National Association of Benefits and Insurance Professionals
Minnesota Chapter
NABIP
Shaping the *future* of healthcare

NABIP Statement about Health Benefit Mandates

The National Association of Benefit & Insurance Professionals Minnesota is the largest association representing health and benefit insurance agents. Our clients are individuals and employers throughout the state. As such, we represent the voice of consumers.

Each legislative session lawmakers are asked to support the inclusion of additional mandates to Minnesota's fully insured health insurance policies. Such mandates: 1) increase costs for consumers, and 2) reduce consumer choice. The additional costs of these mandates are not paid by insurance companies but are instead passed onto consumers in the form of higher premiums making them less affordable to consumers. Minnesota is in the top two states in the number of mandates required to be included in fully insured policies.

Mandates Only Apply to Fully Insured Products
States are prohibited from adding mandates to self-insured health plans that are regulated under federal ERISA laws. Most legislators are unaware that the mandates they pass only apply to a few of their constituents – including the individual market at 3.1% of the market and small group at 3.3% of the market, according to the MDH Health Economics Program 2024.

Fully insured plans not only must pay the high cost of mandates but also bear the burden of additional taxes. Most large employers on the other hand are self-insured, allowing them to avoid a long list of state mandates and taxes. New mandates drive more employers into the self-insured market, which also reduces tax revenue to the state. Mandates also create a competitive disadvantage for smaller employers who must compete for labor with large corporations who are self-insured.

Consumers Bear the Burden
Each new mandate is proposed by a group with a sympathetic story. We represent consumers, many of whom are increasingly priced out of health insurance altogether. ***A 2016 poll of Minnesotans found that 55% prioritized more affordable coverage vs 35% who were willing to pay more for more coverage***.

When the legislature adds mandates it decreases consumer choices, sending the message to consumers that "either you drive a Cadillac (buy an expensive plan) or you walk (go uninsured)."

Addition Cost to Minnesota Taxpayers
Additionally, under the ACA, states that choosing to add coverages may be required to pick up the cost creating an additional burden for Minnesotans.

We urge you to reject calls for additional mandates, no matter how small, and instead move toward giving this segment of the market additional flexibility to design their own, more affordable plans.