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Health Insurance Mandates & Restrictions on Cost Control

Dear Chair Stephenson and House Commerce Committee Members,

The National Federation of Independent Business (NFIB) represents over 10,000 small businesses across Minnesota. Our mission is to promote and protect the right of our members to own, operate, and grow their businesses.

NFIB Minnesota appreciates the opportunity to comment on the proposals before the committee today.

The steady increase in healthcare costs over the past two decades has contributed to a staggering 47% decline in the number of people with small group coverage – the market that serves small employers and employees – from 2007 to 2021. *MDH Health Economics Program; Health Plan Financial and Statistical Report (2007-2021)*.

Since 1991, health insurance costs have been the top problem for small businesses in NFIB's *Small Business Problems & Priorities*. Increasing state mandated coverage requirements for commercial health plans will only worsen this trend for small employers.

Health care coverage is a critical employment recruitment and retention tool. Higher health care costs are detrimental to small business competitiveness and survival.

While state mandates reach the dwindling fully insured market – including small group coverage – they generally do not apply to the self-insured market, which is largely exempt from state regulation under federal law. As the self-insured market primarily serves larger businesses, a more expensive fully insured market makes it even harder for small employers to maintain coverage and compete with bigger businesses for talent.

We urge the committee to focus on solutions that help patients get access to the most cost-effective care without further harming small employer health coverage affordability.

A handwritten signature in black ink, appearing to read 'John L. Reynolds', is positioned above the typed name.

John L. Reynolds
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