



MAHU Statement about Additional Insurance Mandates

Dear Legislator:

The Minnesota Association of Health Underwriters is the largest association that represents health insurance and employee benefit agents. Our clients are individuals and employers throughout the state. More than anyone, 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. Contrary to popular opinion, the additional costs of these mandates are not paid by insurance companies but are instead passed onto consumers in the form of higher premiums. **No state has more mandates than Minnesota.**

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 now represents only about 21% of Minnesotans.

Additional Cost for Taxpayers

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.

Under the ACA, a state that chooses to add coverage, may be required to pick up the cost creating an additional burden for Minnesotans.

Consumers Bear the Burden

Each new mandate is proposed by an earnest and sympathetic group. We however, represent the broad market of consumers who are increasingly priced out of health insurance altogether. **A 2016 poll showed that 55% of Minnesotans valued more affordable health insurance vs 35% who were willing to pay more for more coverage.**

Consumers expect their insurance carriers to administer the risk pool in a manner that controls costs. Insurance carriers strategically stay abreast of current medical standards and coverage outlined in their contracts, to approve or deny coverage.

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

Mandates create a competitive disadvantage for fully-insured local businesses, who must compete for labor with firms that are large enough to be self-insured.

We urge you to reject calls for additional mandates. Instead we strongly encourage you to move toward giving this segment of the market additional flexibility to design their own plans.