



February 11, 2022

Rep. Tina Liebling  
Chair, House Health Finance and Policy Committee  
100 Rev. Dr. Martin Luther King Jr. Blvd,  
Saint Paul, MN, 55155

Dear Rep. Tina Liebling,

On behalf of America's Health Insurance Plans (AHIP)<sup>1</sup>, we thank you for the opportunity to provide comments in opposition to [House File 11](#) (HF 11) – creating a public option and expanding MinnesotaCare eligibility. AHIP has extensive first-hand and historical knowledge about the nation's health care and health insurance systems and a unique understanding of how those systems work. We appreciate the opportunity to share our expertise in the context of HF 11.

We share the goal of ensuring that every Minnesotan has access to affordable, comprehensive coverage regardless of their income, health status, or pre-existing conditions. Our members in Minnesota regularly demonstrate their commitment by actively partnering in policy reforms that impact health care affordability. While our organization and our members share a common call, the proposal outlined in HF 11 will destabilize the health insurance market to the detriment of Minnesota's health care consumers. Our specific concerns are outlined below.

***HF 11 does not address the barriers to affordable health care.*** HF 11 does not address the significant cost drivers of health care spending in Minnesota. Prescription drugs account for 21.5<sup>2</sup> cents of the health care premium dollar. However, this bill fails to contemplate any policy measures that would hold drug manufacturers accountable for high priced drugs and their unjustifiable price increases. Unfortunately, because drug manufacturers frequently operate in artificial monopolies, with little to no transparency regarding their pricing practices and methodologies, carriers have limited leverage to influence these ever-increasing prices.

Health insurance providers have diligently and successfully brought down premium costs historically while increasing the variety of plans offered across Minnesota. AHIP supports steps to encourage a competitive marketplace that supports health insurance providers' ability to reduce premiums for consumers while providing high-quality care. It is important to avoid policies that place carriers at a significant disadvantage and limits their tools and ability to negotiate savings.

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<sup>1</sup> America's Health Insurance Plans (AHIP) is the national association whose members provide coverage for health care and related services to hundreds of millions of Americans every day. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers.

<sup>2</sup> <https://www.ahip.org/resources/where-does-your-health-care-dollar-go>

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Nothing in HF 11 addresses these issues, nor will any of the policy proposals included in the legislation foster more competition in these health care sectors. By refusing to address these significant cost drivers, this bill creates an approach that will jeopardize consumer coverage and destabilize the market for Minnesota health care consumers.

AHIP believes that the best path forward is a true market-based approach that restores and promotes competition and gives carriers and providers the flexibility to innovate. We urge the Legislature to consider the following market-based approaches to further the goal of increasing health care affordability and access in Minnesota:

- Eliminate market dysfunction by examining and regulating hospital and provider consolidation and acquisitions.
- Restore market efficiencies by eliminating provisions that undermine Minnesota's efforts to enact alternative payment models that reward value over volume.
- Support policies that will hold drug manufacturers accountable for excessive price increases.
- Enact policies to target uninsured individuals and facilitate enrollment in affordable coverage.
- Study the American Rescue Plan's impact on Minnesota's consumers and pause to understand how subsidies will impact the market.

Our members stand ready and are eager to work with policymakers and other stakeholders to advance policy approaches to make coverage more affordable, but such efforts can and should be done in a way that strengthens the market and does not jeopardize access and result in higher costs to consumers. We believe this legislation does not address health care affordability and could potentially cause significant harm to Minnesota's health care market. For these reasons, AHIP is opposed to this bill.

We appreciate this opportunity to comment and welcome the opportunity to remain engaged as you consider HF 11. If you have any questions or concerns or would like to discuss further, please do not hesitate to contact me at [jkeepes@ahip.org](mailto:jkeepes@ahip.org) or (202) 400-0928.

Sincerely,



Joshua D. Keepes, J.D.  
Regional Director  
America's Health Insurance Plans