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

Dear Chair Stephenson and Members of the Committee:

The Minnesota Council of Health Plans, the trade association for Minnesota's nonprofit health plans (Blue Cross and Blue Shield of Minnesota, HealthPartners, Medica, Sanford Health Plan of Minnesota, and Ucare) works every day to support access to high-quality affordable health care. Our health plans work to create insurance products which are comprehensive and affordable, and therefore have concerns with HF 3465 and the impact it will have on premiums paid by those who purchase coverage in the fully insured market.

Everything that is built into health insurance coverage has a cost because insurance is used to pay for health care services. The amount of premiums, copays and other out-of-pocket costs reflects the costs to pay doctors, hospitals, medical equipment, and pharmaceuticals needed to provide care. When a new mandate is added to a plan's benefit, there is going to be an added cost to premiums because there is a health care professional who is being paid to provide that care. Therefore, when legislation is debated to require coverage for a benefit not in an existing plan, the Council has testified with concerns about the impact this will have on increasing premiums for everyone in the fully insured market. To determine these impacts, the Council suggests this proposal be submitted to the Department of Commerce for their benefit mandate review process.

This analysis is important because of the state's fiscal responsibility regarding mandates beyond the Affordable Care Act's "10 Essential Health Benefits" (EHB). The Affordable Care Act requires states to be responsible for any costs to a Qualified Health Plan (QHP) for any state-mandated benefit that exceed EHB. Any financial impacts must be completely paid for by the state in a manner prescribed by federal regulations and calculated in accordance with generally accepted accounting principles and methodologies. This requirement applies to all QHPs – both on and off the exchange. The Council suggests the review to highlight any cost to the state to defray the cost of a mandate that goes beyond EHB. The Council also suggests the review include the cost to the state to apply the proposed mandate to state public programs (Medical Assistance and MinnesotaCare) and to the State Employee Group Insurance Program (SEGIP).

Lastly, the Council continues to express concerns about any benefit mandate that does not apply to state public programs. Lines 2.4-2.5 states the bill would not apply to Medical Assistance (256B) and MinnesotaCare (256L). If the Committee and legislature ultimately decide to apply this mandate to the commercial market, it should be equally applied to insurance products subsidized by the state designed to serve low-income Minnesotans and those living with a disability.

We look forward to working on proposals to ensure the costs associated with each are minimized as much as possible to manage health care costs, maintain stability in the market, and help Minnesotans gain access to needed care.

Sincerely,

Lucas Nesse
President and CEO