



Evaluation of SF 0205 – Prohibition of Prior Authorization for Antineoplastic Cancer Treatment

Report to the Minnesota Legislature Pursuant to Minn. Stat. § 62J. 26

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Defrayal analysis completed by the Minnesota Department of Commerce is independent of AIR's evaluation.

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As requested by Minnesota Statute § 3.197: This report cost approximately \$8,224.63 to prepare, including staff time, printing and mailing expenses.

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Introduction

In accordance with Minn. Stat. § 62J.26, the Minnesota Department of Commerce (Commerce), in consultation with the Minnesota Department of Health (MDH) and Minnesota Management and Budget (MMB), performs a detailed evaluation of all relevant benefit mandate proposals. For evaluation criteria and required evaluation components, please review the Evaluation Report Methodology, available at <https://mn.gov/commerce/insurance/industry/policy-data-reports/62j-reports/>.

Bill Requirements

This Senate bill is sponsored by Sen. Port and was introduced in the 94th Legislature (2025-26) on January 16, 2025.

If enacted, this bill would prohibit prior authorization for antineoplastic cancer treatment that is consistent with nationally or internationally accepted standards of care. This would also remove the prior authorization requirement for medications used for antineoplastic cancer treatment.

This proposed mandate would apply to fully insured small and large group commercial health plans, individual market plans, Medicare supplemental policies, the State Employee Group Insurance Program (SEGIP), and Minnesota Health Care Programs (e.g., Medical Assistance and MinnesotaCare). This would not apply to self-insured employer plans or grandfathered plans.

This bill would amend Minnesota Statutes 2024, section 62M.07, subdivision 2.

Related Health Conditions and Associated Services

Antineoplastic cancer treatments, or chemotherapy drugs, are drugs and therapies designed to target and remove cancer cells by damaging the DNA and triggering the natural process of cell death.¹ They also affect rapidly dividing normal cells, which can suppress bone marrow and growth, impair healing, and cause hair loss. These drugs can be used to treat different types of cancers in different ways, including in combination with other treatments such as surgery, radiation therapy, immunotherapy, and hormone therapy.²

Antineoplastic cancer treatments can be used to treat many types of cancers, including but not limited to:^{2,3}

- Hodgkin's disease;
- Leukemia;
- Burkitt's lymphoma;
- Localized diffuse large cell lymphoma;
- Wilms' tumor;
- Small cell lung cancer; and
- Testicular cancer.

The type of antineoplastic treatment a patient receives depends on the location of the cancer, the stage of the cancer, and the patient's overall health.⁴

Public Comments Summary

Commerce solicited public input on the potential health benefit mandate through a request for information (RFI) posted to Commerce's website and the Minnesota State Register. The summary below represents only the opinions and input of the organizations who responded to the RFI.

Key Stakeholder Comment Themes

For this proposed mandate, Commerce received RFI responses from three commercial health issuers and one pharmaceutical organization.

Respondents emphasized that the use of prior authorization promotes coverage of clinically appropriate and cost-effective medications. Several respondents noted that they use prior authorization to ensure that an enrollee's chemotherapy treatment meets National Comprehensive Cancer Network (NCCN[®]) guidelines. One respondent also referenced the American Society of Clinical Oncology (ASCO) and the United States Food and Drug Administration when discussing prior authorization's role in enforcing evidence-based prescribing. Respondents stated that the bill language should align with NCCN[®] guidelines, which are used as the standard of care by many issuers to ensure safety and quality in treatment.

Respondents also noted that prohibiting the use of prior authorization for antineoplastic cancer drugs removes the check and balance process that ensures consumer safety. One respondent suggested that broad statutory language included in the bill could enable inappropriate use of complex therapies, including gene and cell therapies and antineoplastics, unless utilization controls remain in place.

Cost Estimates Provided in Stakeholder Comments

Stakeholders and MMB provided the following cost estimates related to the proposed mandate:

- MMB's health plan administrators estimated the average state fiscal impact of the proposed mandate to be \$1.53 per member per month (PMPM), as the bill would prohibit prior authorization for antineoplastic cancer treatment across a wide range of guidelines (see [State Fiscal Impact section](#)).
- Respondents noted that the inability to apply prior authorization for antineoplastic drugs would likely increase costs for commercial health plan coverage. If this bill were enacted, respondents indicated it may result in estimated cost increases ranging from \$0.30 PMPM up to \$2.10 PMPM.

Stakeholders' results may or may not reflect generalizable estimates for this mandate, depending on the methodology, data sources, and assumptions used for analysis.

Evaluation Limitations

The evaluation of the potential public health and economic impacts for this mandate was limited by several factors. First, the Minnesota All Payer Claims Database does not capture data relating to prior authorization practices, limiting the data available for a reliable actuarial analysis. Therefore, it would be challenging to assess the economic impact of prohibiting prior authorization for antineoplastic cancer treatment. Additionally, while there is a broad range of literature focused on antineoplastic cancer treatment and accepted standards of care, there is limited literature to address prior authorization practices for antineoplastic cancer treatment.

The proposed mandate would also prohibit prior authorization for antineoplastic cancer treatments consistent with guidelines from any nationally or internationally accepted standard of care, as opposed to just those recognized by the NCCN[®] guidelines. This presents a challenge as there can be variation in recommendations across national and international guidelines for antineoplastic cancer treatment. Additionally, guidelines can be periodically updated and therefore any findings in this evaluation would be out of date once any of the included guidelines are updated. As a result, a sufficient review of all accepted guidelines would not be feasible.

State Fiscal Impact

The potential state fiscal impact of this legislation includes the estimated cost to SEGIP as assessed by MMB in consultation with health plan administrators, the cost of defrayal of benefit mandates as understood under the Patient Protection and Affordable Care Act (ACA), and the estimated cost to Minnesota Health Care Programs.

- MMB estimates the cost of this legislation for the state plan to be \$1,220,940 for partial Fiscal Year 2027 (FY 2027) and \$2,563,974 for FY 2028.
- Commerce has determined that this proposed mandate would not require defrayal under the ACA.
- This proposed mandate would apply to Minnesota Health Care Programs (e.g., Medical Assistance and MinnesotaCare).

Fiscal Impact Estimate for SEGIP

MMB provided SEGIP's fiscal impact analysis, which is based on the medical and prescription drug plan rates of the Advantage Plan. MMB's analysis predicted a fiscal impact of \$1.53 PMPM. MMB noted that the term "medications" would apply to both medically administered drugs and other such medical services under the medical benefit and to prescription drugs under the pharmacy benefit. The proposed mandate may also require MMB to have specialty medication coverage, such as antineoplastic cancer treatment, available through the pharmacy benefit manager's Standard Control formulary which would have larger fiscal impacts not reflected in this fiscal note due to limited utilization management protocols under the Standard Control formulary. MMB also notes that there could be rebate reductions, potentially leading to fiscal impacts that are not reflected in the current estimate. The partial fiscal year impact of the proposed legislation on SEGIP is estimated to be \$1,220,940 for partial FY 2027 (\$1.53 PMPM medical cost x 133,000 members x 6 months). The estimated impact for FY 2028 equals \$2,563,974, and the amount is estimated to increase by a 5% annual inflation factor each of the following years due to increasing cost of medical services.

Affordable Care Act Mandate Impact and Analysis

States may require qualified health plan issuers to cover benefits in addition to the 10 essential health benefits (EHBs) defined by the ACA but must defray the costs, either through payments to individual enrollees or directly to issuers, and can partially defray the costs of proposed mandates if some of the care, treatment, or services are already covered in the state's benchmark plan or mandated by federal law, pursuant to section 1311(d)(3)(b) of the ACA. For further defrayal requirements and methodology, please visit <https://mn.gov/commerce/insurance/industry/policy-data-reports/62j-reports/>.

If enacted, Commerce assumes this bill would not constitute an additional benefit mandate, as it does not relate to any new requirements for specific care, treatment, or services that are not already covered by Minnesota's EHB Benchmark Plan. The Minnesota EHB Benchmark Plan requires coverage for a broad range of prescription antineoplastic drugs that are consistent with the NCCN[®] and other nationally and internationally accepted standards of care. The proposed mandate only alters prior authorization associated with required coverage.

Fiscal Impact of State Public Programs

This proposed mandate would apply to Minnesota Health Care Programs (e.g., Medical Assistance and MinnesotaCare) and may have a cost. Minnesota Health Care Programs manage prescription drugs, including those for antineoplastic cancer treatment, using a preferred drug list (PDL). Costs may be incurred from impacts on the management of these treatment options using the PDL. However, a fiscal estimate has not yet been completed on this proposed mandate.

Appendix A. Bill Text

Section 1. Minnesota Statutes 2024, section 62M.07, subdivision 2, is amended to read:

Subd. 2. **Prior authorization of certain services prohibited.** No utilization review organization, health plan company, or claims administrator may conduct or require prior authorization of:

- (1) emergency confinement or an emergency service. The enrollee or the enrollee's authorized representative may be required to notify the health plan company, claims administrator, or utilization review organization as soon as reasonably possible after the beginning of the emergency confinement or emergency service;
- (2) outpatient mental health treatment or outpatient substance use disorder treatment, except for treatment which is a medication. Prior authorizations required for medications used for outpatient mental health treatment or outpatient substance use disorder treatment must be processed according to section 62M.05, subdivision 3b, for initial determinations, and according to section 62M.06, subdivision 2, for appeals;
- (3) antineoplastic cancer treatment that is consistent with guidelines of the National Comprehensive Cancer Network or nationally and internationally accepted standards of care, except for including but not limited to treatment which that is a medication. ~~Prior authorizations required for medications used for antineoplastic cancer treatment must be processed according to section 62M.05, subdivision 3b, for initial determinations, and according to section 62M.06, subdivision 2, for appeals;~~
- (4) services that currently have a rating of A or B from the United States Preventive Services Task Force, immunizations recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention, or preventive services and screenings provided to women as described in Code of Federal Regulations, title 45, section 147.130;
- (5) pediatric hospice services provided by a hospice provider licensed under sections 144A.75 to 144A.755; and
- (6) treatment delivered through a neonatal abstinence program operated by pediatric pain or palliative care subspecialists.

Clauses (2) to (6) are effective January 1, 2026, and apply to health benefit plans offered, sold, issued, or renewed on or after that date.

EFFECTIVE DATE. This section is effective January 1, 2027, and applies to health benefit plans offered, sold, issued, or renewed on or after that date.

Works Cited

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