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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.

Prescription drugs are life-changing and often lifesaving. However, the cost of prescription drugs now exceeds even the cost of inpatient hospitalization. Health plans are tasked with trying to manage these extremely high costs, so all enrollees have access to needed and cost-effective medications. The Council opposes SF 1806 because it places restrictive regulations on health plans when the root cause of concern is the enormous price of prescription drugs as set by the drug manufacturers.

Our nonprofit plans strive to make as few changes as possible to a formulary throughout a plan year because we want consistency for those enrolled in our coverage. While some exceptions in the bill generally reflect current health plan practices, there are also times when a drug manufacturer arbitrarily and exponentially increases their prices. Health plans only have a few mechanisms to shield our enrollees from even higher costs and this proposal would inhibit our effort to keep coverage more affordable. A similar bill on this topic was debated in the last biennium and included language requiring drug manufacturers to freeze their prices over a 12-month period, thus eliminating the need for a health plan to make formulary changes because of price increases. This is not included in SF 1806 but if it were added we would remove our opposition.

Finally, Council members comprise 99% of the state regulated market and our research has yielded that the type of action being regulated by this proposal is very rare. It is likely that the source of concerns heard in testimony originated from the self-insured market and is outside the scope of state jurisdiction.

Sincerely,

A handwritten signature in black ink, appearing to read "LN".

Lucas Nesse
President and CEO