



February 23, 2022

Rep. Tina Liebling  
Chair  
Health Finance & Policy Committee  
Minnesota House of Representatives

Dear Chair Liebling,

On behalf of the Minnesota Chamber of Commerce and the 6,300 employers and more than 500,000 employees we represent, I am writing to share our thoughts about several of the bills the Committee is considering today.

Employer-sponsored health insurance is an increasingly important benefit, both in terms of retention and attraction of talent and in terms of keeping employees healthy and productive at work. Three-fourths of our members who offer insurance to their employees report that they will be required to make significant changes to their benefit offerings – including dropping coverage altogether – if costs continue to rise at their current rate.

Minnesota requires coverage of roughly 60 benefits as part of fully-insured individual and group health insurance products sold in the state. By some estimates, Minnesota ranks in the top five states with the most mandates. All of these coverage mandates were passed by the Legislature to help Minnesotans access coverage for certain health care procedures or treatments. Like the proposals included in the bills under consideration by the committee today, they all help someone. But it is also true that they all come with a cost. Research has indicated that:

- the average mandate increases premiums between 0.44-1.11% annually
- mandates tend to have a larger impact on the premiums of small employers who do not have the advantage of self-insuring, which provides greater flexibility around plan design and benefit offerings

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Seventy percent of our members who offer health insurance coverage to their employees purchase coverage in the fully-insured market. It is these small and mid-sized employers and their employees who bear the full cost of Minnesota's extensive coverage mandates.

It is often difficult, however, for legislators to weigh concerns about cost against the impact that coverage of a specific treatment or procedure could have on those who seek it. We are pleased that several of the bills under consideration today (HF 56, HF 447, and HF 2915) were recently reviewed by the Department of Commerce as part of a new mandated health benefit proposal process, signed into law last year. And while we would note the Department's findings that each of these proposals would lead to some increase in premium costs for those in the fully insured market – and would urge continued caution in adding more costs to what is already an extremely expensive product – it is reassuring to see the law working and that these reports allow legislators and stakeholders to draw their own conclusions about the value of each proposal.

We are concerned, however, that no such review has been completed for HF 626. We believe this bill, like the others, should be reviewed by the Department of Commerce as part of the mandated health benefit proposal process. As was noted above, this will ensure legislators have access to reliable data and information about the cost/benefit tradeoffs associated with the proposal.

It is also important to note that only one of the proposals before the Committee today would apply the same coverage requirements to state public programs. We raise this point as a basic fairness consideration. We believe any requirement applied to the state-regulated fully insured market should also apply to state-funded public programs.

Thank you for the opportunity to provide this feedback.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bentley Graves", with a stylized flourish extending to the right.

Bentley Graves  
Director  
Health Care & Transportation Policy