



February 13, 2023

Members of the House Commerce Finance & Policy Committee,

On behalf of the Minnesota Chamber of Commerce, representing 6,300 employers and their more than 500,000 employees across the state, we appreciate the opportunity to share our thoughts about HF 348 (Howard), requiring health plans to limit cost-sharing for drugs and supplies related to chronic diseases.

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. And yet, 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 requirements were passed by the Legislature to help Minnesotans access coverage for certain health care procedures or treatments. Like the proposal included in SF 329, they all help someone. But it is also true that they all come with a cost.

Recently, the Department of Commerce shared with the Legislature its statutorily required cost-benefit evaluation of this proposal. In its evaluation, the Department reported that lowering the barrier of enrollee cost-sharing for the drugs and supplies necessary to manage diabetes, asthma, and certain allergies is likely to improve medication adherence and clinical outcomes for these individuals. The report also noted that there may be additional, longer-term cost savings associated with greater drug adherence in those with chronic conditions.

At the same time, however, the evaluation also estimated that the addition of this proposal to state statute as a component of required health insurance coverage in Minnesota's fully-insured market would result in an increase in the health insurance premiums of all Minnesotans in that market.

Helpfully, the Department's evaluation of this mandated health benefit proposal highlights and clarifies 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 bill. 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 this bill, but we

continue to ask that the Legislature keep the cost implications of proposal like this 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 on HF 348.

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  
Minnesota Chamber of Commerce