

2017 Policies

HEALTH INSURANCE

Employers – especially small employers – are struggling with the high cost of health insurance. Ninety percent of Minnesota Chamber members who currently offer health insurance to their employees report they will be forced to make significant changes to their offerings – including reductions in coverage and dropping coverage altogether – if costs continue to increase at their current rate. Already, one in five Minnesota Chamber members who don't currently offer health insurance reports having recently dropped coverage for employees because of prohibitive cost increases – and 90% of these are employers with 50 employees or less. As further evidence of this disturbing trend, in the last two years alone, the fully-insured small group health insurance market shrank by one-third.

Health insurance is an increasingly important benefit, allowing employers to attract and retain talent in the marketplace and ensure their employees stay healthy and productive at work. Minnesota employers need more options and greater flexibility in providing health coverage for their employees.

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OUR GOALS

Ensure access to quality, affordable health care in the commercial market by reducing health care taxes and mandates; expanding product and coverage options for employers and individuals; increasing market competition and stability; encouraging outcome-based payment and delivery reform; and improving consumer engagement and transparency of cost and quality.

OUR KEY PRIORITIES FOR THE 2017 SESSION INCLUDE:

- Improve employers' coverage options: self-insuring and individual market options.
- Pursue greater state flexibility under the Affordable Care Act's innovation waivers.
- Oppose new insurance and care delivery mandates that increase the cost of health care.
- Increase health literacy and transparency of health care cost and quality.

IMPROVE EMPLOYERS' COVERAGE OPTIONS: SELF-INSURING AND INDIVIDUAL MARKET OPTIONS

Larger employers often leverage their greater financial resources to self-insure the health care needs of their employees. Under federal law, self-insured employers are exempt from having to pay the state-imposed taxes and, in most cases, are exempt from complying with state health care mandates. However, it is much more difficult for small employers to self-insure, and so they bear the full cost of these state taxes and mandates. As a result, small employers are at a disadvantage when competing to attract and retain talented employees and offer health care benefits. Minnesota's stop-loss insurance laws should be changed to make it easier for small employers to self-insure and better manage their health care costs.

Group coverage and self-insurance options have always served as the backbone of employer sponsored insurance. These options need to be protected and expanded. But given the significant premium increases in the state's individual market in 2017, urgent reforms are needed to improve and stabilize this market since self-employed individuals and small employers with "defined contribution" programs are reliant on its coverage options. Efforts to reform this market, however, must not come at the expense of employers offering group coverage.

OPPOSE THE ADDITION OF NEW INSURANCE TAXES AND CARE DELIVERY MANDATES THAT INCREASE THE COST OF HEALTH CARE

Small employers typically purchase insurance products in the fully insured market, which is subject to many health insurance taxes and mandates imposed at the state level. In Minnesota, state and federal health insurance taxes on fully insured products will make up about 10% of the cost of every premium dollar. These same fully insured products must also provide more than 60 state-mandated benefits, which carry additional costs. Research indicates that, on average, each single mandate can increase premiums by more than 1%.

PURSUE GREATER STATE FLEXIBILITY UNDER THE AFFORDABLE CARE ACT'S INNOVATION WAIVERS

The Affordable Care Act allows states to pursue waivers from a number of the law's requirements beginning in 2017. Among other things, states can seek to reduce the burden of ACA compliance on employers through changes to the law's employer mandate; they can redesign the insurance and care delivery mandates required under the law to lower costs and increase choice and competition in the marketplace; and they can increase coverage options for individuals and employers.

SUPPORT EFFORTS TO INCREASE CONSUMER ENGAGEMENT AND TRANSPARENCY OF COST AND QUALITY

The health insurance market has changed dramatically in recent years. Consumers are increasingly expected to become active participants in the utilization of their health insurance benefits and the management of their personal health care. However, many consumers lack a basic understanding of what their health benefits actually cost when combining premiums with deductibles, copays and coinsurance. Those who do understand this find it difficult to responsibly "shop" for health care due to a lack of comparable information about cost and quality. Everyone in the health care community, from insurers to providers and employers, has an interest in making sure Minnesotans understand the health insurance marketplace and can responsibly use their benefits. The Minnesota Chamber is committed to working within the health care community to advance efforts to improve health literacy and is committed to supporting efforts of organizations like Minnesota Community Measurement to provide accurate and easily digestible information to consumers and employers about the quality and cost of health care services across Minnesota.