

# Preliminary

Consolidated Fiscal Note

2021-2022 Legislative Session

## HF447 - 0 - Mammogram Diagnostics and Testing Covered

Chief Author: **Patty Acomb**  
 Committee: **Health Finance and Policy**  
 Date Completed:  
 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	
	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Minn Management and Budget</b>					
General Fund	-	38	79	83	88
State Employees Insurance	-	-	-	-	-
All Other Funds	-	78	163	172	180
<b>State Total</b>					
General Fund	-	38	79	83	88
State Employees Insurance	-	-	-	-	-
All Other Funds	-	78	163	172	180
<b>Total</b>	<b>-</b>	<b>116</b>	<b>242</b>	<b>255</b>	<b>268</b>
<b>Biennial Total</b>			<b>358</b>		<b>523</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Minn Management and Budget</b>					
General Fund	-	-	-	-	-
State Employees Insurance	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Lead LBO Analyst's Comment

LBO Signature:      Date:  
 Phone:              Email:

# Preliminary

## 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.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
<b>Minn Management and Budget</b>						
General Fund	-	38	79	83	88	
State Employees Insurance	-	-	-	-	-	-
All Other Funds	-	78	163	172	180	
<b>Total</b>	<b>-</b>	<b>116</b>	<b>242</b>	<b>255</b>	<b>268</b>	
		<b>Biennial Total</b>	<b>358</b>		<b>523</b>	
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Minn Management and Budget						
General Fund	-	38	79	83	88	
State Employees Insurance	-	134	281	295	309	
All Other Funds	-	78	163	172	180	
<b>Total</b>	<b>-</b>	<b>250</b>	<b>523</b>	<b>550</b>	<b>577</b>	
		<b>Biennial Total</b>	<b>773</b>		<b>1,127</b>	
<b>2 - Revenues, Transfers In*</b>						
Minn Management and Budget						
General Fund	-	-	-	-	-	-
State Employees Insurance	-	134	281	295	309	
All Other Funds	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>134</b>	<b>281</b>	<b>295</b>	<b>309</b>	
		<b>Biennial Total</b>	<b>415</b>		<b>604</b>	

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2021-2022 Legislative Session

**HF447 - 0 - Mammogram Diagnostics and Testing Covered**

Chief Author: **Patty Acomb**  
 Committee: **Health Finance and Policy**  
 Date Completed:  
 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
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

LBO Signature: **Date:**  
 Phone: **Email:**

# Preliminary

## 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
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-
<b>2 - Revenues, Transfers In*</b>					
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-

## Bill Description

House File 447 requires that health plans cover diagnostic testing and other services following a mammogram with no cost-sharing to the enrollee. The bill specifies that if a health care provider determines a need to perform additional diagnostic tests following an initial mammogram, health plans must cover the follow-up services for the enrollee at 100 percent.

## Assumptions

The requirements of HF 447 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.

The coverage requirements under HF 447 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.

HF 447 changes the cost-sharing requirements for diagnostic services and testing following an initial mammogram. The bill does not mandate coverage for a new benefit not already covered under a health plan company offering EHBs.

Commerce assumes that HF 447 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 HF 447 to existing checklists and review them for compliance. The work required by HF 447 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

None.

## Long-Term Fiscal Considerations

## Local Fiscal Impact

## References/Sources

# Preliminary

**Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Amy Trumper

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# Preliminary

Fiscal Note

2021-2022 Legislative Session

## HF447 - 0 - Mammogram Diagnostics and Testing Covered

Chief Author: **Patty Acomb**  
 Committee: **Health Finance and Policy**  
 Date Completed:  
 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
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-	-

### 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:** 3/17/2021 9:53:29 AM  
**Phone:** 651-2846541 **Email:** carlos.guereca@lbo.leg.mn

# Preliminary

## State Cost (Savings) Calculation Details

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

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

## Bill Description

This legislation requires health plans to cover, with no cost-sharing, additional diagnostic services or testing after a mammogram when indicated by a health care provider. The requirement is effective for plans issued on or after January 1, 2022.

## Assumptions

The legislation has no fiscal impact on the Department of Health.

The health plan requirements, as they are applicable to health maintenance organizations, in this legislation would require regulatory oversight by the Department of Health. The oversight would be incorporated into existing review processes and would not materially increase workloads.

In accordance with the assessment conducted by the Department of Commerce, this legislation would not constitute a new mandated health benefit under Section 1311(d)(3) of the Affordable Care Act (ACA) and therefore would not require the state to defray the costs associated with providing additional coverage to enrollees.

## Expenditure and/or Revenue Formula

## Long-Term Fiscal Considerations

## Local Fiscal Impact

## References/Sources

### Agency Contact:

Agency Fiscal Note Coordinator Signature: Brian Awsumb

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# Preliminary



# Preliminary

Fiscal Note

2021-2022 Legislative Session

## HF447 - 0 - Mammogram Diagnostics and Testing Covered

Chief Author: **Patty Acomb**  
 Committee: **Health Finance and Policy**  
 Date Completed:  
 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	

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State Cost (Savings)	Biennium			Biennium	
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024
General Fund	-	38	79	83	88
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All Other Funds	-	78	163	172	180
<b>Total</b>	-	<b>116</b>	<b>242</b>	<b>255</b>	<b>268</b>
<b>Biennial Total</b>			<b>358</b>		<b>523</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	-	-
State Employees Insurance	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

### 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:** 3/17/2021 8:00:12 AM  
**Phone:** 651-284-6438      **Email:** joe.harney@lbo.leg.mn

# Preliminary

## State Cost (Savings) Calculation Details

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<b>Total</b>	<b>-</b>	<b>134</b>	<b>281</b>	<b>295</b>	<b>309</b>
<b>Biennial Total</b>			<b>415</b>		<b>604</b>

## Bill Description

HF447-0 requires that a health plan must provide coverage of additional testing or diagnostic screening services after a mammogram without member cost sharing.

## 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 other groups including quasi-state agencies under the legislative authority provided in Minnesota Statutes 43A. Health benefits are provided through the self-funded Minnesota Advantage Health Plan. SEGIP contracts with three health plan administrators to administer medical benefits and a Pharmacy Benefit Manager (PBM) to administer its prescription drug benefit.

SEGIP will experience a fiscal impact from this bill, as we 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.

We assume that the volume and utilization patterns of post-mammography diagnostic imaging services among SEGIP's population will not be affected by this legislation. 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. SEGIP's health plan administrators each identified the time period and the set of post-mammography diagnostic and imaging procedure code ranges in which they would expect to see relevant follow-up procedures being performed. The relevant procedures include imaging (3D mammography/MRI/CT scans/ultrasonography), biopsy, genetic testing, and pathology.

Using their definitions and 2019 SEGIP medical claims data, each plan 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 imaging services. The average of the health plan administrator's PMPM estimates was used to determine total fiscal impact. Under this language, SEGIP expects to experience an average increase in Per-Member-Per-Month (PMPM) spending of \$0.17.

# Preliminary

With an effective date of January 1, 2022 and approximately 131,000 members, the fiscal impact of the legislation is estimated to be \$133,620 for the second half of FY2022. We assume a 5% annual inflation factor for FY2023 and beyond for the increasing cost of medical services.

## Expenditure and/or Revenue Formula

FY2022: \$0.17 average PMPM \* 6 months \* 131,000 members = \$133,620

FY2023: \$0.17 average PMPM \* 12 months \* 131,000 members \* 1.05 inflation factor = \$280,602

Fiscal Year Cost Calculation	FY21	FY22	FY23	FY24	FY25
Total Cost to SEGIP of this bill	\$0	\$133,620	\$280,602	\$294,632	\$309,364

SEGIP's costs are funded by contributions paid by employers and employees. Our fiscal note assumes that 86.5% of added costs will be paid by state agencies. This figure represents the proportion of employees on active payroll (97.4%), 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, 86.5% of added costs will be paid by state agencies and 13.5% 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 13.5%	\$0	\$18,039	\$37,881	\$39,775	\$41,764
Employer share 1000 General Fund	\$0	\$37,795	\$79,370	\$83,338	\$87,505
Employer share 9998 All Other Funds	\$0	\$77,786	\$163,351	\$171,519	\$180,095
Total	\$0	\$133,620	\$280,602	\$294,632	\$309,364

## 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:** Lorna Smith, 651-259-3604

**Agency Fiscal Note Coordinator Signature:** Paul Moore

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# Preliminary

Fiscal Note

2021-2022 Legislative Session

## HF447 - 0 - Mammogram Diagnostics and Testing Covered

Chief Author: **Patty Acomb**  
 Committee: **Health Finance and Policy**  
 Date Completed:  
 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
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-	-

### 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:** 3/15/2021 12:07:02 PM  
**Phone:** 651-284-6542      **Email:** adam.blom@lbo.leg.mn

# Preliminary

## 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.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

## Bill Description

This bill requires health insurance carriers that offer individual and small group health plans to provide coverage with no out-of-pocket costs for additional diagnostic services or testing required after a mammogram. This requirement applies to plans offered, issued or sold on or after January 1, 2022.

## 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:** Anna Burke (651-539-1332)

**Agency Fiscal Note Coordinator Signature:** Mubarek Abdi

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