

Mr. Chairman and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **opposition** of House Bill 1114.

In our 2024 ND Economics and Employer Survey of our membership, when asked to name one thing state government could do to help your business, the top answer was to make healthcare more affordable.

Last fall, the Insurance Commissioner approved small group insurance premium increases between 6.3 and 15.3 percent for the 2025 plan year. Healthcare and prescription drug coverage mandates increase business burdens and costs. These increases leave employers with hard decisions. Do they continue offering employer-sponsored health insurance, or do they provide cost-of-living raises to help employees pay for rent and groceries?

It is unclear that the desired impacts of this bill will be achieved. In a report to the Employee Benefits Program Committee on Sept. 12, 2024, Rebecca Fricke, CEO of PERS, indicated that for the 2023-2025 biennium, utilization of insulin and diabetic supplies did not change significantly after inclusion of the price cap. Additionally, it was reported that pharmaceutical companies have been reducing the price of insulin and the majority of the diabetic supplies filled by NDPERS members cost less than the \$25/month cap.

Our members oppose mandates that increase business burdens and costs. The fiscal note of this bill indicates that this is a cost shift. Rather than making healthcare more affordable, this will increase business costs by shifting them to the employer. This is especially concerning when considering that there were eight other healthcare mandate bills this session that had either current or future applications to the private sector in the future. These costs add up, and they don't go away.

We hope you will allow individuals and businesses to make their own choices about the health care coverage that is best for them. We respectfully urge you to oppose HB 1114.

The Hidden Costs of **HB 1114**: Why It's the Wrong Approach

COSTS ARE SHIFTED TO OTHERS

1

- The bill limits how much a person pays for insulin or diabetic supplies, but the remaining costs don't disappear—they get passed on to others through **higher insurance premiums**.
- Insurance companies don't absorb these costs; policyholders do.



2

THE MARKET IS ALREADY LOWERING THE COSTS

- The three major health insurance providers in North Dakota already have a \$25 cap on insulin, **without needing a law** to enforce it.



3

HEALTHCARE MANDATES NEVER GO AWAY

- Once a healthcare mandate is passed, **it stays forever**, even if it becomes unnecessary or outdated.
- No mandate in North Dakota has ever been updated or removed, even when medical practices change.



4

COSTS WILL KEEP RISING

- Just this bill alone could cost PERS approx. \$834,000 in two years.
- SEVEN mandate bills were introduced that would have cost PERS approx. \$77M - this is 1 of 2 that remain.
- These mandates **don't lower healthcare costs**; they increase premiums for everyone.



5

IT REDUCES CHOICE & INNOVATION

- More mandates mean **less flexibility** for individuals and businesses to choose healthcare plans that fit their needs.
- It limits the ability of insurers to find new, better ways to offer coverage.



We asked GNDC members/ND's business community:

What is one thing STATE GOVERNMENT could do to help their business?

#1

Make Healthcare More Affordable

**HB 1114 is a mandate that drives up healthcare costs and kills choice.
That's bad public policy. VOTE NO.**