



NABIP Statement about Health Benefit Mandates

The National Association of Benefit & Insurance Professionals Minnesota is the largest association representing health and benefit insurance agents. Our clients are individuals and employers throughout the state. As such, we represent the voice of consumers.

Each legislative session lawmakers are asked to support the inclusion of additional mandates to Minnesota's fully insured health insurance policies. Such mandates: 1) increase costs to consumers, and 2) reduce consumer choice. The additional costs of these mandates are not paid by insurance companies but are instead passed onto consumers in the form of higher premiums making them less affordable to consumers. Minnesota is in the top two states in the number of mandates required to be included in fully-insured policies.

Mandates Only Apply to Fully Insured Products

Minnesota is prohibited from adding mandates to self-insured health plans that are regulated under federal ERISA laws. Most legislators are unaware that the mandates they pass only apply to a select few of their constituents – those in the fully-insured market (individual, small group, and fully insured mid-size groups). The fully insured market has been shrinking for years and represents just 16.3% of privately insured Minnesotans in 2022 according to the Minnesota Department of Commerce.

Fully insured plans not only must pay the high cost of mandates, but also bear the burden of additional taxes that are not paid by self-insured groups (including Minnesota's largest corporations). New mandates drive more employers into the self-insured market, thereby reducing tax revenue to the state. Mandates also create a competitive disadvantage for smaller employers who must compete for labor with firms that are large enough to be self-insured.

Consumers Bear the Burden

Each new mandate is proposed by a group with a sympathetic story. We represent consumers, many of whom are increasingly priced out of health insurance altogether. ***A 2016 poll of Minnesotans found that 55% prioritized more affordable coverage vs 35% who were willing to pay more for more coverage.***

When the legislature adds mandates it decreases consumer choices, sending the message to consumers that "either you drive a Cadillac (buy an expensive plan) or you walk (go uninsured)."

Addition Cost to Minnesota Taxpayers

Additionally, under the ACA, states that choose to add coverages may be required to pick up the cost creating an additional burden for Minnesotans.

We urge you to reject calls for additional mandates, no matter how small, and instead move toward giving this segment of the market additional flexibility to design their own, more affordable plans.