



May 1, 2021

Members of the State Government Finance Omnibus bill conference committee,

On behalf of the Minnesota Association of Professional Employees (MAPE), a union representing more than 15,000 state workers all across Minnesota's State agencies, boards, and commissions, we are writing in support of S.F. 2178/ H.F. 2327, legislation that is currently included in both the Senate and House versions of the State Government Finance Omnibus bill. We ask that the provision be adopted in conference committee and supported by lawmakers this session.

Rising health care and insurance costs are a significant concern for our membership. While our negotiated salary adjustments are relatively predictable, the unanticipated increases of insurance and prescription drug costs strain our ability to negotiate fair wages and maintain a stable workforce. The proposal contained in S.F. 2178/ H.F. 2327 requires pharmacy benefit managers (PBMs) to compete fairly and transparently in a reverse auction. This will secure the State Employee Group Insurance Program (SEGIP) PBM contract and significantly lower prescription drug costs, copays, and other out-of-pocket expenses for our membership and their dependents.

One important included provision gives the state, in consultation with the bargaining units, full control over the contract terms, and bidding PBMs will have to agree to those terms. The new proposal has demonstrated significant savings in other states and brought more transparency into the way those dollars are spent to purchase prescription medicines.

We also ask that you support the amendment adopted by the House that will allow two members of the volunteer Joint Labor Management Committee (JLM) to participate throughout the request for proposal (RFP) and reverse auction process to secure and oversee the state PBM contract. It gives labor representatives a seat at the table and a voice in securing the best possible benefits for our membership and the best deal for Minnesota taxpayers.

We would like to thank Representative Michael Howard and Senator Michelle Benson for bringing this bill forward. In other states, like New Jersey, this change made possible the underwriting of benefit improvements for union members and saved an estimated \$2.5 billion in the first five years. This demonstrated success proves Minnesota needs a PBM reverse auction.

Thank you for your consideration and support of a reverse auction to secure better PBM contracts for SEGIP beneficiaries and our State.

Sincerely,

Megan Dayton
Statewide President
Minnesota Association of Professional Employees (MAPE)