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March 25, 2025

Senate Health and Human Services Committee  
95 University Avenue W.  
St. Paul, MN 55155

Dear Chair Wiklund and Members of the Committee:

The Minnesota Council of Health Plans, the trade association for Minnesota's nonprofit health plans (Blue Cross and Blue Shield of Minnesota, HealthPartners, Medica, Sanford Health Plan of Minnesota, and UCare) works every day to support access to high-quality affordable health care. Our nonprofit members structure their products to help Minnesotans balance the increasingly expensive cost of accessing care. 99% of the coverage in the state-regulated market is provided by nonprofit health plans who do not have shareholders and maintain operating margins of 1-3%.

Health plans collect premiums to pay for their enrollees needed health care delivery, pharmaceuticals, medical equipment, and other covered services. Premiums are expensive because health care is expensive. The high costs of care have already required Minnesota to support affordability with a state reinsurance program. Additional mandates further risk Minnesotans affording to have coverage in the first place.

Since 2014, twenty new coverage mandates have been enacted. Of those, 13 passed the last two years and went into effect January 1, 2025. For some of these mandates, the isolated cost impact was relatively low, however, the cumulative impact is estimated to be up to a 5% increase in premiums. This equates to \$25 per member per month, or an additional \$1,200 per year for a family of four.

Federally required state mandate defrayal has helped contain additional costs that are otherwise passed on to Minnesotans. However, not all costs are currently defrayed, so the Council urges the committee to first close the cost loophole by advancing SF 565 – requiring the state to fully pay and therefore directly consider the costs of mandate proposals that are otherwise passed on to enrollees.

Sincerely,

A handwritten signature in black ink, appearing to read "Lucas Nesse", is written over a stylized graphic element that looks like a large, bold letter 'N' or a similar abstract shape.

Lucas Nesse  
President and CEO