

## SF3511 - 0 - Prenatal, Maternity, Postnatal Health Insurance

Chief Author: **Alice Mann**  
 Committee: **Commerce And Consumer Protection**  
 Date Completed: **3/1/2024 9:52:19 AM**  
 Lead Agency: **Health Dept**  
 Other Agencies:  
     Commerce 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
<b>Minn Management and Budget</b>					
General Fund	-	-	127	267	281
State Employees Insurance	-	-	-	-	-
All Other Funds	-	-	264	555	583
<b>State Total</b>					
General Fund	-	-	127	267	281
State Employees Insurance	-	-	-	-	-
All Other Funds	-	-	264	555	583
<b>Total</b>	-	-	<b>391</b>	<b>822</b>	<b>864</b>
<b>Biennial Total</b>			<b>391</b>		<b>1,686</b>

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

**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:** 3/1/2024 9:52:19 AM  
**Phone:** 651-296-6053    **Email:** shannon.zila@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.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>
<b>Dollars in Thousands</b>		<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>
					<b>FY2027</b>
<b>Minn Management and Budget</b>					
General Fund	-	-	127	267	281
State Employees Insurance	-	-	-	-	-
All Other Funds	-	-	264	555	583
<b>Total</b>	-	-	<b>391</b>	<b>822</b>	<b>864</b>
<b>Biennial Total</b>			<b>391</b>		<b>1,686</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
<b>Minn Management and Budget</b>					
General Fund	-	-	127	267	281
State Employees Insurance	-	-	452	950	998
All Other Funds	-	-	264	555	583
<b>Total</b>	-	-	<b>843</b>	<b>1,772</b>	<b>1,862</b>
<b>Biennial Total</b>			<b>843</b>		<b>3,634</b>
<b>2 - Revenues, Transfers In*</b>					
<b>Minn Management and Budget</b>					
General Fund	-	-	-	-	-
State Employees Insurance	-	-	452	950	998
All Other Funds	-	-	-	-	-
<b>Total</b>	-	-	<b>452</b>	<b>950</b>	<b>998</b>
<b>Biennial Total</b>			<b>452</b>		<b>1,948</b>

## SF3511 - 0 - Prenatal, Maternity, Postnatal Health Insurance

Chief Author: **Alice Mann**  
 Committee: **Commerce And Consumer Protection**  
 Date Completed: **3/1/2024 9:52:19 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 9:52:10 AM  
**Phone:** 651-296-6053 **Email:** shannon.zila@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		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 expands health plan coverage requirements for prenatal, maternity, and postnatal care with additional coverage requirements. The bill makes changes to children's health supervision services and prenatal care.

The bill is effective January 1, 2025 and applies to all policies issued, offered, or renewed on or after that date.

#### Technical Comment:

The provisions take effect January 1, 2025. Filings for the 2025 plan year are submitted in April 2024 in order to meet statutory requirements for review and approval. Depending on the date of enactment, the bill may affect filings already in process or under review, which could require resubmission of information by health plans.

### 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 prenatal, maternity, and children's health supervision 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:

Agency Fiscal Note Coordinator Signature: Brendan Wright

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Date: 3/1/2024 9:17:58 AM

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## SF3511 - 0 - Prenatal, Maternity, Postnatal Health Insurance

Chief Author: **Alice Mann**  
 Committee: **Commerce And Consumer Protection**  
 Date Completed: **3/1/2024 9:52:19 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:** 2/24/2024 1:06:08 PM  
**Phone:** 651-296-6053 **Email:** shannon.zila@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.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
	<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

Senate File (SF) 3511-0 requires health plans to cover prenatal, maternity and postnatal care without cost sharing. The bill amends Minn. Stat. sections 62A.041, subdivision 1; 62A.0411; 62A.047; and 62Q.521. It also repeals section 62A.041, subdivision 2.

The bill proposes changes to minimum requirements for maternity, prenatal and postnatal care. Under SF3511-0, minimum care requirements include coverage for all maternity, prenatal and postnatal care provided to a mother and her newborn that is:

(1) recommended by a health care provider acting within the provider's scope of practice; and

(2) related to the pregnancy, delivery and associated well-being of the mother and newborn, including, but not limited to, all procedures, examinations, screenings, counseling, education and office visits.

The provision for maternity care includes inpatient care extending beyond established minimum durations a minimum of 48 hours after a vaginal delivery and a minimum of 96 hours following a cesarean section and post-delivery outpatient care. All postnatal care services for the mother and infant are covered until the infant's first birthday.

The bill prohibits health plans from limiting coverage for child health supervision services and prenatal care services based on an individual's preexisting condition.

SF3511-0 establishes that if a health care provider recommends that either the mother or newborn be transferred to a different medical facility, the health plan must provide the coverage required for the mother, newborn and newborn siblings at both medical facilities. This coverage includes expenses related to transferring all individuals from one medical facility to a different medical facility. If the transfer is at the recommendation of a health care provider, cost sharing cannot be imposed.

SF3511-0 specifies that this section is effective January 1, 2025, and applies to all policies, plans, certificates and contracts offered, issued or renewed on or after that date.

### Assumptions

Commerce assumes the requirements of SF3511-0 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 SF3511-0 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. The bill extends the duration of postnatal care to a year; removes cost sharing for prenatal, maternity and postnatal care; and ensures, if recommended by a health care provider, newborns and mothers are transported to an

alternative medical facility together, with no cost sharing.

Commerce assumes that SF3511-0 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.

This analysis is consistent with the Department's analysis in its 62J.26 evaluation of SF3511-0.

**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

**Phone:** 651-539-1517

**Date:** 2/23/2024 4:22:10 PM

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## SF3511 - 0 - Prenatal, Maternity, Postnatal Health Insurance

Chief Author: **Alice Mann**  
 Committee: **Commerce And Consumer Protection**  
 Date Completed: **3/1/2024 9:52:19 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	

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State Cost (Savings)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Dollars in Thousands					
General Fund	-	-	127	267	281
State Employees Insurance	-	-	-	-	-
All Other Funds	-	-	264	555	583
<b>Total</b>	<b>-</b>	<b>-</b>	<b>391</b>	<b>822</b>	<b>864</b>
<b>Biennial Total</b>			<b>391</b>		<b>1,686</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
State Employees Insurance	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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:** Kate Schiller **Date:** 2/28/2024 3:44:37 PM  
**Phone:** 651-296-6052 **Email:** kate.schiller@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.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>
<b>Dollars in Thousands</b>		<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>
					<b>FY2027</b>
General Fund	-	-	127	267	281
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<b>Total</b>	-	-	<b>391</b>	<b>822</b>	<b>864</b>
<b>Biennial Total</b>			<b>391</b>		<b>1,686</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
General Fund	-	-	127	267	281
State Employees Insurance	-	-	452	950	998
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<b>Total</b>	-	-	<b>843</b>	<b>1,772</b>	<b>1,862</b>
<b>Biennial Total</b>			<b>843</b>		<b>3,634</b>
<b>2 - Revenues, Transfers In*</b>					
General Fund	-	-	-	-	-
State Employees Insurance	-	-	452	950	998
All Other Funds	-	-	-	-	-
<b>Total</b>	-	-	<b>452</b>	<b>950</b>	<b>998</b>
<b>Biennial Total</b>			<b>452</b>		<b>1,948</b>

**Bill Description**

## Bill Description

The Coverage for Prenatal, Maternity, and Postnatal Care bill requires health plans to cover all prenatal care, inpatient and outpatient delivery-related care, and postnatal care that is recommended by a health care provider acting within their scope of practice. The coverage requirement for postnatal care would apply to care provided to both the mother and infant prior to the infant reaching age one and would include but is not limited to all procedures, examinations, screenings, counseling, education, and office visits. The bill requires that all provider-recommended prenatal, delivery, and postnatal care be covered without cost-sharing, including but not limited to deductible, co-pay, or coinsurance.

## 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.

**Assumptions**

The Advantage Plan covers all prenatal and postnatal preventive care and professional care services without member cost-sharing (including deductible, co-pay, and coinsurance). The Advantage Plan identifies preventive care services based on recommendations and criteria established by professional associations and experts in the field such as the United States Preventive Services Task Force. As such, the Advantage Plan does not consider provider-recommended care as preventive unless it meets the Plan definition of preventive care. Under the Advantage Plan, member cost-sharing would apply to prenatal or postnatal care that does not meet the definition of preventive care or is not defined as professional services by the health plan administrator.

Administratively, the language of the bill would pose conflicts for SEGIP's High Deductible Health Plan (HDHP), which is offered along with an accompanying Health Savings Account (HSA) to a small subset of employees as required under state statute. Under IRS requirements, only federally-designated health care services may be offered to high-deductible plan enrollees with no member cost-sharing.

MMB assumes this bill would require the Advantage Plan to eliminate member cost-sharing for all provider-recommended prenatal and postnatal care that does not currently meet the plan's definition of preventive care. MMB assumes there would need to be a mechanism in place for the health plan administrators to identify provider-recommended care.

MMB directed its health plan administrators to estimate member-cost sharing for mother and infant care received in the prenatal, delivery, and postpartum periods up until one year after the birth over the past five years. They estimate the Advantage Plan paid most costs and that member cost-sharing ranged between \$0.40 - \$0.75 per-member-per-month (PMPM). MMB assumes the Advantage Plan would be required to pay for the foregone member cost-sharing under this bill. MMB uses the average of the estimated range, \$0.58 PMPM, for this fiscal impact.

With an assumed effective date of January 1, 2025, a SEGIP membership of 130,000, and a cost of \$0.58 PMPM, the partial FY2025 fiscal impact of this legislation would be \$452,400. We assume a 5% increase in FY2026 and beyond to account for medical price inflation.¿

**Expenditure and/or Revenue Formula**

Expenditure and/or Revenue Formula

FY2025: \$0.58PMPM \*130,000 members \* 6 months = \$452,400 FY2026: \$0.58PMPM \*130,000 members \* 12 months \* 1.05 inflation factor= \$950,040

Fiscal Year Cost Calculation	FY24	FY25	FY26	FY27
Total Cost to SEGIP of this bill	\$0	\$452,400	\$950,040	\$997,542

Total Expenditures including new employee costs:

SEGIP's costs are funded by premium contributions paid by state and quasi-state employers and employees. Our fiscal note assumes that 86.6% of added costs will be paid by state agencies in the form of employer premium contributions. This figure represents the proportion of employees on active payroll (97.2%), meaning those who receive an employer contribution, multiplied by the average employer contribution rate across all current collective bargaining agreements and compensation plans (89.1%).

Thus, 86.6% of added costs will be paid by state agencies and 13.4% will be paid by state employees and quasi-state agencies in the form of premium contributions.

The table below reflects how these premium costs are split between the employer and employee. The state employer costs are further split between the General Fund (32.5%) and All Other Funds (67.5%) on the same basis that state agencies pay for employee medical insurance premiums.

Fiscal Year Cost Calculation	FY2024	FY2025	FY2026	FY2027
Employee and quasi-state agency share 13.4%	\$0	\$60,622	\$127,305	\$133,671
Employer share - 1000 General Fund	\$0	\$127,328	\$267,389	\$280,758
Employer Share - 9998 All other funds	\$0	\$264,450	\$555,346	\$583,113
Total	\$0	\$452,400	\$950,040	\$997,542

**Long-Term Fiscal Considerations**

Not Applicable

**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:** Galen Benshoof

**Agency Fiscal Note Coordinator Signature:** Ronika Rampadarat

**Date:** 2/28/2024 11:42:28 AM

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## SF3511 - 0 - Prenatal, Maternity, Postnatal Health Insurance

Chief Author: **Alice Mann**  
 Committee: **Commerce And Consumer Protection**  
 Date Completed: **3/1/2024 9:52:19 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:** 2/24/2024 4:32:02 PM  
**Phone:** 651-284-6437 **Email:** steve.mcdaniel@lbo.mn.gov

### 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>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
<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

Section 1 of SF 3511 prohibits discrimination against unmarried women in regard to coverage of maternity benefits. This section is effective Jan. 1, 2025, and applies to all policies, plans, certificates, and contracts offered, issued, or renewed on or after that date.

Section 2 of this bill requires each health plan to offer a minimum level of inpatient care for maternity services and requires that all health plans provide coverage for all inpatient care for a mother and infant that is recommended by a health care provider and related to the delivery and well-being of the mother and newborn. Section 2 also requires that health plans provide coverage for postdelivery outpatient care to a mother and newborn infant. Additionally, Section 2 requires that health plans provide coverage without cost sharing. This section is effective Jan. 1, 2025, and applies to all policies plans, certificates, and contracts offered, issued, or renewed on or after that date.

Section 3 requires that each health plan provide coverage for child health supervision services and prenatal care services without cost sharing. This section is effective Jan. 1, 2025, and applies to all policies, plans, certificates, and contracts offered, issued, or renewed on or after that date.

Section 4 of this bill requires health plans to cover all postnatal care of a mother and infant prior to an infant reaching one year of age without cost sharing. This section is effective Jan. 1, 2025, and applies to all policies, plans, certificates, and contracts offered, issued, or renewed on or after that date

Section 5 repeals Minnesota Statutes 2022, section 62A.041, subdivision 2 and is effective Jan. 1, 2025.

### 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 in coverage for prenatal, maternity, and postnatal services with the effective date as described in the bill.

### Expenditure and/or Revenue Formula

### Long-Term Fiscal Considerations

### Local Fiscal Impact

**References/Sources**

**Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Pete Engler

**Phone:** 651-247-0247

**Date:** 2/23/2024 4:14:17 PM

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