that.

I am not opposed to the "Public Option" bill because it doesn't go far enough. I oppose it because it moves us backwards.

The Public Option does not save money. It costs much more and takes resources from better means of improving access to urgent healthcare needs.

The Public Option would cost over \$500 million in the first full biennium of operation, while improving access for only about 2 percent of Minnesotans. It makes healthcare *less* affordable for the other 98%, many of whom also struggle to access care. For the same amount of money, there are better means of improving access for those struggling to pay for care.

It is not a "public" option. It subsidizes the same insurance companies that provide coverage in the MNsure exchange. The legislation essentially moves people from plans offered by **Blue Cross or Medica or other insurers** in the MNsure exchange, to plans offered by **Blue Cross or Medica or other insurers** in Minnesota Care.

The people in the public option would receive better benefits with fewer copays and deductibles, but **only** because they are heavily subsidized by the state and because they reimburse hospitals and providers less.

There are serious problems with the Public Option that haven't been addressed – including adverse selection, which would result in a higher risk pool, putting more financial pressure on Minnesota Care.

Additionally, the proponents have no means of paying the \$500 million cost when the plan is implemented. This expense will need to come *on top of* the costs of replacing the faulty "reinsurance" program for many of those who are not in the Public Option.

There are important steps Minnesota can take to move us forward in 2025-26:

1. Deprivatize (remove the insurance company middlemen from) our public health programs, using some of the savings to increase reimbursements for mental health and other under-funded services.
2. Take systemic steps to reduce costs and improve care, such as expanding county-based purchasing and CARMA (County Administered Rural Medical Assistance), replace PBMs with a single drug purchasing pool, enact more prior authorization reform, etc.
3. Expand and improve coverage to those struggling to afford care, in a cost-efficient manner. Improving coverage under the current dysfunctional system is inevitably expensive, and with limited funds, we must spend it wisely. Both the Public Option and Reinsurance are expensive, inefficient, and problematic. Better temporary options, until we fix our healthcare system, include buying down out-of-pocket costs and targeted subsidies for those struggling most with costs.
4. In addition to these incremental steps to help those struggling to afford care, we can take preparatory steps to make the big jump forward from our dysfunctional, bureaucratic *health insurance* system to the MN Health Plan, a cost-efficient *health care* system – the **only** proposal that covers all Minnesotans for all their medical needs. The 2023 legislature appropriated over \$2 million to do a comprehensive cost/benefit analysis comparing the MN Health Plan to our current health insurance system, due in 2026. It is time to deliver **healthcare** for all, not health **insurance** for some.