

Congress of the United States
Washington, DC 20515

October 5, 2017

The Honorable Don Wright
Acting Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C.

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid
Services
7500 Security Boulevard
Baltimore, Maryland 21244

Dear Acting Secretary Wright and Administrator Verma:

We write to thank you for approving Minnesota's 1332 waiver and express our strong opposition to the proposed cuts to the Minnesota Basic Health Plan.

Minnesota's individual insurance market has seen escalating health care premiums in recent years, with average rate increases of 60 percent last year. This escalation is making health insurance increasingly expensive for the five percent of Minnesotans that access health insurance on the individual market.

As you know, Minnesota was recently informed that the State's request for a 1332 waiver was approved. Unfortunately, this approval appears to be coupled with a devastating \$369 million cut in funding for our Basic Health Plan (BHP). While Minnesotans would have coverage in the short-term, this cut would have a substantial impact on the state's ability to provide health coverage for more than 100,000 Minnesotans, as well as our state's budget going forward.

The Centers for Medicare and Medicaid Services (CMS) reasoning for such a cut is confounding. Governor Dayton stated in a letter dated September 19, 2017 that CMS staff guided the State through the drafting of the reinsurance legislation and the 1332 waiver application so that the expedited process for creating the reinsurance program would maximize federal funding for Minnesotans. We have trouble understanding why CMS would have led the state in this way, only to turnaround and insist upon an enormous cut to a critical public health insurance program that serves vulnerable families. Furthermore, in an October 3, 2017 letter, Governor Dayton provides a clear legal analysis demonstrating that there is nothing in the text of the Affordable Care Act or associated regulations that prohibits Minnesota from receiving full BHP funding, and that the Secretary has broad authority to determine the amount of the state's BHP funding.

Minnesota wants to move forward on its reinsurance proposal so families can take advantage of an estimated 20 percent reduction in individual market premiums that they expect as a result of this initiative. We believe a cut to MinnesotaCare to make that happen is unacceptable and unnecessary. We urge CMS to rescind the proposed cuts to MinnesotaCare, our Basic Health Plan.

Sincerely,



BETTY MCCOLLUM
Member of Congress



KEITH ELLISON
Member of Congress



COLLIN C. PETERSON
Member of Congress



RICHARD M. NOLAN
Member of Congress



TIMOTHY J. WALZ
Member of Congress