



March 1, 2022

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 share our thoughts about several of the bills the Committee is considering 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. 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

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.

400 Robert St. North, Suite 1500, St. Paul, MN 55101  
[www.mnchamber.com](http://www.mnchamber.com)

It is often 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. We are pleased that legislation was signed into law last session to establish a new mandated health benefit proposal review process by the Department of Commerce. As part of this new process, the Department provided the Legislature with reports analyzing several bills that included proposals for new mandated health benefits. And while we would note the Department's findings that each of these proposals would lead to some increase in premium costs for those in the fully insured market – and would urge continued caution in adding more costs to what is already an extremely expensive product – it is reassuring to see the law working and that these reports allow legislators and stakeholders to draw their own conclusions about the value of each proposal.

We are concerned, however, that no such review has been completed for any of the bills under consideration today. We believe these bills should be reviewed by the Department of Commerce as part of the mandated health benefit proposal process. As was noted above, this will ensure legislators have access to reliable data and information about the cost/benefit tradeoffs associated with the proposal.

One of the bills before the committee today, HF 3280, is similar in nature to legislation that has been debated in legislatures across the country. As a result, there is much information to draw on when analyzing the tradeoffs associated with proposals like it to prohibit or limit payers' use of "white bagging"/alternative sourcing options for expensive specialty drugs. The Massachusetts Health Policy Commission, for example, completed an analysis of the issue in 2019 using Massachusetts commercial claims data. In it, the Commission found that white bagging led to lower costs with little difference in out of pocket costs between it and a buy and bill approach. Similarly, it noted that utilization of white bagging to reduce costs did not require sacrificing quality of care.

While this report and its findings from Massachusetts are helpful, it is nevertheless important to note that it was a study conducted using data and market analysis from Massachusetts. The only way to know if the same conditions exist here in Minnesota is to ensure a similar review is undertaken here. The new mandated health benefit proposal review process is intended to provide this kind of review, and it should be utilized to help educate all of us about the proposal's real world impact.

Thank you for the opportunity to provide this feedback.

Sincerely,

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

400 Robert St. North, Suite 1500, St. Paul, MN 55101  
[www.mnchamber.com](http://www.mnchamber.com)

Bentley Graves  
Director  
Health Care & Transportation Policy