



STATE OF MINNESOTA

Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

May 5, 2017

The Honorable Steven Mnuchin
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

The Honorable Thomas E. Price, M.D.
Secretary
United States Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Mnuchin and Secretary Price:

Thank you for the March 13, 2016 letter to governors regarding the 1332 State Innovation waiver process. We write to request your support for a swift review of Minnesota's application for a 1332 State Innovation Waiver to support our recently-enacted, state-based reinsurance program.

In March, the Minnesota Legislature passed legislation to establish a new state-based reinsurance program to help stabilize the individual market, which provides health insurance coverage to about 190,000 Minnesotans statewide. Individual market insurance rates increased significantly in 2017 and the Minnesota Premium Security Plan (MPSP) aims to strengthen the market with the following goals:

- Stabilizing individual market premiums, and reducing future rate increases to a level that encourages more Minnesotans to purchase health coverage;
- Encouraging consumer enrollment and ongoing participation by health insurers in Minnesota's individual market;
- Eliminating unintended financial consequences for Minnesota's Basic Health Plan (BHP), known as MinnesotaCare, and federal premium tax credits; and
- Creating a fiscally sustainable program that maximizes the positive impact of federal funding on the market.

During the legislative process, CMS staff advised us that in order to receive federal funding, the state law must require that implementation of the MPSP is contingent on receiving the federal 1332 Waiver. Thus, Minnesota must receive approval of the waiver before we can fully implement the MPSP. As you know, the amount of the federal funding will be based on the savings in Premium Tax Credits that the federal government would otherwise pay to Minnesotans without the MPSP. State funds will finance the remaining costs of the program.

A quick approval of Minnesota's waiver application is essential, because Minnesota's health plans will soon file their proposed 2018 individual market rates with the Minnesota Department of Commerce, and the MPSP is a critical factor in the rate-setting process. Therefore, we are hoping you will be able to provide an expeditious review and approval of Minnesota's application. Staff and leadership in the federal agencies have been very helpful in guiding Minnesota's application thus far. Given the short timeline and importance of the waiver, we welcome your attention to providing a swift federal review and approval of Minnesota's 1332 Waiver application.

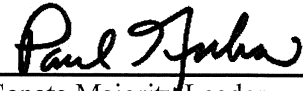
Sincerely,



Governor Mark Dayton



House Speaker Kurt Daudt



Senate Majority Leader,
Paul Gazelka



House Minority Leader,
Melissa Hortman



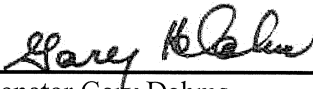
Senate Minority Leader,
Tom Bakk



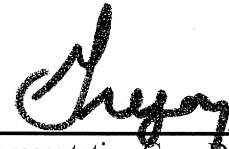
Senator Jim Abeler



Senator Michelle Benson



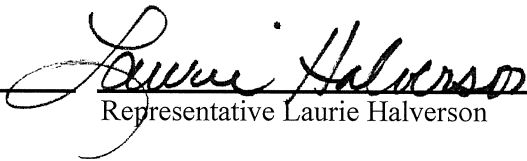
Senator Gary Dahms



Representative Greg Davids



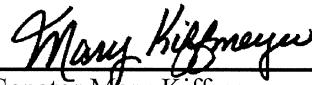
Representative Matt Dean



Representative Laurie Halverson



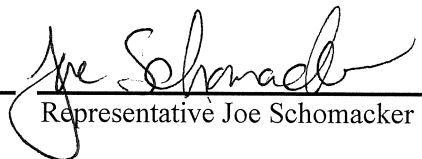
Representative Joe Hoppe



Senator Mary Kiffmeyer



Senator Tony Lourey



Representative Joe Schomacker

cc: Seema Verma, Administrator, Centers for Medicare and Medicaid Services
Jeff Wu, Acting Director, Center for Consumer Information and Insurance Oversight
Minnesota Congressional Delegation Members