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March 13, 2024

Senate File 3532 (Morrison)

Dear Chair Wiklund and Senate Health and Human Services Committee Members,

The National Federation of Independent Business (NFIB) represents over 10,000 small businesses across Minnesota. Our mission is to promote and protect the right of our members to own, operate, and grow their businesses.

NFIB Minnesota appreciates the opportunity to comment on SF 3532. Health care coverage is a critical employment recruitment and retention tool. Higher health care costs are detrimental to small business competitiveness and survival.

Lawmakers on both sides of the aisle frequently bemoan the rising cost of health coverage, then seek to limit the health care cost control tools used by small employers. This has contributed to a 47% decline in the number of people with small group coverage – the market that serves small employers and employees – from 2007 to 2021. *MDH Health Economics Program; Health Plan Financial and Statistical Report (2007-2021)*.

Since 1991, health insurance costs have been the top problem for small businesses in NFIB's *Small Business Problems & Priorities*. Further restricting cost control tools for many of the most expensive procedures and prescription drugs, as this proposal does, will only worsen this trend for small employers.

We appreciate the author's removal of the provision that would've exempted providers from prior authorization based on a very low threshold.

However, urge the committee to provide clearer instruction to the Minnesota Department of Commerce in Section 13 to ensure any potential exemption process is reserved for individual providers – not systems – that meet the highest standards, such as an authorization rate of 90% or higher.

Sincerely,

A handwritten signature in dark ink, appearing to read 'John L. Reynolds'.

John L. Reynolds
Minnesota State Director
National Federation of Independent Business
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