

Consolidated Fiscal Note

2023-2024 Legislative Session

HF390 - 0 - Mammogram Diagnostics and Testing Covered

Chief Author: **Patty Acomb**
 Committee: **Health Finance And Policy**
 Date Completed: **1/31/2023 4:06:44 PM**
 Lead Agency: **Commerce Dept**
 Other Agencies:
 Health Dept Minn Management and Budget
 MNSure

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Minn Management and Budget					
General Fund	-	67	142	149	156
State Employees Insurance	-	-	-	-	-
All Other Funds	-	140	295	309	325
State Total					
General Fund	-	67	142	149	156
State Employees Insurance	-	-	-	-	-
All Other Funds	-	140	295	309	325
Total	-	207	437	458	481
Biennial Total			644		939

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Minn Management and Budget					
General Fund	-	-	-	-	-
State Employees Insurance	-	-	-	-	-
All Other Funds	-	-	-	-	-
Total	-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Shannon Zila **Date:** 1/31/2023 4:06:44 PM
Phone: 651-296-6053 **Email:** shannon.zila@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Minn Management and Budget					
General Fund	-	67	142	149	156
State Employees Insurance	-	-	-	-	-
All Other Funds	-	140	295	309	325
Total	-	207	437	458	481
Biennial Total			644		939
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Minn Management and Budget					
General Fund	-	67	142	149	156
State Employees Insurance	-	240	504	529	556
All Other Funds	-	140	295	309	325
Total	-	447	941	987	1,037
Biennial Total			1,388		2,024
2 - Revenues, Transfers In*					
Minn Management and Budget					
General Fund	-	-	-	-	-
State Employees Insurance					
Revenues	-	-	-	-	-
Transfers In	-	240	504	529	556
All Other Funds	-	-	-	-	-
Total	-	240	504	529	556
Biennial Total			744		1,085

Fiscal Note

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 Committee: **Health Finance And Policy**
 Date Completed: **1/31/2023 4:06:44 PM**
 Agency: **Commerce Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Shannon Zila **Date:** 1/31/2023 4:04:07 PM
Phone: 651-296-6053 **Email:** shannon.zila@lbo.mn.gov

State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Total	-	-	-	-	-
Biennial Total			-		-
2 - Revenues, Transfers In*					
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

House File 390 amends Minn. Stats. § 62A.30 by requiring zero cost-sharing for all follow-up diagnostic services recommended by a physician after a breast cancer screening. The requirements apply to all fully insured commercial health plans, as well as Medical Assistance and MinnesotaCare plans.

Assumptions

Commerce’s analysis of this bill is informed by the agency’s Proposed Health Benefit Mandate Report released earlier last year.

Commerce assumes the requirements of HF390 do not constitute a new benefit mandate as understood under Section 1311(d)(3) of the ACA. New benefit mandates not included as essential health benefits (EHBs) specified under section 1302(b) and added by state law after December 31, 2012 require the State to defray health plan costs associated with providing coverage to enrollees. Section 1311(d)(3) specifies that the state is not required to defray costs of new benefit mandates when unrelated to specific care, treatment, or services.

Coverage requirements under HF390 are not related to any specific care, treatment or services not already covered by the benchmark plan and other issuers offering EHBs, and thus do not constitute a new benefit mandate requiring defrayal by the State. The bill merely updates the cost-sharing requirements for diagnostic services and testing following an initial mammogram and it does not mandate coverage for a new benefit not already covered under a health plan company offering EHBs.

Commerce assumes that HF390 would have no fiscal impact on the agency. Commerce staff reviewing health plan forms and rate filings would be required to add the new statutory provisions of the bill to existing checklists and review them for compliance. The work required by the bill would not substantially add to or deviate from the existing overall role agency staff have in the review of health plan filings.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Amy Trumper

Phone: 651-539-1517

Date: 1/31/2023 3:09:03 PM

Email: amy.trumper@state.mn.us

Fiscal Note

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HF390 - 0 - Mammogram Diagnostics and Testing Covered

Chief Author: **Patty Acomb**
 Committee: **Health Finance And Policy**
 Date Completed: **1/31/2023 4:06:44 PM**
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Shannon Zila **Date:** 1/31/2023 1:03:43 PM
Phone: 651-296-6053 **Email:** shannon.zila@lbo.mn.gov

State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill requires health plans to cover diagnostic services and testing following a mammogram if a health care provider determines it necessary, and applies to health plans offered, issued, or sold on or after January 1, 2024. The health plan is prohibited from imposing cost-sharing, including co-pays, deductibles, or coinsurance.

Assumptions

MDH is responsible for reviewing state-regulated HMO health plans for compliance with state and federal requirements before they are available to enrollees. HMO health plans are required to cover preventive mammograms. Diagnostic services and testing required in this bill are currently covered as non-preventive services. Therefore, enforcement of this requirement falls within the routine reviews of HMO health plan coverage. MDH would incur a de minimus fiscal impact.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Char Kimber

Phone: 651-201-4685

Date: 1/31/2023 9:46:29 AM

Email: health.fiscalnotes@state.mn.us

Fiscal Note

2023-2024 Legislative Session

HF390 - 0 - Mammogram Diagnostics and Testing Covered

Chief Author: **Patty Acomb**
 Committee: **Health Finance And Policy**
 Date Completed: **1/31/2023 4:06:44 PM**
 Agency: **Minn Management and Budget**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	67	142	149	156
State Employees Insurance	-	-	-	-	-
All Other Funds	-	140	295	309	325
Total	-	207	437	458	481
Biennial Total			644		939

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
State Employees Insurance	-	-	-	-	-
All Other Funds	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Susan Nelson **Date:** 1/26/2023 4:29:29 PM
Phone: 651-296-6054 **Email:** susan.nelson@lbo.mn.gov

State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	67	142	149	156	
State Employees Insurance	-	-	-	-	-	-
All Other Funds	-	140	295	309	325	
Total	-	207	437	458	481	481
			644			939
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	67	142	149	156	
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Total	-	447	941	987	1,037	1,037
			1,388			2,024
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General Fund	-	-	-	-	-	-
State Employees Insurance						
Revenues	-	-	-	-	-	-
Transfers In	-	240	504	529	556	
All Other Funds	-	-	-	-	-	-
Total	-	240	504	529	556	556
			744			1,085

Bill Description

HF390-0 requires that health plans provide coverage of additional testing or diagnostic screening services after a mammogram without member cost sharing if a health care provider determines such testing is necessary for the enrollee.

Assumptions

Minnesota Management and Budget (MMB) administers the State Employee Group Insurance Program (SEGIP) which provides health, dental, life, and other benefits to eligible State employees and their dependents, and quasi-state agencies defined in Minnesota Statute. Health benefits are provided through the self-funded Minnesota Advantage Health Plan (Advantage). SEGIP contracts with three health plan administrators to provide medical benefits and a Pharmacy Benefit Manager (PBM) to provide its prescription drug benefit.

MMB expects potential administrative and fiscal impacts from HF390-0.

Administratively, the language of the bill may conflict with SEGIP's ability to provide its High Deductible Health Plan (HDHP) offering. SEGIP offers the Advantage HDHP with an accompanying Health Care Savings Account (HSA) to a small subset of eligible employees. MMB is concerned that treating additional post-mammography testing and diagnostic services as though they were preventive services, and without member cost sharing, may conflict with IRS requirements related to HDHPs.

MMB assumes a cost impact from the bill due to foregone cost-sharing and increased utilization. SEGIP's Advantage Health Plan will be required to cover the foregone member cost sharing for any additional post-mammography screenings that a health care provider determines are medically necessary. The bill does not specify the exact procedures that must be covered post-mammography without member cost sharing, so there is some ambiguity about which procedures are relevant. MMB's health plan administrators were consulted, and each identified the set of post-mammography diagnostic

and imaging procedure code ranges they consider appropriate for the follow-up procedures being performed. The relevant procedures include imaging (3D mammography/MRI/CT scans/ultrasonography), biopsy, genetic testing, and pathology. Each health plan also estimated the amount of increased utilization that SEGIP will likely see on account of removing cost-sharing from this set of services.

Each health plan administrator provided SEGIP with a Per-Member-Per-Month (PMPM) estimate of the increased cost SEGIP would have experienced if the plan had foregone member cost-sharing for post-mammography diagnostic and testing services during the 2021 and 2022 plan years. Previous estimates of the fiscal impact of HF447-1A (2022), which had identical language to HF390-0, relied upon trended 2019 plan year claims data to avoid the potentially confounding impacts of the COVID-19 pandemic on medical services utilization. The updated average of the health plan administrators' PMPM estimates using more recent claims data resulted in a fiscal impact of \$0.31 PMPM.

With an effective date of January 1, 2024, and with approximately 129,000 members, the fiscal impact of this legislation is estimated to be \$239,940 for the second half of FY2024. We assume a 5% annual inflation factor for FY2025 and beyond for the increasing cost of medical services.

Expenditure and/or Revenue Formula

FY2024: \$0.31 PMPM * 129,000 members * ½ year (6 months) = \$239,940

FY2025: \$0.31 PMPM * 129,000 members * 1 year (12 months) * 1.05 inflation factor = \$503,874

Fiscal Year Cost Calculation	FY23	FY24	FY25	FY26	FY27
Total Cost to SEGIP of this bill	NA	\$239,940	\$503,874	\$529,068	\$555,521

Total Expenditures including new employee costs:

SEGIP's costs are funded by contributions paid by state and quasi-state employers and employees. Our fiscal note assumes that 86.6% of added costs will be paid by state agencies. This figure represents the proportion of employees on active payroll (97.2%), meaning those who receive an employer contribution, multiplied by the average employer contribution rate across all current collective bargaining agreements and compensation plans (88.8%).

Thus, 86.6% of added costs will be paid by state agencies and 13.4% will be paid by state employees and quasi-state agencies.

The table below reflects how these costs are split between the employer and employee. The state employer costs are further split between the General Fund (32.5%) and All Other Funds (67.5%) on the same basis that state agencies pay for employee medical insurance premiums.

Fiscal Year Cost Calculation	FY2023	FY2024	FY2025	FY2026	FY2027
Employee and quasi-state agency share 13.4%	NA	\$32,151.96	\$67,519.12	\$70,895.07	\$74,439.83
Employer share 1000 General Fund	NA	\$67,531.11	\$141,815.34	\$148,906.10	\$156,351.41
Employer share 9998 All Other Funds	NA	\$140,256.93	\$294,539.55	\$309,266.52	\$324,729.85
Total	NA	\$239,940.00	\$503,874.00	\$529,067.69	\$555,521.09

Long-Term Fiscal Considerations

Local Fiscal Impact

MMB expects local units of government may incur increased spending due to the changes proposed in this legislation.

References/Sources

Program Information and claims data from SEGIP, administered by MMB.

Agency Contact:

Agency Fiscal Note Coordinator Signature: Ronika Rampadarat

Date: 1/26/2023 4:23:20 PM

Phone: 612-659-6873

Email: ronika.rampadarat@state.mn.us

Fiscal Note

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HF390 - 0 - Mammogram Diagnostics and Testing Covered

Chief Author: **Patty Acomb**
 Committee: **Health Finance And Policy**
 Date Completed: **1/31/2023 4:06:44 PM**
 Agency: **MNsure**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Shannon Zila **Date:** 1/30/2023 12:34:10 PM
Phone: 651-296-6053 **Email:** shannon.zila@lbo.mn.gov

State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill requires health insurance coverage for additional diagnostic services or testing after a mammogram with no cost sharing.

Section 1 requires health plans to provide coverage for additional diagnostic services or testing after a mammogram with no cost sharing, including co-payments, deductible, or coinsurance. This requirement is effective for plans offered, issued, or sold on or after January 1, 2024.

Section 2 requires additional diagnostic services and testing after a mammogram be exempt from medical assistance co-payments and deductibles, and is effective January 1, 2024.

Section 3 requires MinnesotaCare to provide coverage for additional diagnostic services or testing after a mammogram with no co-payments, deductible, or coinsurance, and is effective January 1, 2024.

Assumptions

This bill would result in no direct fiscal impact to MNsure; however, changes in plan premiums, plan choice, or plan enrollment could have an effect on the amount of revenue MNsure generates through its premium withhold. An actuarial study would need to be conducted to determine the impact to health insurance premiums, plan choice, or plan enrollment caused by the prohibition of cost-sharing for services as described in the bill.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Pete Engler

Phone: 651-247-0247

Date: 1/27/2023 1:24:19 PM

Email: pete.engler@state.mn.us

NOTE: This is an earlier version of the fiscal note for HF390-0.
The most current version is available on the Fiscal Note Search Site: <https://www.mn.gov/mmbapps/fnsearchlbo/>