

# HEALTH INSURANCE MANDATES IN MINNESOTA

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# MINNESOTA CHAMBER OF COMMERCE



WE REPRESENT

**6,300**

MEMBERS STATEWIDE

That's over half a million employees!

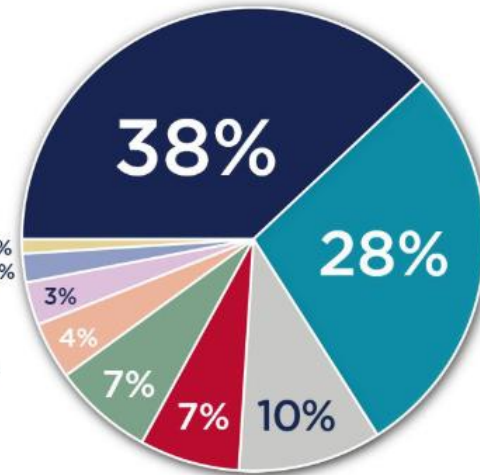
**40%**  
GREATER  
MINNESOTA



**60%**  
METRO

## BY INDUSTRY

- PROFESSIONAL SERVICES  
Finance, insurance, associations,  
advertising, legal services,  
engineering, real estate.
- MANUFACTURING
- WHOLESALE
- HOSPITALITY AND RETAIL
- CONSTRUCTION
- TRANSPORTATION
- HEALTH SERVICES
- UTILITIES
- AG/FORESTRY/FISHING/MINING



# HEALTH COVERAGE IN MINNESOTA

## Distribution of Minnesota Population by Primary Source of Insurance Coverage

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Public:</b>	33.2%	35.1%	35.5%	35.8%	36.2%	35.7%	36.4%	38.7%	40.1%	40.6%
Medicare	16.3%	16.7%	17.0%	17.4%	17.8%	18.1%	18.3%	18.7%	19.1%	19.4%
Medical Assistance	14.4%	15.5%	15.6%	15.9%	15.9%	15.2%	15.6%	17.3%	18.3%	18.5%
MinnesotaCare	1.3%	1.9%	1.7%	1.5%	1.4%	1.3%	1.3%	1.6%	1.6%	1.6%
TRICARE	1.1%	1.0%	1.0%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
High-Risk Pool	0.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Private:</b>	61.4%	60.6%	59.3%	57.9%	58.3%	59.6%	59.3%	57.3%	55.9%	55.6%
<b>Fully-Insured</b>	22.3%	21.2%	20.8%	19.3%	18.7%	19.0%	18.3%	17.6%	18.2%	18.1%
Self-Insured	39.2%	39.5%	38.5%	38.6%	39.7%	40.6%	41.0%	39.6%	37.7%	37.5%
<b>Uninsured</b>	5.4%	4.3%	5.3%	6.3%	5.5%	4.7%	4.3%	4.0%	4.0%	3.8%
<b>Total</b>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

### Fully-Insured:

#### *State-regulated*

- Individual
- Small Group
- Large Group Markets

### Self-Insured:

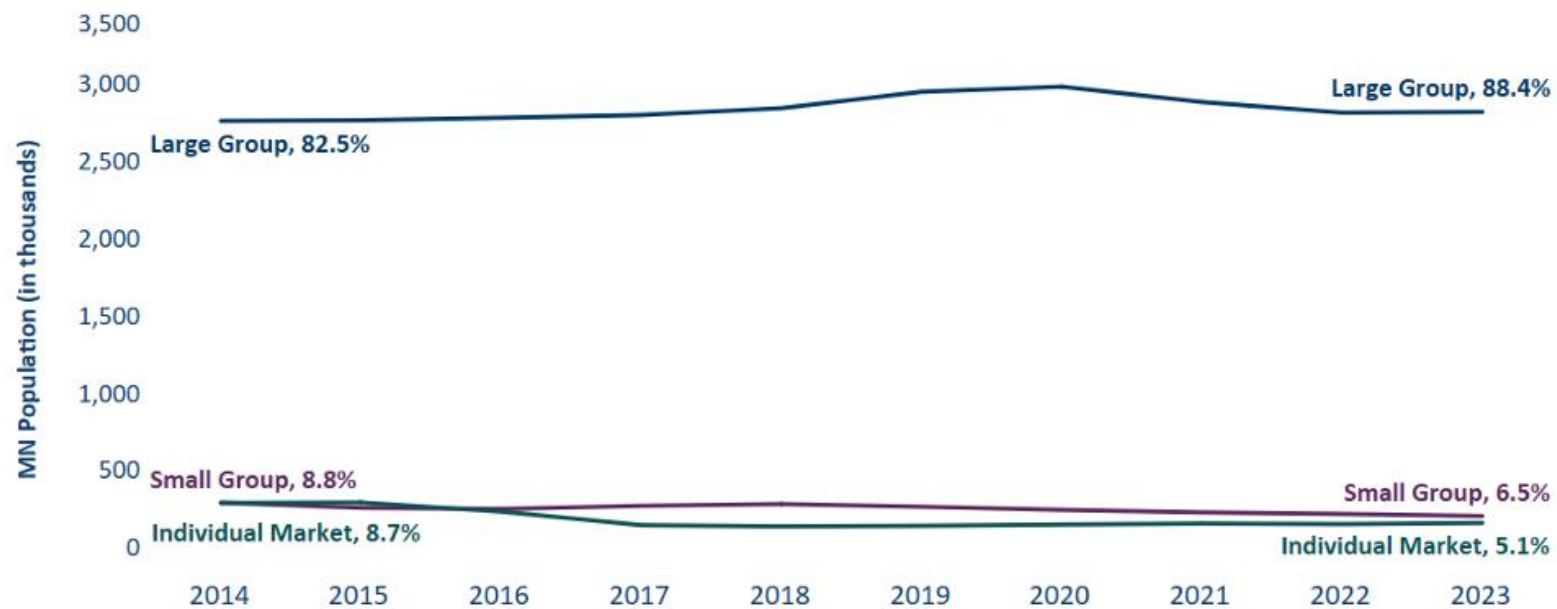
#### *Federally-regulated*

- ERISA-exempted

MDH Chartbook

# MINNESOTA'S STATE-REGULATED FULLY-INSURED MARKET

## Distribution of Minnesota's Private Health Insurance by Market Space



MDH Chartbook

# 2024 BUSINESS SURVEY RESULTS

- **68%** of our members provide health insurance coverage
  - **73%** fully-insure under **state rules**
  - **23%** self-insure under **federal rules**
- If Healthcare costs continue to increase at their current pace:
  - **34%** say they'll continue offering coverage, but they'll be forced to pass on cost increases to employees
  - **27%** say they'll be forced to reduce the level of coverage provided to employees
  - **11%** say they'll be forced to stop providing health insurance coverage as a benefit
- For those members of ours who do not currently provide health insurance coverage **20%** say its because they've dropped coverage because of prohibitive cost increases

# COST/MKT TRENDS & STATE IMPACT

## Cost Trends

- Employer Sponsored Insurance (ESI)
  - **9<sup>th</sup> highest** family premium
  - **13<sup>th</sup> highest** individual premium (AHRQ, MEPS 2023)
- Since 2017, Minnesota has reported among the highest median health care spending by families in the country (MDH Chartbook)

## Fully-Insured Group Market Trends 2013-2023

- Small Group: -5,384 groups covered, -110,667 lives covered
- Large Group: -1,189 groups covered, -43,691 lives covered

## Direct State Impact on Health Care Costs

- Coverage & Benefit Mandates on Fully-Insured market
- Health Care & Health Insurance Taxes
- Underpayment by Public Program to Doctors & Hospitals

# MN HEALTH INSURANCE MANDATES

## Minnesota - State Required Benefits

Benefit	Name of Required Benefit	Market Applicability	Citation Number
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Outpatient medical & surgical services	Individual, Group, HMO	62A.153; 4685.0700 subp. 2E
Outpatient Surgery Physician/Surgical Services	Outpatient services	Qualified Plans, Small Employer Compliance Plans, HMO	62E.06 Subd. 1(b)(2); 62L.05 Subd. 4(2); 4685.0700 subp. 2A, 4685.1010 subp. 2B
Hospice Services	Hospice services	HMO	4685.0700 subp. 1
Private-Duty Nursing	Private duty nurse	Small Employer Compliance Plan	62L.05 Subd. 4 (6)
Routine Eye Exam (Adult)	Preventive health services	HMO	4685.0700 subp. 2F; 4685.0100 Subp. 5
Urgent Care Centers or Facilities	Outpatient medical & surgical services	HMO	4685.0700 subp. 2A
Home Health Care Services	Home health services	Qualified Plans & Small Employer Compliance Plans & HMO plans	62E.06 Subd. 1(b)(5); 62L.05 Subd. 4(5); 4685.0700 subp. 3C
Emergency Room Services	Emergency services	Individual, Group, HMO	62Q.55
Emergency Transportation/Ambulance	Ambulance services	All health plans	62J.48
Inpatient Hospital Services (e.g., Hospital Stay)	Hospital services	Qualified Plans, Small Employer Compliance Plans, HMO	62E.06 Subd. 1(b)(1); 62L.05 Subd. 4(1); 4685.0700, subp. 2C
Inpatient Physician and Surgical Services	Inpatient hospital services	Qualified Plans, Small Employer Compliance Plans, HMO	62E.06 Subd. 1(b)(2); 62L.05 Subd. 4(2); 4685.0700 subp. 2D
Inpatient Physician and Surgical Services	Reconstructive surgery	Individual, Group, HMO	62A.25
Bariatric Surgery	Bariatric surgery	HMO	4685.07
Cosmetic Surgery	Complications from breast implants	Individual, Group, HMO	62A.285
Skilled Nursing Facility	Skilled nursing facility	Qualified Plans	62E.06 Subd. 1(b)(4); 4685.0700
Prenatal and Postnatal Care	Maternity benefits	Group, Group HMO	62A.047; 62A.041
Prenatal and Postnatal Care	Pre-natal care	Individual, Group, HMO	62A.047; 62A.041
Delivery and All Inpatient Services for Maternity Care	Minimum maternity stay	Individual, Group, HMO	62A.0411; 62A.041 Subd. 2 & 62C.14 Subd. 5a
Mental/Behavioral Health Outpatient Services	Ambulatory mental health services	Small Employer Compliance Plans, HMO	62A.152; 62L.05 Subd. 4(10); 62A.152; 62Q.47; 4685.0700 subp. 2E

Benefit	Name of Required Benefit	Market Applicability	Citation Number
Mental/Behavioral Health Inpatient Services	Inpatient mental health benefits	Group, HMO	62L.05 Subd. 4(10); 62Q.47; 4685.0700 subp. 2C
Substance Abuse Disorder Outpatient Services	Treatment for alcoholism and chemical dependency	Group, HMO	62A.149; 62Q.47; 4685.0700 subd. 2E
Substance Abuse Disorder Inpatient Services	Treatment for alcoholism and chemical dependency	Group market, HMO	62A.149; 62Q.47; 4685.0700 subd. 2C
Generic Drugs	Prescription drug coverage	Qualified Plans, Small Employer Compliance Plans, HMO	62E.06 Subd. 1(b)(3); 62L.05 Subd. 4(11); and 4685.0700 Subd. 3A
Preferred Brand Drugs	Prescription drug coverage	Qualified Plans, Small Employer Compliance Plans, HMO	62E.06 Subd. 1(b)(3); 62L.05 Subd. 4(11); and 4685.0700 Subd. 3A
Specialty Drugs	Prescription drug coverage	Qualified Plans, Small Employer Compliance Plans, HMO	62E.06 Subd. 1(b)(3); 62L.05 Subd. 4(11); and 4685.0700 Subd. 3A
Outpatient Rehabilitation Services	Therapeutic services	Qualified Plans, HMO	62E.06 Subd. 1(b)(3); 4685.0700 subp. 2E; 4685.0100 subp. 5D
Chiropractic Care	Chiropractic care	Small Employer Compliance Plans	62L.05 Subd. 4 (2); 62A.15; 62Q.23
Durable Medical Equipment	Durable medical equipment	Qualified Plans, Small Employer Compliance Plans, HMO	62E.06 Subd. 1(b)(10); 62L.05 Subd. 4(7); 4685.0700 subp. 3B
Durable Medical Equipment	Scalp-hair prostheses for alopecia areata	Individual, Group, HMO	62A.285 Subd. 2
Durable Medical Equipment	Durable medical equipment	Individual, Group, HMO	62Q.66
Hearing Aids	Hearing aids	Individual, Group, HMO	62Q.675
X-rays and Diagnostic Imaging	Diagnostic testing	Qualified Plans, Small Employer Compliance Plans, HMO	62E.06 Subd. 1(b)(11); 62L.05 Subd. 4(3); 4685.0700
Imaging (CT/PET Scans, MRIs)	Professional services, outpatient services and hospital services	Qualified Plans, Small Employer Compliance Plans, HMO	62E.06; 62L.05; 4685.0700
Preventive Care/Screening/Immunization	Well-child visits, immunizations	Individual, Group, HMO	62A.047
Preventive Care/Screening/Immunization	Routine cancer screenings (mammograms, ovarian cancer screening for women at risk, pap smears)	Individual, Group, HMO	62A.30
Preventive Care/Screening/Immunization	Prostate cancer screening	Individual, Group, HMO	62Q.50

Benefit	Name of Required Benefit	Market Applicability	Citation Number
Preventive Care/Screening/Immunization	Preventive health services	HMO	4685.0700; 4685.0100 Subp. 5
Routine Eye Exam for Children	Routine eye exams	HMO plans	4685.0700 subp. 2F; 4685.0100 Subp. 5
Anesthetics	Anesthetics	Qualified Plans	62E.06 Subd. 1(b)(8)
Congenital Anomaly, including Cleft Lip/Palate	Cleft lip/cleft palate	Individual, Group, HMO	62A.042
Clinical Trials	Clinical trials	HMO	62D.109
Dental Anesthesia	Anesthesia and hospital charges for dental care	Individual, Group, HMO	62A.308
Diabetes Care Management	Coverage for diabetes	Individual, Group, HMO	62A.3093
Treatment of Lyme Disease	Lyme disease	Individual, Group, HMO	62A.265
Prescription Drugs Other	Nonformulary antipsychotic drugs	Individual, Group, HMO	62Q.527
Family Therapy	Family therapy	HMO	62D.102
Inherited Metabolic Disorder - PKU	PKU treatment	Individual, Group, HMO	62A.26
Mental Health Other	Coverage for chemical dependency in corrections facilities	Health plan that provides coverage for chemical dependency	62Q.137
Mental Health Other	Coverage for mental health medically necessary care	Individual, Group, HMO	62Q.53
Mental Health Other	Court-ordered mental health services	Individual, Group, HMO	62Q.535
Off Label Prescription Drugs	Coverage for off-label drugs to treat cancer in certain circumstances	Individual, Group, HMO	62Q.525
Oral Surgery	Oral surgery	Qualified Plans	62E.06 Subd. 1(b)(12)
Oxygen	Oxygen	Qualified Plans	62E.06 Subd. 1(b)(7)
Port-Wine Stain Removal	Port-wine stain removal	Individual, Group, HMO	62A.304
Durable Medical Equipment	Prostheses	Qualified Plans	62E.06 Subd. 1(b)(9)
Radiation	Radiation therapy	Qualified Plans	62E.06 Subd. 1(b)(6)
Residential Treatment for Children with Emotional Disabilities	Health insurance benefits for emotionally disabled children	All health plans	62A.151
Second Opinions Related to Chemical Dependency and Mental Health	Second opinions related to chemical dependency and mental health	HMO	62D.103
Second Surgical Opinion	Second surgical opinions	Qualified Plans	62E.06 Subd. 1(e)
Services to Ventilator-Dependent Persons	Coverage of services to ventilator-dependent persons	All health plans	62A.155
Treatment for Temporomandibular Joint Disorders	Temporomandibular joint disorder (TMJ) and craniomandibular disorder (CMD)	Individual, Group, HMO	62A.043

- Minnesota is 2<sup>nd</sup> for most health insurance mandates (CMS)
- 14 new mandates were added last biennium
- 2025 Small Group premiums increased as much as 15%; carrier filings identified increased mandates as a contributing factor

# DEPT OF COMMERCE – 62J MANDATE REVIEW PROCESS

**62J.26** – Dept of Commerce required to conduct cost/benefit analysis of proposed health insurance mandate **BEFORE** they’re considered by the Legislature.

## 2024-2025 proposed state health benefit mandate evaluations

For the 2024-2025 cycle, Commerce evaluated nine proposed health benefit mandates for potential fiscal, economic, and public health impacts. The final reports are now available in the table below. Please contact Ashley Setala at [ashley.setala@state.mn.us](mailto:ashley.setala@state.mn.us) with questions..

### [Summary of proposed health benefit mandates](#)

<b>Bill</b>	<b>Evaluation of proposed health benefit mandate</b>
HF3479/ SF3510	<a href="#">Coverage for Mental Health Services for Children</a>
HF4211/ SF4089	<a href="#">Coverage for Vasectomies</a>
HF5050	<a href="#">Coverage for Genetic Testing and Imaging for Cancer</a>
HF5199	<a href="#">Coverage for Maternal Mental Health Programs</a>
HFXXXX	<a href="#">Coverage for Gene Therapy Treatment for Sickle Cell Anemia</a>
SFXXXX	<a href="#">Coverage for Over-the-Counter Contraceptives</a>
SFXXXX	<a href="#">Coverage for Powered Standing Systems</a>
SFXXXX	<a href="#">Coverage for Bowel and Bladder Management for Spinal Cord Injuries</a>
SFXXXX	<a href="#">Coverage for Inherited Metabolic Diseases</a>



# NEWLY ADDED/PROPOSED MANDATES & MANDATE DEFRAYAL

## 2023 Session Enacted Mandates

\$0 OOP for Mammogram Follow Up	\$	0.63	\$	7,856,616.60
Rare Disease Open Network	\$	7.28	\$	90,787,569.60
\$ OOP for Chronic Disease	\$	1.00	\$	12,470,820.00
Biomarker Testing	\$	0.22	\$	2,743,580.40
Psych Res. Treatment		-		-
Psych Coll. Care Model		-		-
<b>Total</b>	<b>\$</b>	<b>9.13</b>	<b>\$</b>	<b>113,858,586.60</b>

## 2025 Session Proposed Mandates

Bladder & Bowel Mgmt for Spin Cord	\$	0.02	\$	257,414.40
Cancer Genetic Testing & Imaging	\$	2.60	\$	33,463,872.00
Children MH No Cost Sharing	\$	2.40	\$	30,889,728.00
Inherited Metabolic Diseases	\$	0.65	\$	8,365,968.00
Maternal Mental Health	\$	0.70	\$	9,009,504.00
OTC Contraceptives	\$	2.20	\$	28,315,584.00
Powered Standing Systems	\$	0.10	\$	1,287,072.00
Sickle Cell Anemia Gene Therapy	\$	-	\$	-
Vasectomies	\$	0.23	\$	2,960,265.60
<b>Total Fully Insured Market Impact</b>	<b>\$</b>	<b>8.90</b>	<b>\$</b>	<b>114,549,408.00</b>

## 2024 Session Enacted Mandates

Maternity			\$	-
Hair Protheses	\$	0.13	\$	1,622,690.16
Abortion	\$	0.04	\$	436,878.12
Gender Affirming Care	\$	0.05	\$	624,111.60
Prosthetic & Orthodic	\$	0.39	\$	4,868,070.48
Catheters	\$	1.21	\$	15,103,500.72
Amino Acid				-
Genome Sequencing	\$	0.15	\$	1,872,334.80
<b>Total</b>	<b>\$</b>	<b>1.82</b>	<b>\$</b>	<b>22,655,251.08</b>

### HF 400 (Perryman, Huot) / SF 565 (Frentz, Dahms)

- State pays cost of **ALL** new mandates in **ALL** state-regulated fully-insured market segments
- Additional benefits are added without increasing the cost of coverage