

December 9, 2021

Grace Arnold  
Commissioner, Minnesota Department of Commerce  
85 7th Place East, Suite 280  
Saint Paul, MN 55101

**Comments on Request for Information: Mandated Health Benefit Proposal Evaluations**

Dear Commissioner Arnold:

We appreciate the opportunity to comment on the mandated health benefit review required under Minn. Stat. §62J.26, specifically the review elements pertaining to HF 633 (Flat copayment for prescription drugs). Our organizations represent millions of patients and consumers who face serious, acute, and chronic health conditions, and the providers who help make their care possible. We have a unique perspective on what individuals and families need to prevent disease, cure illness, and manage chronic health conditions. Our diversity gives us a wealth of knowledge and expertise that is an invaluable resource as we work to expand access to high-quality coverage.

Our organizations support HF 633 as a sensible proposal grounded in the real-world experience of similar policies in other states, both because of the value we believe it will deliver to our constituents and because we are confident it will have minimal or negligible premium impacts while improving Minnesota’s health coverage landscape. In our answers below to the issues raised on page 5 of the RFI document, we will explain why we believe HF 633 is medically and fiscally sound and will point to documentation that your department can use to verify our comments.

***Impact of HF 633 on patient access to care***

Prescription medications are critical to the treatment of a broad spectrum of serious diseases and conditions. When health plans include pharmacy tiers that charge coinsurance instead of copays and require consumers to meet their entire deductible before providing any plan payments toward prescription costs, it creates access barriers for patients. For many treatments, coinsurance can require patients to fully meet their deductible and annual out-of-pocket (OOP) expenses early in the year – sometimes even when filling their first prescription. Coinsurance is also unpredictable as it is expressed as a percentage of the drug’s price which is often unknown, making it difficult for patients to shop for a plan that meets their needs and budget for their costs.

When cost-sharing becomes a barrier to access, patients do not use their medications appropriately, skipping doses to save money or abandoning a treatment altogether. In a survey done of people with employer-sponsored insurance, approximately half of respondents reported skipping or postponing care or prescription drugs due to cost.<sup>i</sup> A cancer-specific study from 2011 found that high cost-sharing was associated with higher prescription abandonment rates.<sup>ii</sup> Researchers have found that “financial toxicity” resulting from high cost-sharing not only reduces adherence to medication, but also adversely affects quality of life and survival.<sup>iii</sup>

HF 633 will guarantee an opportunity for the patients we serve to find individual and small-group plans with predictable and manageable monthly expenses for all their medications, and will reduce the likelihood of prescription abandonment due to high OOP costs. These are important gains that will improve access to care and health outcomes for these Minnesotans.

***Expected cost impact for patients and providers***

In 2018, the state of Colorado implemented a regulation, similar to HF 633, to establish a copay-only requirement for individual and small-group plans.<sup>iv</sup> Based on Colorado market data from 2019 through today, as well as actuarial analysis conducted by Milliman<sup>v</sup>, patients who select copay-only plans made available through HF 633 may expect to pay premiums

that are similar to or only slightly higher than other products of comparable actuarial value. Further, Minnesota individual market enrollees who receive Advance Premium Tax Credits will see the premium difference absorbed by their subsidies.

People who choose to buy plans without this benefit structure should not see a premium impact from the law. We also expect this legislation to have no cost impact on providers.

### **Additional resources to consider**

We would encourage the Commerce Department to look extensively at Colorado plan data available through SERFF, the Connect for Health Colorado website<sup>vi</sup>, and HIX Compare<sup>vii</sup>. In addition, the Division of Insurance issued a letter in February 2021 that confirmed the positive value of its state regulation to consumers and its negligible impact on others in the market.<sup>viii</sup> These resources will give real-world examples of the flexibility plans have to offer copay-only products alongside other products, and how premiums, deductibles, and other factors can be adjusted to meet a variety of consumer needs.

### **Conclusion**

We greatly appreciate your department's work to promote a high-functioning insurance market that provides Minnesotans with more options for affordable, quality health coverage that works for them. We believe the evidence on HF 633 speaks well to its feasibility and value to the patients we serve. We look forward to working with you and your team as this review process moves ahead.

If you have questions or would like additional information, please contact Dana Bacon at [dana.bacon@lls.org](mailto:dana.bacon@lls.org) or 612.308.0479.

Sincerely,

The Aliveness Project  
American Cancer Society Cancer Action Network  
Arthritis Foundation  
Cancer Legal Care  
Epilepsy Foundation of Minnesota  
Hemophilia Federation of America  
Hemophilia Foundation of Minnesota/Dakotas  
The Leukemia & Lymphoma Society

Minnesota Medical Association  
Minnesota Rural Health Association  
NAMI Minnesota  
National Multiple Sclerosis Society  
National Organization for Rare Disorders  
Rainbow Health  
Susan G. Komen

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<sup>i</sup> Hamel, L., Munana, C. & Brodie, M. (May 2, 2019). Kaiser Family Foundation/LA Times Survey Of Adults With Employer-Sponsored Insurance. *Kaiser Family Foundation*. <https://www.kff.org/report-section/kaiser-family-foundation-la-times-survey-of-adults-with-employer-sponsored-insurance-section-2-affordability-of-health-care-and-insurance/>

<sup>ii</sup> Streeter, S.B., Schwartzberg, L., Husain, N., Johnsrud, M. (May 1, 2011.) Patient and Plan Characteristics Affecting Abandonment of Oral Oncolytic Prescriptions. *Journal of Oncology Practice*. <https://ascopubs.org/doi/full/10.1200/jop.2011.000316>

<sup>iii</sup> Dusetzina, S., Cubanski, J., Rowland, D., Ramsey, S., (March 15, 2018). Improving the Affordability of Specialty Drugs by Addressing Patients' Out-of-Pocket Spending. *Health Affairs*. [https://www.healthaffairs.org/doi/10.1377/hpb20180116.800715/collectionitem/HPP\\_2018\\_CMWF\\_01\\_W.pdf](https://www.healthaffairs.org/doi/10.1377/hpb20180116.800715/collectionitem/HPP_2018_CMWF_01_W.pdf)

<sup>iv</sup> Colorado Department of Regulatory Agencies, Division of Insurance, 3 CCR 702-4, Life, Accident and Health. Amended Regulation 4-2-58: Non-Discriminatory Cost-Sharing and Tiering Requirements for Prescription Drugs. Enacted June 1, 2018, amended version enacted June 1, 2021. <https://drive.google.com/file/d/15cLaKN12uhwUarXmKvYsMtgol-SJrnf2/view>

<sup>v</sup> Sawhney, T.G., Dieguez, G., Mirchandani, H., Son, M. (July 2017). "Impact of Prescription Drug Copay Regulatory Action on ACA Exchange Plans in Colorado and Montana." *Milliman*. <https://us.milliman.com/-/media/milliman/importedfiles/uploadedfiles/insight/2017/impact-prescription-drug-copay-guidance-co-mt.ashx>

<sup>vi</sup> <https://connectforhealthco.com/>

<sup>vii</sup> <https://hixcompare.org/>. This website, maintained by the Robert Wood Johnson Foundation, contains benefit and premium data for nearly every individual and small-group plan offered on the marketplace in the U.S. from 2014 through 2021, as well as most off-market plans.

<sup>viii</sup> <https://www.house.leg.state.mn.us/comm/docs/WGUsiGW3aUi9JBhokZznDQ.pdf>