



March 23, 2022

Dear Members of the 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 with HF 58 (Elkins), making changes to prescription drug formularies.

Article 2, Sec. 3 of the bill limits the extent to which the prescription drug formularies associated with private, fully insured health insurance plans can be changed during the plan year. While the goal of such proposals has merit, the real-world impact of these types of proposals is often increased costs associated with prescription drug benefits. Fiscal notes have provided varying cost estimates for similar proposals over the years. This is due to the fact that formularies are one of the few tools available to plan sponsors to help control prescription drug costs.

It is important to note that the provision included in this bill has no impact on the cost of state public programs like Medical Assistance and MinnesotaCare because it sets a different standard for these state public programs than what is required in the commercial market. Under this bill, four times a year, state public programs would still be able to make the kinds of formulary changes to limit program costs that would no longer be allowed in the commercial market. This is a basic fairness consideration.

Too often, cost increasing health insurance coverage and regulatory mandates, like this one, are applied legislatively to the fully insured commercial market without applying those same standards to taxpayer funded public programs. If there is an interest in moving forward legislation to change the way formularies are used in Minnesota, we would ask that the commercial plans be granted the same flexibility to manage prescription drug costs that is being granted to state public programs.

Thank you for the opportunity to provide this input.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bentley Graves", is positioned below the word "Sincerely,".

Bentley Graves

Director, Health Care & Transportation Policy

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