

MINNESOTA
CHAMBER *of*
COMMERCE

July 20, 2012

Commissioner Mike Rothman
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198

Dear Commissioner Rothman:

The Minnesota Chamber of Commerce requests your support in creating a Minnesota health insurance exchange that reflects a strong state commitment to the role of free markets and consumer choice in offering high quality, cost-effective health care to all Minnesotans.

The Chamber represents a diverse group of stakeholders in the exchange development process. Approximately 80 percent of the Chamber's 2,200 members are small businesses eligible for exchange participation. Chamber members also include the state's major providers, carriers, agents, brokers, and wellness groups. Based on its comprehensive membership, the Chamber is uniquely positioned to articulate the impact of a health insurance exchange on Minnesota businesses and consumers.

Six months ago, the Chamber outlined to the Exchange Advisory Task Force the principles and structure of an exchange that would serve Minnesota consumers effectively and comply with federal law. Today, the Chamber still supports an exchange that: provides consumers with meaningful information regarding care quality and coverage; is governed by a private nonprofit organization; has well-defined functions and costs; sustains itself financially via a mix of revenue streams that hold the exchange accountable to users; retains and maximizes existing distribution channels of health insurance; ensures that small businesses retain access to their insurance agents and brokers to weigh coverage options; permits a competitive health insurance market outside the exchange; takes full advantage of the risk-mitigation tools available through the ACA; and facilitates, not dominates, the individual and small group health insurance markets.

The Chamber appreciates that the Task Force and its 10 related work groups have invited participation and solicited information from Minnesota businesses. But as the November 16, 2012, deadline for the state to submit its exchange plan for federal approval fast approaches, the time has come to move from discussions to decisions. The Chamber hopes that decisions to establish a Minnesota exchange promote a competitive health insurance market driven by consumers, not regulators.

The Chamber understands that the Task Force adopted recommendations on which 2011 legislation was based. But the recommendations and proposed bill do not have the force of law, and administration officials have not stated that the legislation reflects the exchange they intend to establish. Minnesotans have not been told who will run the exchange, the scope of what the exchange will regulate, what functions the exchange will perform, how much the exchange will cost, how the state will pay for the exchange, or even what the state legally needs to do to establish the exchange. Without this basic information, businesses cannot plan for effective exchange participation, and Minnesota consumers cannot determine whether the intended exchange will meet their needs.

The Chamber appreciates the complexity of these issues and the substantial work that has been put into developing a state health insurance exchange. Moreover, the Chamber remains committed to working towards a Minnesota exchange to preserve the state's power over its own health care system. But to achieve that goal, the state must present its plan in time for Minnesotans to discuss and decide together what their exchange should look like.

Accordingly, the Chamber asks that the state publish a specific, comprehensive plan detailing the exchange it intends to establish, including but not limited to its governance, scope of functions to be provided, estimated cost and finance, regulatory authority and public accountability, and ground rules regarding who can use it and how (e.g. the role of brokers and agents). The Chamber further asks that the state only establish an exchange that preserves a competitive insurance market and protects consumers' ability to purchase insurance through a variety of sources according to their needs and resources.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'D Olson', written in a cursive style.

David C. Olson
President