

Preliminary

Fiscal Note

2021-2022 Legislative Session

HF3696 - 1A - Health Data Collection Modified; Report Required

Chief Author: **Jennifer Schultz**
 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

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: Joel Enders **Date:** 3/4/2022 11:41:41 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

This bill would require the Minnesota Department of Health (MDH) to request value-based non-claims provider payment data from health plan companies and third-party administrators (TPA) in Minnesota. MDH would report to the legislature the amount and distribution of claims based and value-based primary care model payments by health plan company and insurance group segmentation beginning in 2023. This bill would require Minnesota health plan companies and third-party administrators to annually report value-based non-claims payments to MDH beginning in 2024.

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.

This bill requires SEGIP's health plan administrators to provide non-claims value-based payment reporting to Minnesota Department of Health (MDH). SEGIP's health plan administrators would need to provide value-based reporting to MDH in 2022 for the legislative report due February 15, 2023. Beginning in 2024, SEGIP's health plan administrators be required to provide annual value-based payment reporting to MDH. SEGIP's health plan administrators currently provide claims-based reporting to Minnesota's All-Payer Claims database on SEGIP's behalf.

These new value-based reporting requirements will require time and resources to develop reporting capabilities. SEGIP's health plan administrators cannot estimate the administrative cost to produce these reports because the reporting specifications are not yet defined. The administrative cost of this reporting will be spread across all Minnesota insurance groups, lessening the impact on any one group.

SEGIP does not anticipate additional administrative fees from its health plan administrators to provide this new value-based reporting to MDH. It is possible that new reporting requirements could be passed onto SEGIP's administrative fee in the future, but SEGIP anticipates no fiscal impact at this time.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

Preliminary

References/Sources

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