

Preliminary

Consolidated 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:
 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 | FY2025 |
| State Total | | | | | | |
| Total | | - | - | - | - | - |
| Biennial Total | | | | - | | - |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|--------|--------|----------|--------|
| | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 |
| Total | - | - | - | - | - |

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.

| 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 | | | | - | | - |

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: **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: Darren Sheets **Date:** 3/4/2022 11:37:28 AM
Phone: 651-297-1423 **Email:** darren.sheets@lbo.mn.gov

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 |
| 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

Preliminary

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Amy Trumper

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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: 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) | 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
Phone: 651-284-6437 **Email:** steve.mcdaniel@lbo.mn.gov

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.

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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

Preliminary

References/Sources

Agency Contact: Elyse Bailey, 651-402-7046

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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.

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|-----------------------|----------------------|--------|--------|----------|--------|--------|
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| 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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Preliminary

State Cost (Savings) Calculation Details

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| State Cost (Savings) = 1-2 Dollars in Thousands | Biennium | | | Biennium | |
|--|----------|--------|--------|----------|--------|
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| 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

Agency Contact:

Agency Fiscal Note Coordinator Signature: Paul Moore

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