

# TAX ON PATIENTS

There is a **2 percent tax**<sup>1</sup> on health care services delivered in Minnesota. This is a requirement of a 1992 law passed by the Minnesota legislature.

The MinnesotaCare tax increases your health care costs and the cost of your insurance premiums.

You may not see the tax on your clinic bills or insurance statements—often as a result of contractual agreements between your health plan and your doctor or hospital. However:

- the tax may be included as part of your bill.
- the cost of the tax is passed onto you directly or indirectly in higher health care costs even though it may not be itemized on your bill.
- Higher costs decrease patient access to care and individual and family access to insurance.

Minnesota is the only state that taxes the full extent of health care services. Since 1993, over **\$1.6 billion** has been collected. Between 1993 and 1998, \$622.2 million was collected, however, only \$250.6 million was spent on health care services for MinnesotaCare patients. In fact, collections were nearly 2½ times the cost of care.<sup>2</sup>

1. After a 5-year reduction to 1.5%, rate returns to 2% on January 1, 2004.

2. Statistics taken from MN Department of Finance (10/03), and *Distribution, Utilization, and Impact of the MinnesotaCare Provider Tax*, a report published by Citizens' Council on Health Care, January 2000.

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## To Comment or Request Information on the MinnesotaCare Provider Tax

Your Minnesota Representative (House Information: #651-296-2146)  
Your Minnesota Senator (Senate Information: #651-296-0504)

Office of the Governor #651-296-3391  
Governor Jesse Ventura  
130 State Capitol  
St. Paul, MN 55155

Minnesota Department of Finance #651-296-5900  
Commissioner Pamela Wheelock #651-297-7881  
400 Centennial Building  
St. Paul, MN 55155

Minnesota Department of Revenue #651-296-3781  
Commissioner Matt Smith #651-296-3403  
600 North Robert St, Fourth Floor  
St. Paul, MN 55146-7100

• MNCare tax division #651-282-5533