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February 23, 2022

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

Dear Chair Liebling and Members of the Committee:

The Minnesota Council of Health Plans — representing Minnesota’s nonprofit health plans — works every day to support access to high-quality affordable health care. The Council has concerns with the coverage mandate bills before today’s committee – HF56, HF447, HF2915 – which only would impact the state’s fully insured market which is currently around 3 percent of the state’s health insurance market.

The role of our members as non-profit health insurance companies is to assist consumers in paying bills associated with accessing health care. A health plan allows an enrollee to spread out these costs through monthly premiums and through copays paid to providers. The amount enrollees pay for premiums and copays is associated with the prices doctors, hospitals, clinics, and drug manufacturers charge patients for all the costs associated with providing health care services.

The cost of medical care is expensive, especially for the care and treatment for complex medical conditions. The U.S. spends more in health care per capita than any country in the world. According to Centers for Medicare and Medicaid Services, U.S. health care spending grew 9.7 percent in 2020, reaching \$4.1 trillion or \$12,530 per person.¹ A Gallup poll recently found that 30 percent of respondents did not seek treatment for a health care issue because of cost.² Every session we hear concerns about the cost of health insurance in the fully insured market, either due to premiums or out-of-pocket costs. The cost of health insurance is a direct reflection of health care costs. If there is a concern with the price of premiums and out-of-pocket costs, there needs to be movement to lower the prices charged by providers and drug manufactures. Both entities should be encouraged to lower the prices they charge their patients.

¹ <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical>

² <https://news.gallup.com/poll/357980/increased-avoidance-care-drugs-due-cost-amid-pandemic.aspx>

Lastly, the Council continues to express concerns about any benefit mandate that does not apply to Medical Assistance and MinnesotaCare. Of the three bills before the committee, as introduced, only HF2915 applies to these programs. If the Committee and Legislature decides to apply these mandates to the commercial market, it should be equally applied to insurance products subsidized by the state.

We look forward to working with the authors of these proposals to ensure the costs associated with each are minimized as much as possible to manage health care costs, maintain stability in the market, and help Minnesotans gain access to needed care.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lucas Nesse', written in a cursive style.

Lucas Nesse
President and CEO