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February 9, 2022

House Commerce Committee  
State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
Saint Paul Minnesota 55155

Chair Stephenson and Members of the House Commerce Committee:

The Minnesota Council of Health Plans – the trade association representing Minnesota’s nonprofit health plans; Blue Cross and Blue Shield of Minnesota, HealthPartners, Medica, Sanford Health, and UCare – appreciates the work of the Commerce Department in performing assessments of benefits mandates submitted to the department in August. The Council was a strong supporter of HF 55 the legislation that requires a thorough state review of mandated benefit coverage proposals to promote patient safety and control costs. The Council will continue to support this process and looks forward to working with the department in evaluating this process in future years.

Health plans currently provide coverage for the Affordable Care Act’s “10 Essential Health Benefits” (EHBs), in addition to more than 60 additional health benefits required in Minnesota. Everything that is built into health insurance coverage has a cost because insurance is used to pay for health care services. The amount of premiums, copays and other out-of-pocket costs reflects the costs to pay doctors, hospitals, and for any medical equipment needed to provide care. When a new mandate is added to a plan’s benefit, there is going to be an added cost because there is a health care professional who is being paid to provide that care. As a result, when legislation is debated to require coverage for a benefit not in an existing plan, the Council has often testified with concerns about the impact the additional mandate will have on costs for everyone purchasing coverage in the fully insured market.

It is important to recognize that state mandates can only apply to Minnesota’s state public programs, SEGIP, and to health insurance products purchased by individuals and small businesses in the fully insured market. Of the seven bills submitted for review, however, only one (HF 2915, Poston; ectodermal dysplasias) applied to state public programs. The Council urges the legislature to apply coverage mandates equally to all health insurance products in their jurisdiction so both the impact and accompanying cost are properly weighed prior to final consideration.

As health plans, we strive to offer a comprehensive benefit set that can provide access to all types of care. But these products must also be affordable and at a level individuals and small business can purchase these products in the fully insured market. The Council and its nonprofit member health plans are committed to finding opportunities to make the health care system work better for every Minnesotan.

Sincerely,

A handwritten signature in black ink, appearing to read "Lucas Nesse", written over a light blue horizontal line.

Lucas Nesse  
President and CEO