



April 4, 2024

Dear Members of the House Health Finance and Policy Committee,

**On behalf of the Minnesota Chamber of Commerce, representing 6,300 employers and their more than 500,000 employees across the state, I am writing to share our concerns about the additional health insurance mandates under consideration by this Committee this session.**

The majority of Minnesotans receive health insurance coverage through their employer. For our members who offer this benefit, they do so through the fully-insured market, which is the segment of the health insurance market regulated by the state. It should come as no surprise, then, that each year our members rank making health care more affordable as a top concern for state policymakers to address. And yet the cost of health insurance continues to rise.

There are many reasons for year over year increases in health insurance costs, but as the regulator of the state's fully-insured market, decisions made by the Legislature also impact costs.

Minnesota has more than 60 coverage mandates currently in place, more than most other states. Last year alone, the Governor and Legislature added six more, adding an estimated \$114 Million to the cost of health insurance in the fully-insured market. This year, this Committee is considering several more new health insurance mandates. While all of these health insurance mandates would provide a benefit to someone, they also all come with a cost. At a time when researchers at the University of Minnesota tell us that Minnesota families' all-in health care spending ranks third highest in the country, we have significant concerns about any proposal that would add to that cost burden.

If the Committee decides that there are policy or other public health reasons for adding additional coverage mandates to state statute – above and beyond the long list that is currently in place – we encourage those proposals to be married up with the provisions of HF 1158. This approach would ensure the goals of the new coverage mandates are met without further increasing costs on the Minnesotans and Minnesota families who rely on the coverage provided through the state-regulated fully-insured market.

Thank you for the opportunity to provide this input.

Sincerely,

A handwritten signature in black ink, appearing to read "Bentley Graves", is written over a faint, light blue circular watermark or seal.

Bentley Graves  
Director, Health Care & Transportation Policy



## **MAHU Statement about Additional Insurance Mandates**

The Minnesota Association of Health Underwriters is the largest association representing health and benefit insurance agents. Our clients are individuals and employers throughout the state as such, we represent the voice of consumers.

Each legislative session lawmakers are asked to support the inclusion of additional mandates to Minnesota's fully insured health insurance policies. Such mandates: 1) increase costs to consumers, and 2) reduce consumer choice. The additional costs of these mandates are not paid by insurance companies but are instead passed onto consumers in the form of higher premiums. No state has more mandates than Minnesota.

### Mandates Only Apply to Fully Insured Products

Minnesota is prohibited from adding mandates to self-insured health plans that are regulated under federal ERISA laws. Most legislators are unaware that the mandates they pass only apply to a select few of their constituents – those in the fully-insured market (individual, small group, and fully insured mid-size groups). The fully insured market has been shrinking for years and now represents just 16.3% of privately insured Minnesotans.

Fully insured plans not only must pay the high cost of mandates, but also bear the burden of additional taxes that are not paid by self-insured groups (including Minnesota's largest corporations). New mandates drive more employers into the self-insured market, thereby reducing tax revenue to the state. Mandates also create a competitive disadvantage for smaller employers who must compete for labor with firms that are large enough to be self-insured.

### Consumers Bear the Burden

Each new mandate is proposed by a group with a sympathetic story. We represent consumers who are increasingly priced out of health insurance altogether. ***A 2016 poll of Minnesotans found that 55% prioritized more affordable coverage vs 35% who were willing to pay more for more coverage.***

When the legislature adds mandates it decreases consumer choices, sending the message to consumers that "either you drive a Cadillac or you walk (go uninsured)."

### Addition Cost to Minnesota Taxpayers

Additionally, under the ACA, states that choose to add coverages may be required to pick up the cost creating an additional burden for Minnesotans.

We urge you to reject calls for additional mandates, no matter how small, and instead move toward giving this segment of the market additional flexibility to design their own plans.