February 16, 2023

House Health Finance and Policy Committee

100 Rev. Dr. Martin Luther King Jr. Blvd.

Saint Paul, MN 55155

Chair Liebling and Members of the Committee:

The non-profit members of the Minnesota Council of Health Plans (Blue Cross and Blue Shield of Minnesota, HealthPartners, Medica, Sanford Health Plan of Minnesota, and UCare) work every day to support Minnesotans with broad access to high-quality care. Our members structure their products to balance the increasingly expensive cost of accessing health care — Minnesota currently offers some of the lowest premiums in the country and has one of the lowest uninsured rates.[[1]](#footnote-2) The prohibition on cost sharing in HF 1030, Section 2, would undo this work, eliminate choice for Minnesotans, and destabilize the market. The Council is accordingly opposed and urges the committee to instead focus on proposals that would address the growth in the cost of care.

The Patient Protection and Affordable Care Act (ACA) established tiers to standardize levels of insurance for purchase. The tiers apply to insurance products on the individual market, each defined by differences in the levels of cost-sharing, but not in the covered benefits.[[2]](#footnote-3)

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| --- | --- | --- |
| **Plan Category** | **Premiums** | **Cost Sharing** |
| Bronze | 60% | 40% |
| Silver | 70% | 30% |
| Gold | 80% | 20% |
| Platinum | 90% | 10% |

For example, a Silver level plan is required to have a 70%/30%, premium to cost sharing ratio. That means the monthly premiums paid covers 70% of health care expenses, while 30% is paid in copays and coinsurance. Most Minnesotans purchase a bronze level product which carries the lowest premiums available through a 60%/40% ratio. Contrast that structure with a platinum plan, a product that can be expected to cover 90% of health care expenses, with only 10% cost sharing. Platinum plans have the highest monthly payment.[[3]](#footnote-4) However, over time consumers stopped purchasing these products because of the premium levels and are no longer offered on the exchange.

HF 1030 would go beyond what has previously been rejected by Minnesotans and force an even higher monthly cost on Minnesotans in the form on a 100%/0% product. Many Minnesotans currently with coverage can be expected to become uninsured rather than face the significant increase in monthly costs that would result from the policies within HF 1030.

The Council of Health Plans urges the committee to reject HF 1030 because it restricts consumer choice, increases the likelihood that more Minnesotans would forego coverage all together, does nothing to address the high cost of care, and would ultimately make care less affordable and less accessible for Minnesotans.

Sincerely,

Lucas Nesse

President and CEO

1. Kasier Family Foundation, Health Insurance Coverage of the Total Population <https://www.kff.org/2fdbf6d/>; Kasier Family Foundation, Average Marketplace Premiums <https://www.kff.org/db70157/>. [↑](#footnote-ref-2)
2. Kasier Family Foundation, What the Actuarial Values in the Affordable Care Act Mean <https://www.kff.org/wp-content/uploads/2013/01/8177.pdf>. [↑](#footnote-ref-3)
3. MNsure, Metal Levels <https://www.mnsure.org/shop-compare/about-plans/metal-levels/index.jsp>. [↑](#footnote-ref-4)