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February 25, 2023

The Honorable Zack Stephenson
House Committee on Commerce Finance and Policy
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

RE: House File 1677 on Network Adequacy Provisions

Dear Representative Zack Stephenson,

On behalf of America's Health Insurance Plans (AHIP)ⁱ, thank you for the opportunity to provide comments on House File 1677 (HF), legislation regulating to network sufficiency and provider credentialing.

AHIP shares the goal of ensuring and enhancing network adequacy for all Minnesotans through access to comprehensive coverage at an affordable cost. AHIP's members, including those who provide coverage to Minnesotans, offer health and supplemental benefits through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid. AHIP advocates for public policies that expand access to affordable health care coverage to all Americans through a competitive marketplace that fosters choice, quality, and innovation.

We applaud efforts to advance network adequacy, however, we have several concerns with provisions included in HF 1677, and their impact on quality and cost.

Any-willing-provider mandates decrease quality, increase costs, and impede competition.

HF 1677 adds new provisions to Minnesota Statutes 2022, section 62Q.096, requiring a health insurance provider to enter into a contract with any provider of mental health services that meets the health plan's credential requirements, seeks to receive a credential from a health plan, and agrees to the health plan's contract terms. Requiring health insurance providers to contract with any willing provider undermine health plan efforts to contract with and provide access to providers that have a history of providing the highest quality and most cost-efficient care to patients.

Further, any-willing provider provisions destroy incentives for improved competition. Such provisions create a presumed "right to employment or contract" that does not exist in any other industry, much less anywhere in the health care sector. The Federal Trade Commission (FTC) has expressed concerns about AWP mandates as regulations can result in higher premiums and may increase the number of uninsured.

“These laws can make it more difficult for health insurers or PBMs to negotiate discounts from providers; if plans cannot give providers any assurance of favorable treatment or greater volume in exchange for lower prices, then the incentive for providers to bid aggressively for the plan’s business – to offer better rates – is undercut. AWP and [Freedom of Choice] FOC laws also can limit competition by restricting the ability of insurance companies to offer consumers different plans, with varying levels of choice. These restrictions on competition may result in insurance companies paying higher fees to providers, which, in turn, generally results in higher premiums, and may increase the number of people without coverage.” ⁱⁱ

We encourage state policymakers to advance public policy that promotes, rather than discourages, high value provider networks.

Request: AHIP respectfully requests the removal of lines 3.1 through 3.13 of HF 1677 be removed.

The legislation includes broad methods to determine appropriate geographic accessibility and network adequacy. Section 4 of the bill language provides that the Commissioner of Health develop recommendations on methods to determine adequate geographic accessibility and network adequacy. AHIP shares the sponsor’s goal of continuing to ensure the accessibility of quality providers for consumers. Network adequacy standards should be about the sufficiency of a network, including low-income populations access to care without unreasonable delay. However, AHIP is concerned that the bill requires network adequacy standards that have not yet been studied.

Specifically, *lines 2.4- 2.16* of the bill refer to the implementation of specific network adequacy requirements that are then outlined in *Section 4 Geographic Accessibility and Network Adequacy Study* as elements that need to be studied.

Request: AHIP recommends conducting the study first and then implementing any additional network adequacy that may be needed based on the study’s data. Because health insurance providers are a necessary partner to this work, AHIP respectfully ask that Section 4 include a provision that such study will include the participation of interested parties (including health insurance plans). Further, we respectfully ask those lines 2.4 - 2.16 of the bill be deleted.

Thank you for taking our concerns into consideration. If you have any questions or concerns or would like to discuss further, please do not hesitate to contact me at PLobejko@ahip.org or (202) 748-2733.

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Sincerely,

Patrick Lobejko
Regional Director

ⁱ 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.

ⁱⁱ Federal Trade Commission [Letter](#) to Hon. James L. Seward, Senator, 51st District, New York; August 8, 2011.

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