MINNESOTA COUNCIL of HEALTH PLANS

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House Commerce Finance and Policy Committee
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

RE: HF 2680 – House Commerce Omnibus Bill

Dear Chair Stephenson and Members of the Committee:

The Minnesota Council of Health Plans' nonprofit members (BlueCross and BlueShield of Minnesota, HealthPartners, Medica, Sanford Health Plan of Minnesota, and UCare) provide more than 4.6 million Minnesotans with health care coverage. Throughout this legislative session, the Council has expressed support for policies that maintain stability in the market, lower costs, and increase access to high-quality care. To achieve outcomes that meet these goals, the Council appreciates the opportunity to express our support for several items included in the House Commerce Omnibus Bill and to provide constructive feedback on other provisions.

Items of Support

Benefit Mandate Review Changes
The Council supports language to update the benefit mandate review process, including language to ensure federal conformity changes are exempt from review requirements, the public is provided sufficient notice in order to respond comprehensively to the proposals undergoing review, and ensuring trade secret information is classified as nonpublic data.

Prescription Drug Affordability Board
Prescription drugs are among the fastest growing costs of care for Minnesotans. The Council supports the inclusion of the prohibition on excessive price increases and the creation of a Prescription Dug Affordability Board. Addressing the high costs of prescription drugs will help hold down costs of health insurance premiums paid by Minnesotans, since premiums are a direct reflection of the cost of care.

White Bagging
The Council had significant concerns that the White Bagging language as originally introduced in HF 544 would take away a significant tool available to health plans for holding down costs of specialty drugs. The language included in the House Commerce Omnibus DE represents a patient-centered compromise that addresses the safety concerns raised by proponents and the concerns regarding drug markups raised by the Council and others. We appreciate the inclusion of the language as currently drafted and have two additional suggested changes included in our feedback below.

Evaluation of Existing Health Benefit Mandates
Minnesota is among the states with the greatest number of health benefit mandates outside of the 10 essential health benefits required under the Affordable Care Act. These benefit mandates only apply to around 18% of the market, which has proven to be at times unaffordable for many Minnesotans without the assistance of state subsidization through reinsurance. The Council is supportive of the goal to review existing mandates in this market to ensure policy makers are informed of the impacts of the current mandates and to determine if the mandates improved overall health, as well as determining if the services mandated are still supported by current medical standards.

Requested Changes

Apply Benefit Mandates and Medicaid Requirements Equally
The Council has a long-standing position that any coverage requirements enacted by the legislature must apply equally to all state regulated markets, which includes the fully-insured market (individual and group commercial markets), state public programs (Medical Assistance and MinnesotaCare) and the state employee health insurance program (SEGIP). The Council requests the removal of language providing SEGIP exemptions for the Psychiatric Residential Treatment Facility (PRTF) and Psychiatric Collaborative Care Model coverage requirements.

Additionally, the bill creates two different requirements for mental health networks and credentialing by providing an exemption to these new requirements for county-based purchasers (CBPs). Both Managed Care Organizations (MCOs) and CBPs are contracted entities to provide coverage to Minnesotans enrolled in the state's Medicaid program. As such, they should be regulated equally by state agencies and neither should be given preferential treatment.

Adjust Effective Dates of Benefit Mandates
All health carriers in the fully-insured market (which is the only commercial market impacted by the new requirements in this bill) must submit all insurance products proposed for sale in these markets to the Department of Commerce for their approval. Submission of these plans for an upcoming plan year occurs in April of the year prior. Health carriers will soon be submitting their plans for 2024 and will do so before this bill is enacted. This means, if new coverage mandates are passed effective for January 1, 2024, carriers will need to reconfigure their plans in the summer. We therefore request the effective dates for the PRTF, Psychiatric Collaborative Care Model, Cost-Sharing Limitations for Prescription Drugs and Medical Supplies, and White Bagging mandates take effect January 1, 2025.

Standardized Plans and Guaranteed Renewability
Under the ACA, all other states provide carriers more flexibility with respect to transferring enrollees in underused products to a comparable product. Given the uncertainty on if Minnesotans will purchase these plans, the Council requests the addition of language that would provide carriers the ability to avoid guaranteed renewability for underused products.

The Department of Commerce intends to adjust the Standard plan – perhaps even annually – and current guaranteed renewability law would require carriers to continue offering each iteration of the standard plan as long as even one individual continued to purchase that plan. It would prohibit carriers from ceasing to offer previous iterations of the standard plans rather than just offering the

most up-to-date version of the standard plan. Not only would this undermine the goal of providing an "apples to apples" comparison of products, but it would also quickly lead to carriers having to service multiple outdated products. There is also an administrative cost to servicing products. It has been recognized on a federal level that health carriers should have the ability to transition enrollees away from unpopular products.

White Bagging – ERISA Clarification
The Council requests the inclusion of language explicitly stating any White Bagging language is not applicable to the self-insured market governed by the federal Employee Retirement Income Security Act (ERISA). The state does not have authority to regulate self-insured or union plans. Providing a clear exemption will mitigate any unnecessary future legal challenges.

Mental Health Timely Fillings
The mental health network and credentialling language includes language regarding timely filings, seeking to replicate Fee-For-Service timelines which is 12 months. The Council can agree to a filing timeline of 6 months, but would oppose anything longer because MCOs need certainty on the length of the timeline, for both MCOs and providers, because of required reporting to DHS on claims and encounters.

Reinsurance Funding
The bill transfers $275,775,000 in FY 2026 from the Premium Security Plan Account, which is the funding source for reinsurance, to the General Fund. This transfer would remove funding for reinsurance and sunset the program after 2025. Enhanced federal tax credits are also set to expire after 2025. According to actuarial modeling produced by the Minnesota Department of Commerce, the combined financial impact will result in as many as ten thousand Minnesotans becoming uninsured. Ending this proven and successful program will unnecessarily jeopardize access to affordable insurance for the thousands of Minnesotans who purchase health insurance on their own. We strongly urge the Committee to reassess this position and to delete the transfer to continue reinsurance and our state's high rates of coverage and access to needed care.

We look forward to continuing working with you as this bill progresses to ensure its impact is to lower health care costs, maintain stability in the market, and help Minnesotans gain access to needed care.

Sincerely,

Lucas Nesse
President and CEO