



May 4, 2021

Minnesota House and Senate Conference Committee on HF 2128/SF 2360
Via electronic correspondence

RE: Support the House position on Article 5, Section 7 (modified copay option for Rx coverage)

Dear Representative Liebling and Senator Benson:

The undersigned organizations represent thousands of individuals facing serious, acute, and chronic health conditions in Minnesota. For the good of the patients we serve, we urge your conference committee to adopt Article 5, Section 7 of the fourth engrossment of HF 2128 to create a modified copay benefit option for individual and small-group coverage.

Authored by Representative Robert Bierman (HF 633) and Senator Carla Nelson (SF 365), this proposal would give consumers who purchase coverage on the individual and small-group markets the choice of buying a plan that restructures the out-of-pocket costs for prescription drugs – at no cost to the state and at no cost to consumers who choose not to purchase this type of benefit package. It's a lot like allowing consumers to spread out their heating bills across the calendar year: the bill still gets paid, but the task is made much more manageable for the patients involved.

Thanks to innovative new medicines, many diseases that were once fatal are now being treated as manageable chronic conditions, and for other diseases, new medicines have greatly increased average life expectancy. But today, under many health insurance plans, patients living with serious and life-threatening diseases must pay thousands of dollars in out-of-pocket costs to access the medicines their health care providers have prescribed. This is true for medications used to treat cancer, multiple sclerosis, arthritis, HIV/AIDS, and other debilitating and life-threatening diseases. When cost-sharing becomes a barrier to access, patients find themselves facing difficult decisions about whether to take medically necessary treatments or to risk the family's financial stability.

This proposal would require individual and small-group insurers to make a subset of plans available for purchase that include a pre-deductible, copay-only prescription drug benefit. The highest possible copay for these plans would be set at one-twelfth of the individual maximum out-of-pocket per plan year. For Minnesotans with chronic health conditions who rely on costly medications to preserve their health and lives, such a coverage option would mean an end to paying thousands of dollars in deductibles and

coinsurance at the start of every plan year – making their expenses throughout the year consistent and predictable.

We have real-world experience to support our claim that this language would help the patients we serve without impacting other consumers' insurance costs. Colorado issued a bulletin to implement a similar health benefit requirement in 2015, and adopted a formal regulation in 2018.¹ Their state Department of Insurance confirmed in writing that (1) the premium differences between copay-only and non-copay products are small, (2) insurers continue to deliver a robust set of copay-only and non-copay product options across the state and at all metal levels, and (3) this regulation has had no demonstrable impact on the health of the state's markets and the ability of insurers to develop products and negotiate with drug makers.² These findings align with those of a 2017 Milliman actuarial study exploring the impact of copay-only benefit rules in Colorado and Montana,³ and with publicly available SERFF filing data showing the premiums and actuarial values for Colorado's individual and small-group products year-over-year.⁴

In short, this proposal will give Minnesota patients a coverage option that makes the drugs that keep them healthy and productive – and in many cases alive – more affordable, without disrupting health insurance markets or forcing this option on other Minnesotans who do not need this kind of coverage. We hope your conference committee will see fit to adopt this proposal.

Please direct questions or requests to Dana Bacon, Regional Director of Government Affairs for The Leukemia & Lymphoma Society (dana.bacon@lls.org, 612.308.0479).

Sincerely,

American Cancer Society Cancer Action Network
Arthritis Foundation
Cancer Legal Care
Coalition of State Rheumatology Organizations
Epilepsy Foundation of Minnesota
Hemophilia Federation of America

The Leukemia & Lymphoma Society
Minnesota Medical Association
National Multiple Sclerosis Society
National Psoriasis Foundation
National Organization for Rare Disorders
Susan G. Komen

Cc: Representative Robert Bierman
Senator Carla Nelson

¹ Colorado Department of Regulatory Agencies, Division of Insurance, Colorado Insurance Regulation 4-2-58. <https://drive.google.com/file/d/1O5ahn2TLXaIEGZloOADRoRCNposXytLq/view>

² Colorado Division of Insurance letter to The Leukemia & Lymphoma Society, February 22, 2021. <https://www.house.leg.state.mn.us/comm/docs/WGUsiGW3aUi9JBhokZznDQ.pdf>

³ Milliman, Inc., July 2017. "Impact of Prescription Drug Copay Regulatory Action on ACA Exchange Plans in Colorado and Montana." <https://us.milliman.com/-/media/milliman/importedfiles/uploadedfiles/insight/2017/impact-prescription-drug-copay-guidance-co-mt.ashx>

⁴ System For Electronic Rates & Forms Filing (SERFF) data for Colorado: <https://filingaccess.serff.com/sfa/home/CO>