



April 8, 2025

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 share our concerns about several provisions included in the A-6 DE amendment to SF 2669, the Health and Human Services Omnibus Finance bill.**

Minnesota has the 9<sup>th</sup> highest family premiums and the 13<sup>th</sup> highest individual premiums in the country for employer sponsored health insurance. According to the Minnesota Department of Health, since 2017, Minnesota families have reported among the highest median health care spending in the country.

We are concerned that this bill includes a number of provisions that will push costs higher and jeopardize access to the health insurance coverage on which many Minnesotans rely.

#### **Health Insurance Mandates**

According to the Centers for Medicare and Medicaid Services, Minnesota has the 2<sup>nd</sup> longest list of state-required health insurance mandates in the country. Each of these benefits was put in place to help people. But each also comes with a cost – and that is again the case with the new requirements included in this bill.

Article 7, Section 1 mandates that health plans provide coverage for vasectomies without cost sharing for enrollees. According to an actuarial analysis of this proposal completed by the Department of Commerce, this will push health insurance costs higher for those Minnesotans who rely on coverage in the state-regulated, fully-insured market.

Article 5, Section 1 limits the extent to which the prescription drug formularies associated with private, fully-insured health plans can be changed during the plan year. Formularies are one of the few tools available to plan sponsors to help control prescription drug costs. Because we have few means of measuring the cost implications of a move like this, we have traditionally relied upon fiscal notes for the proposals over the years to gauge cost implications. As in years past, this provision has once again triggered a cost increase for state public programs, indicating the likelihood of a similar cost impact to the private health insurance plans to which this new requirement would apply.

Rather than continuing to put increasing pressure on health insurance costs through the mandates and regulations it imposes on private health insurance, we believe the state should defray the cost of these requirements. When policymakers decide that there is a public health imperative for additional benefits

or regulations, defrayment offers the state the opportunity to invest in the health of those seeking them, while also ensuring costs for those who rely on coverage in the state's fully-insured market do not increase as a result.

### **Health Insurance Taxes**

In a recent KSTP poll, Minnesotans ranked health care as a top issue for the Legislature to address, second only to lowering taxes. And yet, this bill also includes a number of new and increased health care and health insurance taxes. Some Minnesotans already pay more than 8% of their premium dollar in health care taxes. These proposals would add to that figure higher, increasing costs for Minnesotans and their families at a time when concerns about health care and health insurance affordability are already high.

### **Individual Market Stability**

We are also concerned that this bill would abandon the state's proven individual market reinsurance program in favor of a plan to instead provide some in the individual market with premium subsidies. We are particularly concerned about whether this program can actually bring relief and stability to the individual market on January 1, 2026, when reinsurance would end. In its fiscal note on this proposal, MNSure stated very clearly: "This proposal is not implementable for plan year 2026."

We are also concerned that, if and when it is possible to implement this program, it may not have the same market stabilizing impact as reinsurance. Again in its fiscal note, MNSure recommended an actuarial and market study be completed on this proposal to fully understand the impacts it would have on consumer behavior and the individual market population. To date, no such analysis has been completed.

We understand that some in the Legislature would like to move beyond reinsurance as a market stability mechanism for the individual market. But replacing this proven, reliable program with one that is neither implementable in the time frame necessary nor well understood in terms of consumer and market impact risks jeopardizing the insurance coverage on which many Minnesotans rely.

Thank you for the opportunity to provide this input.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bentley Graves".

Bentley Graves  
Director, Health Care & Transportation Policy