

Congress of the United States

Washington, DC 20510

January 23, 2013

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Re: Partnership on MinnesotaCare Financing

Dear Secretary Sebelius:

There is a long, proud tradition in Minnesota of health care innovation. One part of this tradition is the bipartisan creation of MinnesotaCare. This program for the working poor became a model for other states and, ultimately, the federal government as well. We are writing now to request your partnership in working with Minnesota to preserve and improve upon MinnesotaCare. Minnesota is currently in the process of making decisions necessary to finalize our biennial state budget for the fiscal years 2014-2015. The decisions made during this legislative session will have profound implications for low-income populations in our state for years to come. We believe that federal funding for MinnesotaCare through the funding mechanism of the Basic Health Program would offer Minnesota the flexibility and support that is essential to health reform implementation in our state. In the absence of regulations detailing specific requirements for state Basic Health Programs, we request that the Centers for Medicare and Medicaid Services (CMS) work with Minnesota to implement a demonstration that will allow our state to maintain the affordable, high-quality health care currently available through MinnesotaCare.

As you know, states have the option to expand Medicaid for the very poor, and, beginning in 2014, there will be federal tax credits for people making more than \$15,000 a year to purchase coverage through a health insurance exchange. For many states, these options alone will provide better coverage than what is available today. In Minnesota however, a wholesale switch from MinnesotaCare would be a step backward for many vulnerable people in our public programs. MinnesotaCare provides more affordable care than the expensive health plans many families would access through the federal model. By providing Minnesota with flexibility to utilize the federal dollars that would otherwise go to exchange tax credits, we can improve MinnesotaCare and create a streamlined public health program to better serve our poor and vulnerable clients. This state flexibility will help taxpayers too, since we are only asking for 95 percent of these federal expenditures.

Minnesota's Department of Human Services has been in contact with officials at the Centers for Medicare and Medicaid Services (CMS) regarding how Minnesota can most effectively maintain coverage for these low-income Minnesotans. We would greatly appreciate your assistance in directing your staff to partner with Governor Dayton's administration by providing Minnesota with a demonstration for the improvement and continuance of

MinnesotaCare by the end of February. It is critical that we reach clarity on these questions as soon as possible so that we may determine the most fiscally responsible approach for state and federal taxpayers.

Minnesota is proud to be leading the nation in health care quality and coverage. We hope to continue this progress and our commitment to ensuring access to affordable, high quality health care coverage for all Minnesotans.

Sincerely,



Al Franken
United States Senator



Amy Klobuchar
United States Senator



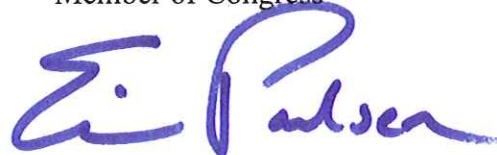
Keith Ellison
Member of Congress



Tim Walz
Member of Congress



Collin Peterson
Member of Congress



Erik Paulsen
Member of Congress



Betty McCollum
Member of Congress



Rick Nolan
Member of Congress



John Kline
Member of Congress

cc: Governor Mark Dayton