

SF1040 - 0 - Dental Plan Covered Services Definition

Chief Author: **Liz Boldon**
 Committee: **Commerce And Consumer Protection**
 Date Completed: **3/4/2024 11:19:25 AM**
 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	
	FY2023	FY2024	FY2025	FY2026	FY2027
Minn Management and Budget	-	-	-	-	-
General Fund	-	-	-	-	-
State Employees Insurance	-	-	-	-	-
All Other Funds	-	-	-	-	-
State Total					
General Fund	-	-	-	-	-
State Employees Insurance	-	-	-	-	-
All Other Funds	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Minn Management and Budget	-	-	-	-	-
General Fund	-	-	-	-	-
State Employees Insurance	-	-	-	-	-
All Other Funds	-	-	-	-	-
Total	-	-	-	-	-

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: Shannon Zila **Date:** 3/4/2024 11:19:25 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		FY2023	FY2024	FY2025	FY2026	FY2027
Minn Management and Budget		-	-	-	-	-
General Fund		-	-	-	-	-
State Employees Insurance		-	-	-	-	-
All Other Funds		-	-	-	-	-
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Minn Management and Budget		-	-	-	-	-
General Fund		-	-	-	-	-
State Employees Insurance		-	-	-	-	-
All Other Funds		-	-	-	-	-
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
Minn Management and Budget		-	-	-	-	-
General Fund		-	-	-	-	-
State Employees Insurance		-	-	-	-	-
All Other Funds		-	-	-	-	-
	Total	-	-	-	-	-
	Biennial Total			-		-

SF1040 - 0 - Dental Plan Covered Services Definition

Chief Author: **Liz Boldon**
 Committee: **Commerce And Consumer Protection**
 Date Completed: **3/4/2024 11:19:25 AM**
 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		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2023	FY2024	FY2025	FY2026	FY2027
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: Shannon Zila **Date:** 3/4/2024 11:19:15 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		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

Senate File (SF) 1040, effective January 1, 2025, updates the definition of covered services to services partially or fully reimbursed under a dental provider agreement. SF 1040 clarifies that nothing in this section limits the ability of dental plans, dental organizations, or third-party administrators to restrict balance billing, waiting periods, frequency limitations, deductibles, or maximum annual benefits where they apply to covered services.

Assumptions

Commerce assumes the requirements of SF 1040 do not constitute a new benefit mandate as understood under Section 1311(d)(3) of the Affordable Care Act. 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 requirements under SF 1040 are unrelated 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. SF 1040 updates the definition of covered services for dental care.

Commerce assumes that SF 1040 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 the bill to existing checklists and review them for compliance. The work required by the bill 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

N/A

Long-Term Fiscal Considerations**Local Fiscal Impact**

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Amy Trumper

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Email: amy.trumper@state.mn.us

SF1040 - 0 - Dental Plan Covered Services Definition

Chief Author: **Liz Boldon**
 Committee: **Commerce And Consumer Protection**
 Date Completed: **3/4/2024 11:19:25 AM**
 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		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2023	FY2024	FY2025	FY2026	FY2027
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: Shannon Zila **Date:** 3/1/2024 1:11:05 PM
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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		FY2023	FY2024	FY2025	FY2026	FY2027
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

This bill modifies the definition of “covered services” as it applies to coverage of dental care. No effective date is specified.

Technical Comment: As written, the effective date of this proposal would be within the current 2024 plan year and will require changes to health plans currently in effect. Documents for the 2025 plan year will be submitted in April 2024.

Assumptions

MDH is responsible for reviewing state-regulated health maintenance organization (HMO) health plans for compliance with state and federal requirements before they are available to enrollees. This bill impacts coverage of dental care services. Enforcement of this requirement falls within the routine reviews of HMO health plan coverage and would not generate a material increase in workload.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

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SF1040 - 0 - Dental Plan Covered Services Definition

Chief Author: **Liz Boldon**
 Committee: **Commerce And Consumer Protection**
 Date Completed: **3/4/2024 11:19:25 AM**
 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		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-	-
State Employees Insurance	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
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: Kate Schiller **Date:** 2/29/2024 1:04:56 PM
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State Cost (Savings) Calculation Details

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

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund		-	-	-	-	-
State Employees Insurance		-	-	-	-	-
All Other Funds		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		-	-	-	-	-
State Employees Insurance		-	-	-	-	-
All Other Funds		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
General Fund		-	-	-	-	-
State Employees Insurance		-	-	-	-	-
All Other Funds		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

Senate File 1040 changes the definition of “covered services” to mean dental care services that are reimbursed in whole or in part under a dental provider agreement between a dental plan, dental organization, or third-party administrators (TPA) and dental provider. Section d allows dental plans, dental organizations, and TPAs to prohibit certain actions by contracted providers for covered services.

The effective date of the bill is August 1, 2024.

Background:

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 quasi-state agencies defined in Minnesota Statute. Health benefits are provided through the self-funded Minnesota Advantage Health Plan (Advantage). SEGIP contracts with two health plan administrators to provide medical benefits and a Pharmacy Benefit Manager (PBM) to provide its prescription drug benefit.

SEGIP has a self-funded dental plan and contracts with two dental plan administrators.

Assumptions

MMB’s dental plan administrators contract directly with dental providers for covered services. MMB’s dental plan administrators do not expect SF 1040 to change their current practices for paying dental providers, and as such, MMB assumes no fiscal impact from the bill.

Expenditure and/or Revenue Formula

Not Applicable

Long-Term Fiscal Considerations

Not Applicable

Local Fiscal Impact

Not Applicable

References/Sources

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

Agency Contact: Galen Benshoof 651-201-8224

Agency Fiscal Note Coordinator Signature: Ronika Rampadarat

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SF1040 - 0 - Dental Plan Covered Services Definition

Chief Author: **Liz Boldon**
 Committee: **Commerce And Consumer Protection**
 Date Completed: **3/4/2024 11:19:25 AM**
 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		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2023	FY2024	FY2025	FY2026	FY2027
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:** 3/1/2024 1:20:18 PM
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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		FY2023	FY2024	FY2025	FY2026	FY2027
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

This bill (SF 1040) amends the definition of covered services for dental care by stating that "covered services" means dental care services that are reimbursed in whole or in part under a dental provider agreement. Bill also clarifies that nothing in this section shall be construed as limiting the ability of a dental plan or dental organization or other person providing third party administrator services to restrict any of the following as they relate to covered services: (1) balance billing, (2) waiting periods,(3) frequency limitations, (4) deductibles, or (5) maximum annual benefits.

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 coverage provided for changes to the definition of dental plan covered services.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Pete Engler

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