



March 17, 2023

Dear Members of the Senate Health and Human Services 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 SF 1948 (Seeberger) - Health Plans Coverage of Biomarker Testing Requirement.

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 evaluation of SF 1948. In its evaluation, the Department found "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. Biomarker testing may reduce adverse outcomes and improve provider drug selection." 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" and that "experts acknowledge that additional guidelines and research are needed to aid in further standardizing biomarker testing and integrating it into diagnosis and treatment decisions." Finally, the report found that "other research shows that there is still limited evidence regarding the cost-effectiveness of biomarker testing."

At the same time, the evaluation estimated that the addition of these proposals 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. The Department estimates that the cost of implementing the requirement would be up to \$2.6 million in the first year alone – and only for the individual market plans sold through MNsure. This is a cost that the federal government requires the state to pay, but it is only for a portion of the health insurance market that will be impacted by this new coverage requirement. There is no requirement that the state cover the increased premiums of those who access coverage through individual market plans purchased outside of MNsure or those who receive coverage through the small group or large group markets.

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