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March 23, 2022

Health Finance and Policy Committee
Minnesota House
75 Rev Dr Martin Luther King Jr Boulevard
St Paul, MN 55155

Chair Liebling and Members of the Committee,

The Minnesota Council of Health Plans works every day to support access to high-quality affordable health care. The Council represents Minnesota's nonprofit health plans, including Blue Cross Blue Shield of Minnesota, HealthPartners, Medica, Sanford Health Plan and UCare.

Our plans strive to make few changes to a formulary throughout the plan year. For our plans in the fully insured market, these changes are rare, but if they do happen it is likely because a drug manufacturer has decided to unexpectedly increase their prices in the middle of the year. Drug companies can increase drug prices any time of the year and we all know drug prices for brand and generic drugs are rapidly increasing. The cost of prescription drugs now exceeds the cost of inpatient hospitalization and health plans are trying to manage these costs so enrollees have access to the most cost-effective treatments.

The Council is concerned language in the bill is not applied equally to all state-regulated insurance markets, namely state public programs. On lines 14.24-14.26 of the DE1 amendment:

(c) "Enrollee contract term" means the 12-month term during which benefits associated with health plan company products are in effect. For managed care plans and county-based purchasing plans under section 256B.69 and chapter 256L, it means a single calendar quarter.

This states that for commercial plans in the individual and group markets, changes prohibited in the bill cannot take place during a coverage year. However, it allows the Department of Human Services to make formulary changes four times a year for the Medical Assistance and MinnesotaCare programs. The formularies for these programs must adhere to the Department's Preferred Drug List. This means if you enroll in Medical Assistance or MinnesotaCare, your drug coverage could change every three months.

We understand the goal of the bill is to protect patients but having a different standard for those on public programs compared to those in the commercial market does not uniformly accomplish that objective. The language in this bill should apply to all Minnesotans equally, regardless if you seek your care in the fully-insured market or through a state public programs due to income, age, or a disability.

We look forward to continuing to work with Rep. Elkins and others on this issue as it moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lucas Nesse', with a stylized, sweeping flourish at the end.

Lucas Nesse
President and CEO