



Good morning, Chairman Longmuir and members of the House Political Subdivisions committee. My name is Megan Hruby and I am with Blue Cross Blue Shield of North Dakota.

I am here today in support of Senate bill 2249 which is the study of health care mandates. BCBSND is incredibly concerned with the escalating costs of health care in North Dakota. North Dakotans are already struggling to afford health insurance. This legislative session there have been just under a dozen mandates proposed: infertility, cryopreservation, insulin caps, ground ambulance reimbursement, step therapy bills, copay coupons, PBM regulation/state regulation of self-funded plans, dental insurance reform and two different bills to require coverage of GLP-1 medications for weight loss. Each legislative session we see more, not less, mandates introduced. If all the proposed bills passed due to pressure from advocacy and special interest groups went directly to the commercial market, policyholders would be facing consequences from spur of the moment public policy decisions costing hundreds of millions of dollars, with little or no ability to unwind the impacts.

Mandates are anti-free market, oftentimes expensive, and stymie innovation. In North Dakota, we have never updated or repealed a single mandate.

While it is easy to place blame for the increasing cost of insurance on health carriers, we have to remember that North Dakota is a rate and file state, which means all premium increases must be reviewed and approved (generally after they are cut) by the Insurance Commissioner. We submit three to five years of data to the Insurance Department to justify the rates we request. In addition, federal law requires that we spend around 85 cents of every dollar on patient care. On the individual market, we retain less than a penny for every dollar we take in. Yet the costs of healthcare in North Dakota are not low. The US Department of Commerce Bureau of Economic Analysis ranks North Dakota third in the nation in healthcare expenditures per capita. As evidence, from 2022 to 2024, Blue Cross Blue Shield of North Dakota spent \$845,233,023.79 on North Dakota State Legislature imposed health insurance mandates. We anticipate that with the addition of the 2025 mandates and Essential Health Benefit additions, that number will be over \$1 billion. Some of the mandates in century code are outdated, where the science has progressed beyond what is in statute. We might cover the newer test or drug, but we are also forced to cover the outdated version because a mandate was passed at some point historically and has never changed.

When asked by the Greater North Dakota Chamber what the one thing is that state legislators can do to help their business, healthcare affordability has been the top response for several years. We do not make health insurance more affordable by passing coverage mandates, as insurance companies do not pay for mandates, policyholders, North Dakota businesses and taxpayers pay for mandates in the form

of increased premiums. That is why we think SB 2249, the study of health care mandates and their medical evidence is a worthwhile effort and encourage a Do Pass recommendation.

With that, Chairman Longmuir, I will stand for any questions.