



## **MAHU Statement about MNcare Buy-In**

Dear Legislator:

The Minnesota Association of Health Underwriters is the largest association that represents health insurance and employee benefit agents. Our clients are individuals and employers throughout the state. More than anyone, we represent the voice of consumers.

### **The High Cost of the MNcare Buy-In**

MNCare reimburses clinics and hospitals less than it takes to provide services. More patients with lower reimbursement rates threatens the viability of many hospitals and clinics – particularly in rural areas. The lower reimbursement rates also shift costs to the private sector, making private individual and small group insurance even more expensive in comparison.

Governor Dayton's own estimates of the premium costs of this program have gone from \$451 per month per person last year to \$659 this year – a 46% increase! In addition, the Dayton Administration has drastically underestimated their own administrative costs, while overestimating the administrative costs of private sector policies.

The Buy-In program directly competes with private sector plans, but on an uneven playing field, as private carriers must comply with complex regulations and reserve requirements. This will destroy private market options for individuals and undermine the small group market. The private small group and individual market has dwindled substantially already and will completely be destroyed by this government takeover of the health insurance market.

The "Public Option" was rejected in the debate over ObamaCare, because it would lead to government run coverage by eliminating private coverage. Many states have tried and failed to offer government run health plans.

**Oppose the MN care Buy-In!**