



STATE OF MINNESOTA

Office of Governor Mark Dayton

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

April 30, 2012

The Honorable Michelle L. Fischbach
President of the Senate
226 State Capitol
St. Paul, Minnesota 55155

Dear Madam President:

I have vetoed and am returning Chapter 256, Senate File 1933, a bill creating a health care compact.

This bill would allow Minnesota to join with a group of other states seeking to “suspend...the operation of all federal laws, rules, regulations, and orders regarding health care....” In exchange for blanket authority to withdraw our participation from federal programs such as Medicare and Medicaid, the bill presumes Minnesota would receive a capped block grant from the federal government, estimated at \$13.5 billion per year. Notably, that amount of money would be frozen, with no future adjustment for changes in the number of Minnesotans who are elderly or who have disabilities.

This bill would be a drastic departure from our current system of shared state and federal responsibility for delivering health care services. It would reverse nearly five decades of federal involvement in health care policy. While certainly not perfect, our current cooperative relationship offers great flexibility to states to operate as laboratories of policy innovation, while satisfying certain basic, minimum federal requirements.

Far beyond any objection to the federal Affordable Care Act, this bill asserts the notion that the federal government has no authority for health policy whatsoever. Furthermore, the bill makes a presumption that the federal government would simply hand over billions of federal dollars to state policymakers, to do what they may, with no restrictions, limitations or oversight.

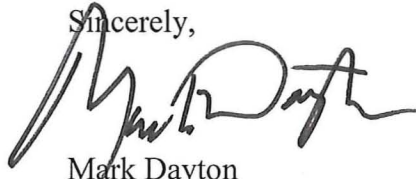
Regrettably, this Legislature has almost completely ignored the very real opportunity to assert greater control over our health care system by establishing a state-level health insurance exchange. In January, a broad-based Health Insurance Exchange Task Force released a set of recommendations reflecting a balanced, thoughtful approach and the consensus views of its diverse members. Those recommendations laid the foundation for a Minnesota-designed Exchange to provide affordable health insurance to

The Honorable Michelle L. Fischbach
April 30, 2012
Page 2

more than one million Minnesotans, including hundreds of thousands of small business employees. One recent, non-partisan analysis estimated a state health insurance exchange would reduce the number of uninsured Minnesotans by 290,000—almost 60% of our citizens currently without health insurance.

As I have previously stated, genuine and lasting health care reform legislation should be bipartisan, non-ideological, and constructive. This bill fails those prerequisites.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Dayton". The signature is fluid and cursive, with a large initial "M" and a long, sweeping tail.

Mark Dayton
Governor

cc: Senator David H. Senjem, Senate Majority Leader
Senator Thomas M. Bakk, Senate Minority Leader
Senator David Hann
Representative Kurt Zellers, Speaker of the House
Representative Paul Thissen, House Minority Leader
Representative Steve Gottwalt
The Honorable Mark Ritchie, Secretary of State
Mr. Cal R. Ludeman, Secretary of the Senate
Mr. Albin A. Mathiowetz, Chief Clerk of the House of Representatives