



Tuesday, April 30, 2019

Key Vote Alert: Vote “Yes” on HF2414 – Omnibus HHS Finance Bill

Dear Members of the Minnesota Senate,

On behalf of Americans for Prosperity activists across Minnesota, I am writing today to urge a “Yes” vote on final passage of HF2414, the Omnibus Health and Human Services Finance Bill, which upholds the repeal of the provider tax and protects Minnesota families from additional government-imposed costs on their health care.

As a “Key Vote”, Americans for Prosperity – Minnesota may include this vote in our end-of-session Legislative Scorecard that will be shared with your constituents.

Health care affordability and access remain top concerns among Minnesota families and businesses. For years, the state legislature has worked to address this problem. Former Gov. Mark Dayton and a Republican legislature agreed to repeal the health care provider tax in 2011, removing unnecessary government-imposed costs from the system.

By reinstating the provider tax, the Governor and Minnesota House would undo this bipartisan work – and raise \$750 million annually in new taxes on the backs of patients already struggling to afford the care they need. Their proposal ignores a simple truth — you can’t make health care more affordable by making health care cost more.

The history of the tax since it was scheduled in 2011 for repeal in 2019 is a case study in accounting gimmicks and budget shell games that highlight the lack of real transparency or accountability in health care funding. Subsequent legislatures have time and again used surpluses within the Health Care Access Fund (HCAF) for additional programs not intended when the tax was first imposed.

In effect, Minnesotans have been paying 2% more than they should every time they get sick in order to maintain an off-book slush fund that has been raided time after time for other priorities, to replace general fund spending, or to hide funding and set up accounting gimmicks. By FY19, the HCAF only allocated \$21 million for MinnesotaCare, only a small percentage of the \$530 million program. Today, the revenues from the provider tax cover a grab bag of expenditures, including line items at the University of Minnesota, bureaucrats at the Departments of Health and Human Services and even staff at the Minnesota Legislature.

Before we ask Minnesotans to pay higher taxes on their own health care, we should make sure that we are being accountable for every dollar currently being spent on state programs. Yet report after report from the Legislative Auditor has identified hundreds of millions of dollars of waste, fraud, and abuse, including benefits going to those who either never were or are no longer eligible. Combined with the projected \$1 billion “surplus” that Minnesota is already over-charging taxpayers, these available funds are more than

Through broad-based grassroots outreach, *Americans for Prosperity (AFP)* is driving long-term solutions to the country’s biggest problems. AFP activists engage friends and neighbors on key issues and encourage them to take an active role in building a culture of mutual benefit, where people succeed by helping one another. AFP recruits and unites activists in 35 states behind a common goal of advancing policies that will help people improve their lives.

enough to fund the current commitments to existing programs, ensuring that no Minnesotans need see yet another shift in their care.

The bottom line – we do NOT need the provider tax to fund Minnesota’s current public programs. History has shown that rather than funding needed care, it has only facilitated out of control general fund spending. We support the Senate plan that would keep the current repeal of the provider tax in place and end this unnecessary and burdensome tax once and for all.

Thank you for the opportunity to share our position on this important issue. Please don’t hesitate to reach out if you have questions, need more information, or if you would like to discuss the issue further.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Flohrs', with a stylized, cursive script.

Jason Flohrs
State Director
Americans for Prosperity - Minnesota