



March 15, 2021

Rep. Tina Liebling
Chair
Health Finance & Policy Committee
Minnesota House of Representatives

Dear Chair Liebling,

On behalf of the Minnesota Chamber of Commerce and the 6,300 employers and more than 500,000 employees we represent, I am writing to express our concerns with HF 785 and other, similar bills introduced this session that would add to the list of benefits that Minnesota's fully-insured health insurance products must cover.

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. It may be that we are already seeing such a shift in coverage. From 2018-2019, the most recent year for which data is available, roughly 2,000 groups left the small group market, the largest year over year drop in participation since 2013-2014.

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 HF 785, they all help someone. But it is also true that they all come with a cost. Research has indicated that:

- the average mandate increases premiums between 0.44-1.11% annually
- mandates tend to have a larger impact on the premiums of small employers who do not have the advantage of self-insuring, which provides greater flexibility around plan design and benefit offerings

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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.

It is difficult, however, for legislators to weigh concerns about cost against the impact that coverage of a specific treatment or procedure could have on those who seek it. Before adding additional mandates to state law, we encourage the legislature to consider and pass HF 55, which will ensure that as new proposals are brought forward that would add to Minnesota's already long list of mandated health benefits, legislators will have access to reliable data and information about the cost/benefit tradeoffs associated with each proposal. It is our hope that such a move will both inform and improve the process through which future decisions about Minnesota's mandated benefit set are made.

Rather than adding new mandates to the health insurance coverage that many are already struggling to afford, we encourage you to consider a measure like HF 55 to ensure policymakers and stakeholders alike have access to better information about the tradeoffs associated with such proposals.

Sincerely,



Bentley Graves
Director

Health Care & Transportation Policy