



March 5, 2025

Senate Commerce Committee
Minnesota Senate Office Building
St. Paul, MN 55155

Chair Klein, Senator Frentz, and Committee Members:

The Health Plan Partnership of Minnesota supports SF 565 and Senator Frentz's efforts to defray costs to health plan companies for additional benefits.

When the Affordable Care Act was passed by Congress and signed by President Obama, among the objectives of the law was creating uniformity in benefits and limiting cost increases for health coverage purchased by Americans.

The ACA defined a set of Essential Health Benefits (EHB) to be mandated in the fully insured health insurance market. Upon adoption of the ACA, Minnesota already mandated coverage above and beyond the EHB.

The ACA also contained a tool designed to limit increasing costs in the fully insured market: Any mandates adopted by a state after the effective date of the ACA would have to be paid for by the individual states. The authors of the ACA acknowledged the reality that *mandating additional health care services adds cost to the system and increases premiums*, and thus expected policy makers to pay for the newly mandated coverage.

HF 400 would defray the cost of mandates that go beyond the ACA Essential Benefit set to reduce the cost of coverage for Minnesotans who purchase individual health insurance. HPPM supports this effort to continue to stabilize the individual health insurance market.

Sincerely,

Stephen Rubis