

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

Chief Author: **Jennifer Schultz**
 Committee: **Health Finance and Policy**
 Date Completed: **3/11/2022 10:49:14 PM**
 Lead Agency: **Health Dept**
 Other Agencies:
 Commerce Dept Human Services Dept
 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
Health Dept					
General Fund		-	-	342	283
State Total					
General Fund		-	-	342	283
Total		-	-	342	283
Biennial Total				342	441

Full Time Equivalent Positions (FTE)		Biennium			Biennium
		FY2021	FY2022	FY2023	FY2024
Health Dept					
General Fund		-	-	1.5	1.5
Total		-	-	1.5	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: Carlos Guereca **Date:** 3/11/2022 10:49:14 PM
Phone: 651-284-6541 **Email:** carlos.guereca@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	FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept					
General Fund	-	-	342	283	158
Total	-	-	342	283	158
Biennial Total			342		441
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Health Dept					
General Fund	-	-	342	283	158
Total	-	-	342	283	158
Biennial Total			342		441
2 - Revenues, Transfers In*					
Health Dept					
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

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

Chief Author: **Jennifer Schultz**
 Committee: **Health Finance and Policy**
 Date Completed: **3/11/2022 10:49:14 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	
	FY2021	FY2022	FY2023	FY2024	FY2025
Dollars in Thousands					
General Fund	-	-	342	283	158
Total	-	-	342	283	158
Biennial Total			342		441

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	1.5	1.5	1
Total	-	-	1.5	1.5	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:** 3/11/2022 10:44:43 PM
Phone: 651-284-6541 **Email:** carlos.guereca@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		FY2021	FY2022	FY2023	FY2024
					FY2025
General Fund		-	-	342	283
Total		-	-	342	283
Biennial Total				342	441
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund		-	-	342	283
Total		-	-	342	283
Biennial Total				342	441
2 - Revenues, Transfers In*					
General Fund		-	-	-	-
Total		-	-	-	-
Biennial Total				-	-

Bill Description

This bill directs the commissioner of health to study and report, by February 15, 2023, on the payment models used by health plan companies and third-party administrators to pay health care providers. In addition, the bill requires the commissioner to collect non-claims-based payment data from these entities as part of MDH's obligation to maintain the Minnesota All Payer Claims Database (MN APCD).

Assumptions

For the preparation of the report, MDH assumes it will contract with a vendor to assist with the process of collecting and analyzing data, including establishing and documenting requirements, developing the data collection template, conducting analysis, and drafting components of the legislative report. Based on similar contracts, MDH assumes a comparable contract would cost \$75,000 in fiscal year 2023.

MDH assumes it will also contract with a vendor to facilitate engagement with data submitters to ensure effective data collection and to understand use of payment models, criteria under which providers would qualify for payment, and the extent to which these payment models (and transacted spending) are focused on strengthening the delivery of primary care and value-based care. MDH assumes cost of \$25,000 in fiscal year 2023 for this contract.

To implement requirements of the bill to collect and integrate non-claims-based payment data into the MN APCD, MDH assumes it will initiate expedited rulemaking in fiscal year 2023 to amend established rules (Minnesota Rules, chapter 4653). MDH assumes most aspects of expedited rulemaking will be performed by a 0.50 FTE Planner Principal State in fiscal year 2023 and fiscal year 2024. MDH requires 1.0 FTE Research Scientist 2 to support the contract work mentioned above and subsequent report writing, as well as the technical aspects of rulemaking, such as developing data definitions, aligning Minnesota efforts with national best practices, and considering technical input from stakeholders. Thereafter the Research Scientist 2 will be responsible ongoing contract management, report writing and for collection and use of data. In that role, the researcher would be responsible for ensuring timely intake of data, responding to content questions from data submitters, ensuring the quality of data by validating assumption made in the preparation of data, creating documentation for the use of data, summarizing the information for estimation of total health spending, and assessing the volume non-claims-based spending over time.

The stakeholder engagement component of expedited rulemaking will be supported by a vendor at a cost of \$25,000 each, in fiscal year 2023 and 2024. Following rulemaking, MDH assumes subsequent data collection requires data aggregation vendor support for developing data specifications, data model updates, data intake, and data extracts. Initial implementation costs are assumed to be \$30,000 in fiscal year 2024, followed by annual data production costs of \$15,000, beginning in fiscal year 2025.

Implementation of the data collection requirements will generate estimated MNIT costs to modify data tables, update database schema, data intake, validation, and integration of new data. MNIT estimates development cost to be \$13,500 in fiscal year 2024 and annual costs beginning in fiscal year 2025 and thereafter of \$5,000 for staff to support and maintenance.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Expenditure (Actual Dollars)	Amount	FY 2022	FY 2023	FY 2024	FY 2025
Salary & Fringe:		FTE	FTE	FTE	FTE
Planner Principal State	109,994		0.50	0.50	
Research Scientist 2	109,994		1.00	1.00	1.00
	FTE	0.00	1.50	1.50	1.00
	Subtotal	0	164,991	164,991	109,994
Information Technology:					
MNIT development of additional modified tables in MN APCD environment to accommodate non-claims data				13,500	
MNIT ongoing staffing support and maintenance					5,000
	Subtotal	0	0	13,500	5,000
Other Operating Costs:					
Contractor to document new requirements for data submitters, develop data collection template, conduct analysis, and write the legislative report on volume and distribution of health care spending across payment models.			75,000		
Contractor to convene and facilitate stakeholder engagement in the development of new non-claims data submission requirements.			25,000		
Contractor to convene and facilitate stakeholder engagement in the development of expedited rules for new non-claims data submission requirements.			25,000	25,000	
MN APCD data vendor non-claims-based data extract initiation cost				30,000	
MN APCD data vendor non-claims-based data extract ongoing annual extract cost					15,000

	Subtotal	0	125,000	55,000	15,000
Grants, Aids & Subsidies:					
	Subtotal	0	0	0	0
Indirect (21.7% Eligible Costs)	Subtotal	0	52,078	49,583	28,209
Expenditure	Total	0	342,069	283,074	158,203
Fiscal Tracking (Dollars in Thousands)		FY 2022	FY 2023	FY 2024	FY 2025
Click to choose program and BACT		0	342	283	158
Administration		0	342	283	158
Grants		0	0	0	0

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Brian Awsumb

Phone: 651-201-5235

Date: 3/11/2022 3:02:00 PM

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

Chief Author: **Jennifer Schultz**
 Committee: **Health Finance and Policy**
 Date Completed: **3/11/2022 10:49:14 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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 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: Darren Sheets **Date:** 3/4/2022 11:37:28 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

House File 3696-DE1 amends Minn. Stats. § 62U.04 by requiring health plan companies and third-party administrators to submit data regarding all non-claims-based payments made to health care providers. Under HF3696-DE1, “non-claims-based payments” refers to payments made to health care providers that are designed to “support and reward value of health care services over volume of health care services,” including “alternative payment models” and incentives, “payments for infrastructure expenditures,” and payments for workforce costs.

House File 3696-DE1 requires the Commissioner of Health to provide a report to the legislature, beginning February 15, 2023, on the volume and distribution of health care spending. The Commissioner of Health must consult with health plan companies, hospitals, and other health care providers in developing the form upon which reports must be submitted.

The required report under HF3696-DE1 requires the Commissioner of Health to include health plan company, third party administrator estimates of health care spending for both claims- and non-claims-based payments for the most recent available year. Data in this report must also focus on primary care payments.

Assumptions

Commerce assumes that HF3696-DE1 will not have a fiscal impact on the agency. The bill requirements explicitly apply to the Department of Health (MDH) only. The bill indicates that data will be collected from health plan companies, which Commerce assumes to be as defined at <https://www.revisor.mn.gov/statutes/cite/62A.011#stat.62A.011.2> Commerce regulates health plan companies, but is not required by this bill to collect any of the required data elements. Commerce assumes that it may be consulted by MDH regarding data collection requirements under the bill, but any consultation or data request from MDH would be expected to fall within the general scope of work of Commerce staff.

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

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

Chief Author: **Jennifer Schultz**
 Committee: **Health Finance and Policy**
 Date Completed: **3/11/2022 10:49:14 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

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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: Steve McDaniel **Date:** 3/4/2022 5:10:45 PM
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State Cost (Savings) Calculation Details

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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

Section 1 would require all health plan companies and third-party administrators to submit non-claims-based payment data to a private entity designated by the commissioner of health.

Sections 2 and 3 would allow all-payer claims database information to be used for these reporting purposes.

Section 4 would establish definitions and require the commissioner of health to submit a report to the legislature by February 15, 2023.

Assumptions

This fiscal note assumes that the Department of Human Services (DHS) is not considered a “third-party administrator” as defined under MS 62H.10 Subd. 14. Thus, DHS would not be required to submit data related to the Medical Assistance Integrated Health Partnerships (IHP) value-based payments in the Fee-for-Service program.

Should DHS be required to report on these payments, resources may be required if reporting requirements differ from the Department’s current calculations related to value-based payments.

Expenditure and/or Revenue Formula**Long-Term Fiscal Considerations****Local Fiscal Impact**

References/Sources

Agency Contact: Elyse Bailey, 651-402-7046

Agency Fiscal Note Coordinator Signature: Elyse Bailey

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

Chief Author: **Jennifer Schultz**
 Committee: **Health Finance and Policy**
 Date Completed: **3/11/2022 10:49:14 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	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
Phone: 651-284-6542 **Email:** joel.enders@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.

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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 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

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Paul Moore

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Date: 3/4/2022 8:26:03 AM

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