

The Minnesota Health Insurance Exchange: Why Minnesotans Should Be Concerned

SF 2171 (House version)

Quotes from the bill:

“No health plans in the individual market may be issued or renewed outside of the Exchange.”

“The exchange shall serve as the sole entity for enrollment and collection and transfer of premium payments for health plans sold to individuals through the exchange.”

“The state of Minnesota shall not be liable for the actions of the Minnesota Health Insurance Exchange.”

Powers of the Exchange include:

- To collect premiums
- To assess fees on health insurance premiums to fund the administrative costs
- To track employer compliance with the 125 pretax plans that are in the bill
- To bill employers for premiums payable by employees
- To establish rules of operation, including the establishment of one or more service centers
- To establish bank accounts
- To enter into agreements with any state agency to implement the Exchange
- To sue

Key Concerns

- 1) Individual Rights – The legislation takes away the individual’s right to purchase health insurance privately by taking all health insurers out of the private market and making them accessible only through employers or the government-established Exchange.
- 2) Sole Control – In the future, the Exchange could be further empowered by the legislature to define health insurance benefit sets, limit choice of insurers, set prices, and monitor and control all aspects of the health insurance industry, including access to medical care.
- 3) Privacy Rights – The Exchange will know the name of every person buying individual insurance, the price that was paid, and the health plan that was chosen. It is unclear what kind of private medical data individuals will be required to share with the Exchange to purchase insurance.
- 4) Cost and Monopoly Power - The Exchange is empowered to assess a fee on health insurance premiums to recover its administrative expenses. The governing authorities of the Exchange will set the fee, which will most likely be non-negotiable. The Exchange is a government-established monopoly that will have no competition, and thus, no competitive pricing.
- 5) Loss of Personal Service - The Exchange is a bureaucracy and a monopoly. Individuals will have nowhere else to go leaving the Exchange with little reason to provide good customer service.
- 6) Liability - The State of Minnesota will not be liable for the actions of the Exchange. Taxpayers will pay at least \$6 million to get the Exchange started, three bureaucrats and 8 political appointees will initially govern it, and individuals will have no choice but to give their money to the Exchange for the purchase of health insurance. Yet state government will accept no responsibility whatsoever for actions taken by the Exchange.