

HF58 - 0 - Reporting Prescription Drug Prices; Coverage

Chief Author: **Steve Elkins**
 Committee: **Health Finance and Policy**
 Date Completed: **2/6/2021 1:20:03 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)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept						
General Fund	-	360	135	135	135	
Minn Management and Budget						
General Fund	-	4,296	9,022	9,473	9,947	
State Employees Insurance	-	-	-	-	-	-
All Other Funds	-	8,842	18,569	19,497	20,472	
State Total						
General Fund	-	4,656	9,157	9,608	10,082	
State Employees Insurance	-	-	-	-	-	-
All Other Funds	-	8,842	18,569	19,497	20,472	
Total	-	13,498	27,726	29,105	30,554	
Biennial Total			41,224		59,659	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept					
General Fund	-	1	1	1	1
Minn Management and Budget					
General Fund	-	-	-	-	-
State Employees Insurance	-	-	-	-	-
All Other Funds	-	-	-	-	-
Total	-	1	1	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: Christian Larson **Date:** 2/6/2021 1:20:03 PM

Phone: 651-284-6436 **Email:** christian.larson@lbo.leg.mn

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		FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept						
General Fund	-	360	135	135	135	135
Minn Management and Budget						
General Fund	-	4,296	9,022	9,473	9,947	9,947
State Employees Insurance	-	-	-	-	-	-
All Other Funds	-	8,842	18,569	19,497	20,472	20,472
Total	-	13,498	27,726	29,105	30,554	30,554
			41,224			59,659
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Health Dept						
General Fund	-	360	135	135	135	135
Minn Management and Budget						
General Fund	-	4,296	9,022	9,473	9,947	9,947
State Employees Insurance	-	15,050	31,605	33,185	34,845	34,845
All Other Funds	-	8,842	18,569	19,497	20,472	20,472
Total	-	28,548	59,331	62,290	65,399	65,399
			87,879			127,689
2 - Revenues, Transfers In*						
Health Dept						
General Fund	-	-	-	-	-	-
Minn Management and Budget						
General Fund	-	-	-	-	-	-
State Employees Insurance	-	15,050	31,605	33,185	34,845	34,845
All Other Funds	-	-	-	-	-	-
Total	-	15,050	31,605	33,185	34,845	34,845
			46,655			68,030

HF58 - 0 - Reporting Prescription Drug Prices; Coverage

Chief Author: **Steve Elkins**
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 Date Completed: **2/6/2021 1:20:03 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	FY2021	FY2022	FY2023	FY2024	FY2025
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
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: Christian Larson **Date:** 1/19/2021 10:01:48 AM
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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	
	FY2021	FY2022	FY2023	FY2024	FY2025
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Total	-	-	-	-	-
Biennial Total			-		-
2 - Revenues, Transfers In*					
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

House File 58 amends Minn. Stat. § 62A.02, regarding health plan policy forms, to include additional language regarding prescription drug coverage. Specifically, Minn. Stat. § 62A.02, Subd. 1 specifies that the prescription drug formulary must be included as part of the health plan filing. House File 58 also adds to Minn. Stat. § 62J, regarding health care cost containment. The amendment adds Minn. Stat. § 62J.481 and establishes requirements and specific penalties for failing to comply with requirements for reporting on prescription drug pricing. The bill adds additional requirements for a report from the Department of Health (MDH) to the legislature on prescription drug pricing, adding a goal of reporting to include limiting formulary changes based on prescription drug pricing.

House File 58 includes definitions for the following:

- Anatomical therapeutic chemical code
- Average wholesale price
- Generic product identifier
- National drug code
- Wholesale acquisition cost
- Unit

The bill adds price reporting requirements under Minn. Stat § 62J.841, requiring prescription drug manufacturers to report specific data points to MDH for every drug with a wholesale acquisition price of over \$100 or more for a 30-day supply or course of treatment. Information collected under this section must be publicly posted by MDH beginning April 1, 2022 and each year thereafter. Any drug subject to reporting requirements that will be included in a health plan formulary in the subsequent year must not be subject to any increase in wholesale acquisition cost.

House File 58 adds National Council for Prescription Drug Programs Inc. (NCPDP) Real Time Prescription Benefit standard to definitions under Minn. Stat. § 62J.497, and also codifies the definition of a pharmacy benefit manager existing under Minn. Stat. § 62W.02. The bill also adds Real-Time Prescription Benefit Tool as a definition under this section.

Section 2 of Minn. Stat. § 62J.497 includes new standards for electronic prescribing, specifying that group purchasers and pharmacy benefit managers must use a real-time prescription benefit tool that alerts pharmacists of the following at a minimum:

- If a prescribed drug is covered by the group purchaser or PBM
- If a prescribed drug is included on the formulary of the group purchaser or PBM
- Patient cost-sharing amount for the prescribed drug
- Prior authorization requirements of the prescribed drug (if any)
- A list of alternative drugs (if any) in the same class not requiring prior authorization

The bill amends Minn. Stat. 62Q.83 to include definitions for “drug,” “enrollee contract term,” “formulary,” “health plan

company,” and “prescription.” It also adds requirements that health plan companies must disclose formulary changes to enrollees upon request 30 days prior to renewal periods. Data that must be available upon request must include expected enrollee cost-sharing per drug on the formulary.

House File 58 also includes parameters for mid-year formulary changes. A health plan company may alter its formulary when it is adding prescription drugs or reducing the enrollee cost-sharing amount of a particular drug. A health plan company may add or remove a brand name drug formulary only when there is either a therapeutic equivalent available, or when such a replacement/subtraction does not represent an increase in enrollee cost-sharing. Utilization review requirements established by a health plan company may be changed during a contract year provided that 60-day notice is provided to both enrollee and prescribing physician. Drugs may be removed at any time when deemed unsafe by the U.S. Food and Drug Administration (FDA).

Finally, Article 3 of the bill specifies that health plan companies may not limit or deny coverage for lack of prior authorization for prescription drugs, to the extent that a drug would have been covered under the plan otherwise.

Assumptions

Commerce assumes that there would be no fiscal impact to the agency as a result of HF58 becoming law. The bill primarily clarifies or increases reporting requirements for prescription drug services under existing statute. The requirements added in HF58 are not dissimilar to those established under the transparency reporting requirements under Minn. Stat. § 62W.06, Subd. 2. Review for compliance from health plans, manufacturers, and group purchasers would fall under the Department’s current purview. Further, the Department already has worked on establishing standards for mid-year prescription drug formulary updates. The Department assumes that codifying requirements in this area will not result in additional cost the agency.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Amy Trumper

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HF58 - 0 - Reporting Prescription Drug Prices; Coverage

Chief Author: **Steve Elkins**
 Committee: **Health Finance and Policy**
 Date Completed: **2/6/2021 1:20:03 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	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	360	135	135	135	135
Total	-	360	135	135	135	135
Biennial Total			495			270

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	1	1	1	1
Total	-	1	1	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: Carlos Guereca **Date:** 2/5/2021 6:38:53 PM
Phone: 651-2846541 **Email:** carlos.guereca@lbo.leg.mn

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		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	360	135	135	135	135
Total		-	360	135	135	135
Biennial Total				495		270
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	360	135	135	135	135
Total		-	360	135	135	135
Biennial Total				495		270
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill amends the Prescription Drug Price Transparency Act (Minnesota Statutes, section 62J.84) by adding the requirement for price reporting by manufacturers for any drug with a certain wholesale acquisition cost (not just drugs with a certain year-over-year growth in prices). In addition, the bill adds new definitions and requires the collection and reporting of new data elements. All data collected under this new section will be subject to the public reporting, enforcement and penalties established under the Prescription Drug Price Transparency Act. Additionally, disciplinary action for not reporting will be undertaken as described in Minnesota Statutes, section 151.071, subdivision 2, which carries pharmacy licensing penalties.

This bill also requires the filing of health plan prescription drug formularies with Department of Commerce and prohibits mid-year price increases if a drug is part of an approved formulary. It also has potential implications for e-prescribing with the addition of a “real-time prescription benefit tool.” Lastly, this bill moves the provision to prevent a health carrier from denying or limiting coverage of a service that an enrollee has already received solely on the lack of prior authorization or second opinion if it would have been otherwise covered from Minnesota Statutes, section 62D.12, subdivision 19 to 62A.605, and in doing so, repeals 62D.12, subdivision 19.

Assumptions

Implementation of the provisions of the Prescription Drug Transparency Act requires MDH to establish a process and format for drug manufacturers to report price information and related data. MDH assumes we will expand upon that implementation effort to meet the requirements of this bill. With the help of a vendor at a one-time cost of \$60,000 in fiscal year 2022, we will align the data reporting processes with the new requirements of this bill and obtain input from stakeholders, including manufacturers, on the additions.

Similarly, MDH assumes we will use the database developed for the Prescription Drug Transparency Act to store the additional data collected under this bill. However, to accommodate a greater volume of reportable drugs (we estimate data several thousand of drugs), MDH will incur additional information technology costs for storage, database modification, development of a data upload process, and maintenance costs in the amount of \$140,000 in fiscal year 2022. The public reporting requirement under the bill will also be integrated with Prescription Drug Transparency Act reporting, thereby limiting the new fiscal cost. Nonetheless, integrating the reporting of the new data will require additional effort from an external vendor to modify the business intelligence reporting tool at a cost of \$15,000 in fiscal year 2022. Ongoing maintenance of the systems for data collection, storage and reporting specific to the bill these are efforts in addition to the maintenance under the Prescription Drug Transparency Act will cost \$24,000 in fiscal year 2023 and ongoing. To support the extensive communication process with stakeholders, webinars, scheduling, and documentation needs of this data collection effort, MDH will hire a 1.0 FTE Management Analyst 1 in FY22 and ongoing.

MDH assumes that some of the required data elements may be proprietary to manufacturers or third parties will either not be reported by manufacturers or be prohibited from public reporting.

MDH reviews every health plan's formulary and associated processes and that requirement already exists. This bill does not materially add to the review and MDH will incur no fiscal impact related to the changes to formulary requirements. MDH will monitor the new language in Minnesota Statutes, section 62Q.83, for alignment with current federal requirements for formulary changes and required notices to health maintenance organization (HMO) enrollees.

Expenditure and/or Revenue Formula

Expenditure (Actual Dollars)	Amount	FY 2022	FY 2023	FY 2024	FY 2025
Salary & Fringe:		FTE	FTE	FTE	FTE
Management Analyst 1	83,549	1.00	1.00	1.00	1.00
	FTE	1.00	1.00	1.00	1.00
	Subtotal	83,549	83,549	83,549	83,549
Information Technology:					
Computing & IT support per FTE	2,712	2,712	2,712	2,712	2,712
Complex database development		140,000			
Tableau website interface		15,000			
Ongoing system maintenance			24,000	24,000	24,000
	Subtotal	157,712	26,712	26,712	26,712
Other Operating Costs:					
Materials, supplies & training per FTE	600	600	600	600	600
Contract to establish data reporting process with drug manufacturers		60,000			
	Subtotal	60,600	600	600	600
Grants, Aids & Subsidies:					
	Subtotal	0	0	0	0
Indirect (21.7% Eligible Costs)	Subtotal	57,909	24,057	24,057	24,057
Expenditure	Total	359,770	134,918	134,918	134,918
Fiscal Tracking (Dollars in Thousands)	BACT	FY 2022	FY 2023	FY 2024	FY 2025
Health Improvement	1	360	135	135	135
Administration		360	135	135	135
Grants		0	0	0	0

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Brian Awsumb

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HF58 - 0 - Reporting Prescription Drug Prices; Coverage

Chief Author: **Steve Elkins**
 Committee: **Health Finance and Policy**
 Date Completed: **2/6/2021 1:20:03 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)	Biennium			Biennium	
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024
General Fund	-	4,296	9,022	9,473	9,947
State Employees Insurance	-	-	-	-	-
All Other Funds	-	8,842	18,569	19,497	20,472
Total	-	13,138	27,591	28,970	30,419
Biennial Total			40,729		59,389

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
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: Joe Harney **Date:** 2/3/2021 8:40:55 AM
Phone: 651-284-6438 **Email:** joe.harney@lbo.leg.mn

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		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	4,296	9,022	9,473	9,947	
State Employees Insurance	-	-	-	-	-	-
All Other Funds	-	8,842	18,569	19,497	20,472	
Total	-	13,138	27,591	28,970	30,419	
	Biennial Total		40,729		59,389	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	4,296	9,022	9,473	9,947	
State Employees Insurance	-	15,050	31,605	33,185	34,845	
All Other Funds	-	8,842	18,569	19,497	20,472	
Total	-	28,188	59,196	62,155	65,264	
	Biennial Total		87,384		127,419	
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
State Employees Insurance	-	15,050	31,605	33,185	34,845	
All Other Funds	-	-	-	-	-	-
Total	-	15,050	31,605	33,185	34,845	
	Biennial Total		46,655		68,030	

Bill Description

This bill requires manufacturers and health plans to report and maintain prescription drug prices; requires health plans to file prescription drug formularies; prohibits health carriers from denying or limiting coverage due to lack of prior authorization; establishes requirements for a prescription benefit tool; requires prescription drug benefit transparency and disclosure; repeals Minnesota Statute 2020, section 62D.12, subdivision 19.

Assumptions

Under Article I, the State Employee Group Insurance Program (SEGIP), administered by Minnesota Management and Budget (MMB), would be required to file their prescription formulary annually to the Commissioner of Commerce for public posting. Manufacturers would not be allowed to increase the wholesale acquisition cost of the drug in the next calendar year if the drug was on the previous year’s publicly posted formulary. SEGIP is not attributing a fiscal impact to Article I, however, it is possible that manufacturers could increase their prices for new drugs to make up for not being able to increase prices on existing formulary drugs that could have a fiscal impact on SEGIP’s costs.

SEGIP expects significant fiscal impact from Article 2, subdivision 3, restricting formulary changes in the enrollee calendar year and Article 3, Section 1, restricting prior authorization. This legislation would require SEGIP to move from its current Standard Control formulary to a custom opt-out formulary that does not exclude drugs. SEGIP’s current formulary allows for mid-year formulary drug changes that include steering members to drugs with the lowest net cost due to manufacturer rebates from branded drug products, specialty drug management, excluding drugs based on hyperinflation, and utilization management through prior authorization. This legislation would not allow formulary drug exclusions or prior authorization based on financial reasons.

Proposed legislation in previous years have also contained prior authorization and formulary management restrictions. SEGIP has previously not been able to estimate the claims-related costs of preventing mid-year formulary changes or the loss of manufacturer drug rebates because we did not have the necessary data. However, SEGIP did state an annual \$100,000 administrative cost to move to a custom opt-out formulary due the proposed formulary requirement (FN HF1257-1CE).

This year's legislation includes both prior authorization and formulary management restrictions. To estimate the fiscal impact of this bill, SEGIP's pharmacy benefit manager (PBM) was able to review our claims experience from 2020 under our current Standard Control formulary. SEGIP saved \$25,000,000 in manufacturer drug rebates and experienced an estimated \$5,000,000 savings for specialty drug management due to both prior authorization and formulary mid-year changes. Drug savings or costs vary year-to-year based on new market entrants, member utilization patterns, and formulary management strategies including manufacturer drug rebate savings, specialty drug management, drug hyperinflation, and prior authorization. From 2019 to 2020 there has been an increase in specialty drugs entering the market and that trend is expected to increase over time. Additionally, SEGIP received more rebate savings in 2020 than 2019. Based on the 2020 pharmacy claims analysis, our PBM predicts this legislation could cost SEGIP up to \$30,000,000 annually. In addition, SEGIP would incur \$100,000 administrative annual costs to our PBM to manage the custom opt-out formulary. Due to the timing of the fiscal note request, the PBM was only able to review 2020 pharmacy claims data. A review of previous years' pharmacy claims data would take additional time.

We have made several assumptions in the cost calculations for this fiscal impact.

We expect more specialty drugs entering the market in the future and have added a 5% inflation factor beginning in FY2023 and beyond to reflect these cost increases. We expect that the level of manufacturer rebates will remain the same moving forward. FY2022 reflects half of year-one costs as we expect the legislation to go into effect as of January 1, 2022.

SEGIP expects there will be claims cost due to restrictions on medical prior authorizations, but we cannot estimate a financial impact.

Expenditure and/or Revenue Formula

FY22: \$25,000,000 lost drug rebates + \$5,000,000 lost specialty drug management + \$100,000 administrative fee for custom formulary divided by 2 to reflect a half year

FY23 and thereafter: \$25,000,000 lost drug rebates + \$5,000,000 lost specialty drug management + \$100,000 administrative fee for custom formulary multiplied by 1.05 annual inflation factor

Fiscal Year Cost Calculation	FY21	FY22	FY23	FY24	FY25
Total Cost to SEGIP of this bill	\$0	\$15,050,000	\$31,605,000	\$33,185,250	\$34,844,513

Our fiscal note assumes that 87.3% of added costs will be paid by agencies. This figure represents the proportion of employees on active payroll (97%), meaning those who receive an employer contribution, multiplied by the average employer contribution rate across all current collective bargaining agreements and compensation plans (90%).

Thus, 87.3% of added costs will be paid by agencies and 12.7% will be paid by employees.

The table below reflects how these costs are split between the employer and employee. The employer costs are further split between the General Fund (32.7%) and All Other Funds (67.3%) on the same basis that state agencies pay for employee medical insurance premiums.

Fiscal Year Cost Calculation	FY2021	FY2022	FY2023	FY2024	FY2025
Employee share	\$0	\$1,911,350	\$4,013,835	\$4,214,527	\$4,425,253
Employer share 1000 General Fund	\$0	\$4,296,339	\$9,022,311	\$9,473,427	\$9,947,098
Employer share 9998 All Other Funds	\$0	\$8,842,311	\$18,568,854	\$19,497,297	\$20,472,162

Total (cost of this bill)	\$0	\$15,050,000	\$31,605,000	\$33,185,250	\$34,844,513
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Long-Term Fiscal Considerations

MMB expects the additional costs shown above will continue each year, which means the impact of this legislation will continue over time.

Local Fiscal Impact

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

References/Sources

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

Agency Contact: Lorna Smith (651-259-3604)

Agency Fiscal Note Coordinator Signature: Paul Moore

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HF58 - 0 - Reporting Prescription Drug Prices; Coverage

Chief Author: **Steve Elkins**
 Committee: **Health Finance and Policy**
 Date Completed: **2/6/2021 1:20:03 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	FY2021	FY2022	FY2023	FY2024	FY2025
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2021	FY2022	FY2023	FY2024	FY2025
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: Adam Blom **Date:** 1/21/2021 9:44:10 AM
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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	FY2021	FY2022	FY2023	FY2024	FY2025	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill requires manufacturers to report certain information on prescription drugs to the commissioner of health, and requires the commissioner to post the information on the department's website.

This bill also requires health plan companies to disclose certain prescription drug benefit coverage, establishes requirements for formulary changes, and prohibits health carriers from denying or limiting coverage of a service an enrollee has already received based solely on lack of prior authorization or second opinion.

Assumptions

This bill would result in no direct fiscal impact to MNsure.

MNsure has not conducted a detailed analysis of the impact to health insurance premiums, plan choice, or plan demand caused by the effects of reporting requirements for information on various prescription drugs, restrictions on formulary changes, or additional prior authorization requirements as described under this bill. Changes in plan premiums, plan choice, or plan demand could have an effect on the amount of revenue MNsure generates through its premium withhold.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

N/A

Agency Contact: Anna Burke (651-539-1332)

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