

Consolidated Fiscal Note

2023-2024 Legislative Session

SF1704 - 6A - Infertility Treatment Coverage

Chief Author: **Erin Maye Quade**
 Committee: **Health And Human Services**
 Date Completed: **2/29/2024 2:30:46 PM**
 Lead Agency: **Commerce Dept**
 Other Agencies:
 Health Dept Human Services 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) | Biennium | | | Biennium | | |
|-----------------------------------|-----------------------|--------|--------|---------------|---------------|----------------|
| | Dollars in Thousands | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| Commerce Dept | | | | | | |
| General Fund | - | - | - | 6,917 | 6,917 | |
| Human Services Dept | | | | | | |
| General Fund | - | - | 21,323 | 49,195 | 49,551 | |
| Health Care Access | - | - | 3,866 | 9,001 | 8,857 | |
| Minn Management and Budget | | | | | | |
| General Fund | - | - | 439 | 922 | 968 | |
| State Employees Insurance | - | - | - | - | - | - |
| All Other Funds | - | - | 912 | 1,915 | 2,011 | |
| State Total | | | | | | |
| General Fund | - | - | 21,762 | 57,034 | 57,436 | |
| Health Care Access | - | - | 3,866 | 9,001 | 8,857 | |
| State Employees Insurance | - | - | - | - | - | - |
| All Other Funds | - | - | 912 | 1,915 | 2,011 | |
| | Total | - | - | 26,540 | 67,950 | 68,304 |
| | Biennial Total | | | 26,540 | | 136,254 |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|--------|--------|----------|--------|
| | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| Commerce Dept | | | | | |
| General Fund | - | - | - | .1 | .1 |
| Human Services Dept | | | | | |
| General Fund | - | - | - | - | - |
| Health Care Access | - | - | - | - | - |
| Minn Management and Budget | | | | | |
| General Fund | - | - | - | - | - |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|--------|--------|----------|--------|
| | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| State Employees Insurance | - | - | - | - | - |
| All Other Funds | - | - | - | - | - |
| Total | - | - | - | .1 | .1 |

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:** 2/29/2024 2:30:46 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 |
| Commerce Dept | | | | | | |
| General Fund | - | - | - | - | 6,917 | 6,917 |
| Human Services Dept | | | | | | |
| General Fund | - | - | 21,323 | 49,195 | 49,551 | |
| Health Care Access | - | - | 3,866 | 9,001 | 8,857 | |
| Minn Management and Budget | | | | | | |
| General Fund | - | - | 439 | 922 | 968 | |
| State Employees Insurance | - | - | - | - | - | - |
| All Other Funds | - | - | 912 | 1,915 | 2,011 | |
| Total | - | - | 26,540 | 67,950 | 68,304 | |
| | Biennial Total | | 26,540 | | 136,254 | |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| Commerce Dept | | | | | | |
| General Fund | - | - | - | - | 6,917 | 6,917 |
| Human Services Dept | | | | | | |
| General Fund | - | - | 21,323 | 49,195 | 49,551 | |
| Health Care Access | - | - | 3,866 | 9,001 | 8,857 | |
| Minn Management and Budget | | | | | | |
| General Fund | - | - | 439 | 922 | 968 | |
| State Employees Insurance | - | - | 1,560 | 3,276 | 3,440 | |
| All Other Funds | - | - | 912 | 1,915 | 2,011 | |
| Total | - | - | 28,100 | 71,226 | 71,744 | |
| | Biennial Total | | 28,100 | | 142,970 | |
| 2 - Revenues, Transfers In* | | | | | | |
| Commerce Dept | | | | | | |
| General Fund | - | - | - | - | - | - |
| Human Services Dept | | | | | | |
| General Fund | - | - | - | - | - | - |
| Health Care Access | - | - | - | - | - | - |
| Minn Management and Budget | | | | | | |
| General Fund | - | - | - | - | - | - |
| State Employees Insurance | - | - | 1,560 | 3,276 | 3,440 | |
| All Other Funds | - | - | - | - | - | - |
| Total | - | - | 1,560 | 3,276 | 3,440 | |
| | Biennial Total | | 1,560 | | 6,716 | |

SF1704 - 6A - Infertility Treatment Coverage

Chief Author: **Erin Maye Quade**
 Committee: **Health And Human Services**
 Date Completed: **2/29/2024 2:30:46 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 |

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 |
| General Fund | - | - | - | 6,917 | 6,917 | |
| Total | - | - | - | 6,917 | 6,917 | |
| Biennial Total | | | | | | 13,834 |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|--------|--------|-----------|-----------|
| | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| General Fund | - | - | - | .1 | .1 |
| Total | - | - | - | .1 | .1 |

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:** 2/7/2024 10:16:48 AM
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 |
| General Fund | - | - | - | - | 6,917 | 6,917 |
| Total | | - | - | - | 6,917 | 6,917 |
| Biennial Total | | | | | - | 13,834 |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| General Fund | - | - | - | - | 6,917 | 6,917 |
| Total | | - | - | - | 6,917 | 6,917 |
| Biennial Total | | | | | - | 13,834 |
| 2 - Revenues, Transfers In* | | | | | | |
| General Fund | - | - | - | - | - | - |
| Total | | - | - | - | - | - |
| Biennial Total | | | | | - | - |

Bill Description

Senate File 1704-6A requires health plans that provide maternity coverage to also cover the diagnosis and treatment of infertility, and standard fertility preservation services. The bill prohibits health plans from requiring higher cost sharing for infertility services than for maternity coverage, including different benefit maximums, waiting periods, or other limitations for infertility services than those for services not related to infertility, and including different exclusions, limitations, or other restrictions on fertility medications that are different from those for other prescription medications. The bill specifies that its requirements apply to all health plans issued or renewed on or after January 1, 2025.

Assumptions

Commerce assumes the requirements of SF1704-1E would likely constitute a partial benefit mandate as defined under the Affordable Care Act as, except for initial diagnosis, infertility services are not currently covered broadly under the state’s benchmark plan. 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.

Commerce assumes the cost to the state for defrayal of all services other than initial infertility diagnosis would be up to \$6,900,000 in the first year following enactment. Commerce also assumes defrayal costs will be ongoing.

To arrive at this calculation, Commerce assumed that 26 percent of an estimated 110,000 to 116,000 QHP enrollees were women aged 15-49. Commerce also assumed infertility prevalence rates ranging from 4 percent (based on Minnesota All-Payer Claims Database (APCD) data) to 12 percent (based on CDC statistics). Of those diagnosed with infertility, an estimated 12 to 18 percent used services beyond the basic consultation (3 percent using IVF and 9 to 15 percent using other than IVF services). For those using IVF services, an average of 2.5 treatment cycles per patient was assumed. The cost for IVF was assumed to be \$19,000 per treatment cycle and the cost for services other than IVF was assumed to range from \$500 to \$4,200 per patient. Commerce assumed the health plan’s share of the cost would range from 75 to 85 percent.

$$(116,000) \times (0.256) \times (0.122) \times [((0.034) \times (2.47) \times (\$19,000)) + ((0.15) \times (\$4,200))] \times (0.85) = \$6,900,000$$

Note that this calculation is updated from the department’s defrayal estimate included in the 62J.26 analysis of HF3465 completed last year based on additional and updated research following the end of the 2023 legislative session.

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. However, 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. Commerce staff would also be required to develop and maintain a reporting and review process for defrayal requests. Commerce assumes this to be .10 of an analyst's time (SPA, Coord) and is based on Commerce's experience administering the existing defrayal process for PANDAS/PANS.

Expenditure and/or Revenue Formula

Defrayal costs will be \$6,900,000 annually, beginning in FY26.

.10 FTE SPA Coord

| | | | FY25 | FY26 | FY27 | FY28 |
|-------------------------------|--|--|------|--------|--------|--------|
| Salary | | | | 10,342 | 10,342 | 10,342 |
| Fringe | | | | 3,103 | 3,103 | 3,103 |
| Other Personnel Related Costs | | | | 3,492 | 3,492 | 3,492 |
| | | | | 16,937 | 16,937 | 16,937 |

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Amy Trumper

Phone: 651-539-1517

Date: 2/6/2024 5:21:18 PM

Email: amy.trumper@state.mn.us

SF1704 - 6A - Infertility Treatment Coverage

Chief Author: **Erin Maye Quade**
 Committee: **Health And Human Services**
 Date Completed: **2/29/2024 2:30:46 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:** 2/14/2024 9:30:03 AM
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 | |
| 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 provide coverage for procedures related to infertility diagnosis and treatment. The bill lists the services that must be provided but does not limit coverage to just those services. The bill requires that an enrollee's cost-sharing amount for infertility treatment must be less than or equal to the enrollee's cost sharing amount for maternity care. Medical assistance will also cover the infertility treatments.

Section 1 of the bill takes effect January 1, 2025 and applies to health plans issued or renewed on that date and following. Provisions related to medical assistance are effective January 1, 2025 or upon federal approval, whichever is later.

Technical Comment:

Filings for the 2025 plan year are submitted in April 2024 in order to meet statutory requirements for review and approval. Depending on the date of enactment, the bill may affect filings already in process or under review.

Assumptions

MDH is responsible for reviewing state-regulated health maintenance organizations (HMO) health plans for compliance with state and federal requirements before they are available to enrollees. HMO health plans would be required to comply with the coverage requirements of this bill. Enforcement of this requirement falls within the routine reviews of HMO health plan coverage and does not generate a material increase in workload.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Char Kimber

Date: 2/14/2024 9:04:45 AM

Phone: 651-201-4685

Email: health.fiscalnotes@state.mn.us

SF1704 - 6A - Infertility Treatment Coverage

Chief Author: **Erin Maye Quade**
 Committee: **Health And Human Services**
 Date Completed: **2/29/2024 2:30:46 PM**
 Agency: **Human Services 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) Dollars in Thousands | Biennium | | | Biennium | |
|--|----------|----------|---------------|---------------|----------------|
| | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| General Fund | - | - | 21,323 | 49,195 | 49,551 |
| Health Care Access | - | - | 3,866 | 9,001 | 8,857 |
| Total | - | - | 25,189 | 58,196 | 58,408 |
| Biennial Total | | | 25,189 | | 116,604 |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|----------|----------|----------|----------|
| | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| General Fund | - | - | - | - | - |
| Health Care Access | - | - | - | - | - |
| 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: Alyssa Holterman Rosas **Date:** 2/29/2024 2:10:12 PM
Phone: 651-284-6439 **Email:** alyssa.holterman.rosas@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 | |
| General Fund | - | - | 21,323 | 49,195 | 49,551 | |
| Health Care Access | - | - | 3,866 | 9,001 | 8,857 | |
| Total | - | - | 25,189 | 58,196 | 58,408 | |
| Biennial Total | | | 25,189 | | 116,604 | |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| General Fund | - | - | 21,323 | 49,195 | 49,551 | |
| Health Care Access | - | - | 3,866 | 9,001 | 8,857 | |
| Total | - | - | 25,189 | 58,196 | 58,408 | |
| Biennial Total | | | 25,189 | | 116,604 | |
| 2 - Revenues, Transfers In* | | | | | | |
| General Fund | - | - | - | - | - | |
| Health Care Access | - | - | - | - | - | |
| Total | - | - | - | - | - | |
| Biennial Total | | | - | | - | |

Bill Description

Section 2 would require Medical Assistance and MinnesotaCare to cover diagnosis and treatment for infertility as specified.

Assumptions

This coverage is assumed to be effective with the service month of January 1, 2025.

An analysis conducted by the State Employees Group Insurance Program (SEGIP) in early 2024 estimated a per member per month (PMPM) cost of \$3.52 for fertility coverage that was effective for that coverage in 2024, and estimated a marginal increase of 56.8% or \$2.00 PMPM for coverage that would be applicable in SF1704 for a total of \$5.52 PMPM across the entire insured population.

Medical Assistance and MinnesotaCare do not currently cover infertility services, and thus would assume a change in coverage attributable to this bill that would be the equivalent of coverage at \$5.52 PMPM as estimated by the SEGIP analysis. Additionally, because the enrollees in Minnesota Health Care Programs (MHCP) have different characteristics than the enrollees in SEGIP, the Department of Human Services (DHS) also assumes the PMPM cost to be 1.5 times more than the cost for SEGIP enrollees.

One way in which the MHCP enrollees and the SEGIP enrollees are likely different is the makeup of the population. Enrollment data in Medical Assistance and MinnesotaCare from the DHS shows that these populations are more highly represented in MHCP when compared to the total population of Minnesota; 19.8% of MHCP enrollees compared to 7.6% of Minnesotans, identify as African American/Black, while 3% of MHCP enrollees, compared 1.4% of Minnesotans, identify as American Indian.

Research conducted by A Chandra et al (2013) using data from 2006-2010 found that Black women experienced infertility at a 30% higher rate than white women (7.2% compared to 5.5%). A research paper published by LB Craig et al similarly concluded that Black birthing persons had a 34% higher prevalence of infertility, and American Indian/Alaska Native birthing persons a 9% higher prevalence compared to white women (8.2%, 7%, and 6.1%, respectively).

To adjust for a likely higher prevalence of infertility among MHCP enrollees, along with other factors, as compared to SEGIP enrollees, while also assuming that not all enrollees experiencing infertility will necessarily utilize services for the diagnosis and treatment for infertility, DHS assumes that utilization, and thus the PMPM cost of these services, will be 50% higher than for SEGIP, implying a per member per month cost of \$8.28 (\$5.52 x 1.5), applied across all MHCP populations.

No administrative or systems changes are anticipated to be needed as result of this legislation.

Expenditure and/or Revenue Formula

| Medical Assistance | | | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------------------------------|--|--|----------------|---------------------|---------------------|---------------------|
| Elderly and Disabled | | | | | | |
| Average monthly enrollment | | | 201,202 | 202,116 | 205,260 | 208,311 |
| Average monthly cost | | | \$8.28 | \$8.28 | \$8.28 | \$8.28 |
| Months | | | 0 | 5 | 12 | 12 |
| Total cost | | | \$0 | \$8,367,619 | \$20,394,622 | \$20,697,779 |
| Federal share % | | | 51.49% | 51.16% | 51.16% | 51.16% |
| Federal share | | | \$0 | \$4,280,874 | \$10,433,888 | \$10,588,984 |
| State Share | | | \$0 | \$4,086,745 | \$9,960,733 | \$10,108,795 |
| | | | | | | |
| Adults Without Kids | | | | | | |
| Average monthly enrollment | | | 292,556 | 253,664 | 251,227 | 250,576 |
| Average monthly cost | | | \$8.28 | \$8.28 | \$8.28 | \$8.28 |
| Months | | | 0 | 5 | 12 | 12 |
| Total cost | | | \$0 | \$10,501,700 | \$24,961,873 | \$24,897,204 |
| Federal share % | | | 90.00% | 90.00% | 90.00% | 90.00% |
| Federal share | | | \$0 | \$9,451,530 | \$22,465,685 | \$22,407,484 |
| State Share | | | \$0 | \$1,050,170 | \$2,496,187 | \$2,489,720 |
| | | | | | | |
| Families With Children | | | | | | |
| Average monthly enrollment | | | 849,527 | 800,494 | 757,049 | 761,466 |
| Average monthly cost | | | \$8.28 | \$8.28 | \$8.28 | \$8.28 |
| Months | | | 0 | 5 | 12 | 12 |
| Total cost | | | \$0 | \$33,140,458 | \$75,220,373 | \$75,659,281 |
| Federal share % | | | 51.49% | 51.16% | 51.16% | 51.16% |
| Federal share | | | \$0 | \$16,954,658 | \$38,482,743 | \$38,707,288 |
| State Share | | | \$0 | \$16,185,799 | \$36,737,630 | \$36,951,993 |
| | | | | | | |
| MinnesotaCare | | | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| | | | | | | |
| Average monthly enrollment | | | 102,098 | 93,370 | 90,593 | 89,136 |
| Average monthly cost | | | \$8.28 | \$8.28 | \$8.28 | \$8.28 |
| Months | | | 0 | 5 | 12 | 12 |
| Total cost | | | \$0 | \$3,865,532 | \$9,001,339 | \$8,856,569 |
| | | | | | | |
| Fiscal Summary (State Share) | | | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| | | | | | | |
| Medical Assistance | | | \$0 | \$21,322,715 | \$49,194,551 | \$49,550,509 |
| MinnesotaCare | | | \$0 | \$3,865,532 | \$9,001,339 | \$8,856,569 |

| Fiscal Tracking Summary (\$000's) | | | | | | |
|-----------------------------------|------|--------------------------------|--------|--------|--------|--------|
| Fund | BACT | Description | FY2024 | FY2025 | FY2026 | FY2027 |
| GF | 33ED | MA Grants | 0 | 4,087 | 9,961 | 10,109 |
| GF | 33AD | MA Grants | 0 | 1,050 | 2,496 | 2,490 |
| GF | 33FC | MA Grants | 0 | 16,186 | 36,738 | 36,952 |
| HCAF | 31 | MinnesotaCare Grants | 0 | 3,866 | 9,001 | 8,857 |
| | | | | | | |
| | | Total Net Fiscal Impact | 0 | 25,188 | 58,196 | 58,408 |
| | | Full Time Equivalents | 0 | 0 | 0 | 0 |

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Chandra A, Copen CE, Stephen EH. Infertility and impaired fecundity in the United States, 1982-2010: data from the National Survey of Family Growth. Natl Health Stat Report. 2013 Aug 14;(67):1-18, 1 p following 19. PMID: 24988820. Available at <https://www.cdc.gov/nchs/data/nhsr/nhsr073.pdf>

Craig LB, Peck JD, Janitz AE. The prevalence of infertility in American Indian/Alaska Natives and other racial/ethnic groups: National Survey of Family Growth. Paediatr Perinat Epidemiol. 2019 Mar;33(2):119-125. doi: 10.1111/ppe.12538. Epub 2019 Jan 31. PMID: 30706501; PMCID: PMC6438739. Available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6438739/pdf/nihms-1005696.pdf>

U.S. Census.

<https://mn.gov/dhs/medicaid-matters/who-medicaid-and-minnesotacare-serves/>

Agency Contact:

Agency Fiscal Note Coordinator Signature: Chris Zempel

Date: 2/29/2024 12:26:28 PM

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SF1704 - 6A - Infertility Treatment Coverage

Chief Author: **Erin Maye Quade**
 Committee: **Health And Human Services**
 Date Completed: **2/29/2024 2:30:46 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 | - | - | 439 | 922 | 968 |
| State Employees Insurance | - | - | - | - | - |
| All Other Funds | - | - | 912 | 1,915 | 2,011 |
| Total | - | - | 1,351 | 2,837 | 2,979 |
| Biennial Total | | | 1,351 | | 5,816 |

| 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: Kate Schiller **Date:** 2/26/2024 2:06:36 PM
Phone: 651-296-6052 **Email:** kate.schiller@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 Dollars in Thousands | Biennium | | | Biennium | |
|--|----------|----------|--------------|--------------|---------------|
| | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| General Fund | - | - | 439 | 922 | 968 |
| State Employees Insurance | - | - | - | - | - |
| All Other Funds | - | - | 912 | 1,915 | 2,011 |
| Total | - | - | 1,351 | 2,837 | 2,979 |
| Biennial Total | | | 1,351 | | 5,816 |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | |
| General Fund | - | - | 439 | 922 | 968 |
| State Employees Insurance | - | - | 1,560 | 3,276 | 3,440 |
| All Other Funds | - | - | 912 | 1,915 | 2,011 |
| Total | - | - | 2,911 | 6,113 | 6,419 |
| Biennial Total | | | 2,911 | | 12,532 |
| 2 - Revenues, Transfers In* | | | | | |
| General Fund | - | - | - | - | - |
| State Employees Insurance | - | - | 1,560 | 3,276 | 3,440 |
| All Other Funds | - | - | - | - | - |
| Total | - | - | 1,560 | 3,276 | 3,440 |
| Biennial Total | | | 1,560 | | 6,716 |

Bill Description

Senate File 1704-6A requires Medical Assistance and all health plans providing maternity benefits to Minnesota residents to provide coverage for the diagnosis of infertility, treatment of infertility, and standard fertility preservation services that are 1) considered medically necessary by the enrollee’s provider, and 2) recognized by either the American Society for Reproductive Medicine, the American College of Obstetrics and Gynecologists, or the American Society of Clinical Oncology. The bill sets limits on enrollee cost-sharing for infertility coverage and prohibits plans from instituting benefit maximums, waiting periods, exclusions, limitations, or restrictions on coverage of fertility services and medications that are different from benefits and services not related to infertility.

The Advantage Plan’s maternity benefit covers professional services for prenatal and postnatal care with no member cost-sharing and has no benefit maximum.

Background

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 two health plan administrators to provide medical benefits and a Pharmacy Benefit Manager (PBM) to provide its prescription drug benefit.

The Advantage Plan’s current infertility benefit covers diagnosis and treatment including assisted reproductive technology cycles (such as in-vitro fertilization, gamete intrafallopian tube transfer, zygote intrafallopian transfer, and intracytoplasmic sperm injection) and has a \$30,000 medical lifetime benefit maximum that does not apply to other benefits not related to infertility. The Advantage Plan covers fertility preservation services by means of cryopreservation, thawing, and up to one year of embryo storage.

Assumptions

MMB assumes SF1704-6A will have a fiscal impact on SEGIP.

MMB assumes that the Advantage Plan's \$30,000 infertility lifetime benefit maximum would need to be removed to meet the bill's requirements. MMB also assumes the Advantage Plan would need to remove member cost-sharing from professional infertility services to achieve member cost-sharing parity with professional maternity coverage as required by the bill.

MMB assumes the Advantage Plan's infertility prescription drug coverage and infertility preservation services meet the bill's requirements and therefore assumes no fiscal impact for these services. MMB directed its health plan administrators to estimate the fiscal impact of removing the \$30,000 infertility lifetime benefit maximum required under SF 1704-6A. MMB's health plan administrators assume that infertility treatment, specifically the rate of in-vitro fertilization treatment, will increase based on the elimination of the \$30,000 benefit maximum. Using 2021 through 2023 medical claims data, and the assumed increase in utilization of fertility treatments, the health plan administrators assume SEGIP's costs could increase between \$1.75 Per-Member-Per-Month (PMPM) - \$2.25 PMPM. MMB assumes the average of the range, \$2.00 PMPM, as the fiscal impact of this bill. MMB assumes this estimate includes a small fiscal impact to achieve member cost-sharing parity between infertility and maternity coverage.

The fiscal impact of this bill has changed from 2023 to 2024 due to the expansion of the infertility benefit to all Advantage Plan members. In 2023, only members enrolled in one of the three health plan administrators (representing approximately 40% of Advantage Plan members) were eligible for infertility coverage. Therefore, the 2023 infertility fiscal impact estimate was reduced to only apply to this subset of eligible members, and then the cost was spread across the entirety of SEGIP membership. Beginning in January 2024, the Advantage Plan expanded the infertility benefit to all SEGIP enrolled members. The infertility fiscal estimate is adjusted upward to account for all SEGIP members being eligible for infertility coverage.

Assuming an effective date of January 1, 2025, and with approximately 130,000 members, the fiscal impact of the legislation is estimated to be \$1,560,000 for six months of FY2025. We assume a 5% annual inflation factor for FY2026 and beyond for the increasing cost of medical services.

Expenditure and/or Revenue Formula

FY25: \$2.00PMPM * 130,000 members * 6 months = \$1,560,000

FY26: \$2.00PMPM * 130,000 members * 12 months * 1.05 inflation factor = \$3,276,000

Total - \$1,560,000 \$3,276,000 \$3,439,800

| Fiscal Year Cost Calculation | FY24 | FY25 | FY26 | FY27 |
|----------------------------------|------|-------------|-------------|-------------|
| Total Cost to SEGIP of this bill | | \$1,560,000 | \$3,276,000 | \$3,439,800 |

Total Expenditures including new employee costs:

SEGIP's costs are funded by premium 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 in the form of employer premium contributions. 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 (89.1%).

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 in the form of premium contributions.

The table below reflects how these premium 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 | FY2024 | FY2025 | FY2026 | FY2027 |
|--|--------|-----------|-----------|-----------|
| Employee and quasi -state agency share 13.4% | | \$209,040 | \$438,984 | \$460,933 |

| | | | | |
|---------------------------------------|--|-------------|-------------|-------------|
| Employer Share - 1000 General Fund | | \$439,062 | \$922,030 | \$968,132 |
| Employer Share - 9998 All Other Funds | | \$911,898 | \$1,914,986 | \$2,010,735 |
| Total | | \$1,560,000 | \$3,276,000 | \$4,398,800 |

Long-Term Fiscal Considerations

Not applicable

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: Galen Benshoof 651-201-224

Agency Fiscal Note Coordinator Signature: Ronika Rampadarat

Date: 2/14/2024 2:41:42 PM

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SF1704 - 6A - Infertility Treatment Coverage

Chief Author: **Erin Maye Quade**
 Committee: **Health And Human Services**
 Date Completed: **2/29/2024 2:30:46 PM**
 Agency: **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) | 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: Steve McDaniel **Date:** 2/12/2024 11:20:59 AM
Phone: 651-284-6437 **Email:** steve.mcdaniel@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 | |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |
| 2 - Revenues, Transfers In* | | | | | | |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |

Bill Description

The SCS1704A-6 amendment to SF 1704 adds section 2 that requires Medical Assistance to cover the diagnosis of infertility, treatment for infertility, and standard infertility preservation related services when certain criteria are met. The effective date for this section is January 1, 2025, or upon federal approval, whichever is later. The amendment also changes the effective date for section 1 from plans issued or renewed on or after August 1, 2023 to plans issued or renewed on or after January 1, 2025.

Assumptions

This amendment 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 coverage provided for certain maternity diagnosis of infertility, treatment for infertility, and standard fertility preservation with the new effective date as described in the amendment.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

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