



March 15, 2023

Dear Members of the House Commerce 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 provide input on HF 1978 and HF 2371, bills under consideration by the committee today.

Employer-sponsored health insurance is an increasingly important benefit, both in terms of retention and attraction of talent and in terms of keeping employees healthy and productive at work. Three-fourths of our members who offer insurance to their employees report that they will be required to make significant changes to their benefit offerings – including dropping coverage altogether – if costs continue to rise at their current rate.

Minnesota requires coverage of roughly 60 benefits as part of fully-insured individual and group health insurance products sold in the state. By some estimates, Minnesota ranks in the top five states with the most mandates. All of these coverage mandates were passed by the Legislature to help Minnesotans access coverage for certain health care procedures or treatments. Like the proposals included in the bills under consideration by the committee today, they all help someone. But it is also true that they all come with a cost.

Seventy percent of our members who offer health insurance coverage to their employees purchase coverage in the fully-insured market. It is these small and mid-sized employers and their employees who bear the full cost of Minnesota's extensive coverage mandates.

Recently, the Department of Commerce shared with the Legislature its statutorily required cost-benefit evaluations of HF 1978 (Health Plans Coverage of Biomarker Testing Requirements) and HF 2371 (Commercial Health Plan Coverage of Treatment at Psychiatric Residential Treatment Facilities [PRTFs] Required).

In its evaluation of **HF 1978**, the Department found that "evidence suggests that biomarker testing can optimize treatment by using genetic profiles to assess the risk potentials or efficacy of certain drugs based on individual biomarkers," and that "biomarker testing may reduce adverse outcomes and improve provider drug selection." But it also noted that "data are limited on whether insurance coverage of biomarker testing itself is linked to reductions in health disparities and improved clinical outcomes."

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The Department's evaluation of **HF 2371** found that "some research suggests that PRTFs and residential facilities may be an important part of the care continuum for certain mental and behavioral health diagnoses and associated clinical presentations." But it also noted that "the effectiveness of treatment received in PRTFs and other residential facilities may depend on the extent to which individuals receive the appropriate level of care in these settings."

At the same time, the evaluations also estimated that the addition of these proposals to state statute as a component of required health insurance coverage in Minnesota's fully-insured market may result in an increase in the health insurance premiums of all Minnesotans in that market.

Helpfully, the Department's evaluations of these mandated health benefit proposals highlight and clarify the cost-benefit tradeoffs associated with it. It is the Legislature's responsibility to weigh these tradeoffs and make a policy decision about whether or not to move forward with the bills.

As you consider this, we would note that, according to the State Health Access Data Assistance Center (SHADAC) at the U of M, policy holders in Minnesota already pay more in total health insurance costs than those in nearly every other state. It is clear there are potential health benefits to be gained from passage of these bills, but we continue to ask that the Legislature keep the cost implications of proposals like these in mind as well, and we urge caution in adding more costs to what is already an extremely expensive product.

Thank you for the opportunity to provide this input.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bentley Graves", with a stylized flourish extending to the right.

Bentley Graves
Director, Health Care & Transportation Policy