The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 8, 1981

The Honorable Harry A. Sieben, Jr., Speaker
House of Representatives
276 State Office Building
St. Paul, Minnesota

Dear Mr. Speaker:

I am vetoing H. F. 326. This Act, if allowed to become law, would continue the Catastrophic Health Expense Protection Program in an amended form.

When I first recommended elimination of the Catastrophic Health Expense Protection Program, I cited three reasons: first, the rapid growth in cost, projected in January to be $25 Million for the upcoming biennium; second, the lack of a means test; and third, the lack of incentive to purchase catastrophic health insurance.

In regard to my first concern, I have indicated for several months my willingness to have the Legislature reassign priorities within my budget recommendations, while observing my total spending figure of $8.6 Billion. But in order to spend more in certain areas, other programs must be reduced. The Legislature has sent me a bill calling for spending $12 Million more than my budget and has not indicated to date where they intend to reduce $12 Million from my budget.

My second concern with the existing catastrophic health program is the lack of a means test to determine what assets an individual may have. Although the Senate originally had approved a modest means test, the final bill does not include one, and I still maintain that it is a reasonable requirement.

Finally, H. F. No. 326 does not contain any incentive to individuals to purchase insurance. What is provided is a reward after the fact by allowing the premiums paid to apply toward the deductible amount.

Several measures were provided in the bill which indicate a sincere effort on the part of the Legislature to apply controls to the program. These include a time restriction on eligible charges, reinstatement of a $2500 minimum amount payable, and inclusion of language pertaining to utilization of Health Maintenance Organizations. However, my primary concerns have not been fully addressed.

Therefore, I remain concerned with the design and cost of the program and the fact that it exceeds my budget. Since no bill with a corresponding reduction has been given to me, I am
choosing to veto the legislation rather than increase the taxes necessary to fund this $12 Million program.

Sincerely,

ALBERT H. QUIE
Governor

Swanson moved that H. F. No. 326 be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

The question was taken on the motion to reconsider and repass H. F. No. 326, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota and the roll was called viva voce.

There were 79 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Drew  Kelly  Novak  Shea
Anderson, G.  Eken  Knickerbocker  O'Connor  Steben, M.
Anderson, I.  Elloff  Kostichryz  Ogren  Simonson
Anderson, R.  Ellingson  Lehto  Osthoff  Skoglund
Battaglia  Fjoslien  Lemen  Otis  Staten
Begich  Greenfield  Long  Peterson, D.  Stumpf
Berkelman  Gustafson  Luknic  Pogemiller  Swanson
Brandl  Hanson  Mann  Reding  Tomlinson
Brinkman  Hares  McCarron  Rees  Vanasak
Byrne  Hauge  McEachern  Reif  Vellenga
Carlson, D.  Hokanson  Metzen  Rice  Voss
Carlson, L.  Jacobs  Minne  Rodriguez, C.  Welch
Clark, J.  Johnson, C.  Munger  Rodriguez, F.  Wenzel
Clark, K.  Jude  Murphy  Samuelson  Wyins
Clawson  Kahn  Nelson, K.  Sarna  Spkr. Sieben, H.
Dahlvang  Kallis  Norton  Schoenfeld

Those who voted in the negative were:

Aasness  Friedlich  Kaley  Olsen  Sherwood
Ainley  Grunes  Kvan  Onnen  Stadum
Blatz  Halberg  Laidig  Peterson, B.  Stowell
Dean  Haukoos  Levi  Piepho  Sviggum
Dempsey  Heap  Ludeman  Redalen  Valan
Den Ouden  Heinitz  Marsh  Rose  Valent
Erickson  Himle  McDonald  Rothenberg  Weaver
Esau  Hoberg  Mehrkens  Schafer  Welker
Evans  Hokr  Nelsen, B.  Schrefler  Wiese
Ewalt  Jennings  Nichols  Searles  Wileig
Forsythe  Johnson, D.  Nysether  Sherman  Zubay

Not having received the required two-thirds vote the bill was not repassed.