



Evaluation of HF 2301 – Coverage for Firefighters

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

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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

House File (HF) 2301 is sponsored by Rep. Tabke and was introduced in the 93rd Legislature (2023–24) on March 1, 2023.

If enacted, this bill would require health carriers to provide health insurance coverage for preventative tests and procedures that are recommended by the International Fire Chiefs Association (IFCA) for full-time firefighters. These tests and procedures would be covered without cost-sharing, including but not limited to deductible, co-pay, and coinsurance.

This proposed mandate would apply to fully insured small and large group commercial health plans, individual market plans, and the State Employee Group Insurance Program (SEGIP). It would not apply to self-insured employer plans, grandfathered plans, Medicare and Medicare supplemental policies, and Minnesota public health coverage programs.

Related Health Conditions and Services

Firefighters are at an increased risk of developing the following conditions:¹

- Cardiovascular disease
- Cancer
- Behavioral health disorders (e.g., PTSD)
- Sleep disorders
- Lung disease

Coverage would extend to tests and procedures recommended by the IFCA. These may include but are not limited to the following:

- Physical examination tests
- Exercise stress tests
- Cancer screenings
- Behavioral health screenings
- Sleep studies
- Chest x-rays and CT scans

Public Comments

Commerce solicited public input on the proposed 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 individuals and/or organizations that responded to the RFI.

Key Stakeholder Comment Themes

For this proposed mandate, Commerce received comments from three commercial health carriers that provided information related to insurance coverage.

Responses indicated that the specific services covered under the proposed health benefit mandate and how often these services are required are not clear from the bill language. The tests and services recommended by the IFCA are broadly defined and may or may not fall under preventative services that are currently covered. One stakeholder stated concerns that the IFCA's recommended tests and procedures may not follow national guidelines, such as the U.S. Preventive Service Task Force guidelines, and therefore Minnesota should ensure that the scope of services is based on current medical evidence.

Stakeholders asserted that services related to employment are usually not covered by health carriers, as the employer is typically considered the responsible party for the required tests or procedures. Currently, claims data are not linked to occupation, and there is not a process in place to incorporate them into claims adjudication. If this proposed mandate is enacted, it would require health carriers to either create a separate benefit plan unique to full-time firefighters or create a billing system that could link claims to occupation. Both of these options would be administratively burdensome and may not capture individuals receiving coverage from a spouse or parent.

Stakeholders and MMB noted that the proposed mandate does not make a specific exemption for high-deductible health plans (HDHPs), and thus the federal requirements for HDHPs would preempt application of the state benefit mandate until the annual deductible is met. As a result, these plans would lose their HDHP status, and enrollees' ability to make contributions to their health savings account would be limited.

Cost Estimates Provided in Stakeholder Comments

Stakeholders and MMB provided the following cost estimates for the proposed benefit mandate:

- MMB's health plan administrators estimated the state fiscal impact of the proposed mandate to be between \$3,400 and \$6,900 annually per firefighter. The average of the estimated range, \$5,150 annually per firefighter, was used for state fiscal estimations.
- Many of the services recommended by the IFCA are considered preventative and therefore are already covered with no cost-sharing when provided in-network. However, according to respondents, requiring coverage of all tests and procedures recommended by the IFCA would result in an estimated cost increase of up to \$0.25 PMPM.

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

Evaluation Limitations

There are unique challenges in evaluating the potential impact of HF 2301. To assess the potential economic impact of this mandate, the evaluation would need to be able to identify commercial insurance claims for Minnesota firefighters specifically for the tests and procedures recommended by the IFCA. However, the Minnesota All Payer Claims Database (MN APCD) does not include occupational tags for specific claims, and there are no personnel or occupational databases that can link to the commercial or public claims found in the MN APCD.² Some elements associated with an analysis, such as the cost of some recommended procedures and tests, could be identified from existing claims data. However, the link to occupation, the prevalence of testing, existing cost-sharing, and medical necessity determinations would be missing from these data, preventing a relevant actuarial analysis of the potential economic impact of the mandate. Any clinical services for firefighters that are not paid for by an individual's commercial health plan or that are covered by workers' compensation, automobile, or accident insurance would be missing from the MN APCD. Additional administrative costs that may be associated with implementing the coverage requirements of the mandate would also be missing.

To determine how eliminating cost-sharing for IFCA-recommended examinations and procedures would affect both the use of these services and out-of-pocket costs, we would need cost-sharing and utilization data for these services. If the proposed mandated is enacted, it is unclear if cost-sharing would change for other plan enrollees for similar tests and procedures, as health carriers may be unable to change cost-sharing for one specific subgroup of enrollees based on type of employment. Further, because provider practice patterns and provider education may influence utilization of these recommended services, it is difficult to determine if any current gaps in prescription and receipt of tests and procedures are driven by health carrier coverage and cost-sharing or if current gaps are related to standards of practice that may not incorporate these recommendations regardless of coverage.

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 state public programs.

- MMB estimates the cost of this legislation for the state plan to be \$167,375 for the partial Fiscal Year 2025 (FY 2025) and \$351,488 for FY 2026.
- There are no estimated defrayal costs associated with this proposed mandate.
- There is no estimated cost for state public programs.

Fiscal Impact Estimate for SEGIP

MMB provided SEGIP's fiscal impact analysis, which is based on the prevalence of applicable conditions in the membership of SEGIP health plans, potential changes in utilization, and the potential for future high-cost cases. The partial fiscal year impact of the proposed legislation on SEGIP will equal \$167,375 for FY 2025 [$\$5,150 \text{ cost} \times (50\% \times 130 \text{ full-time fire fighters}) \times 6 \text{ months}$]. By FY 2026, the estimated impact will equal \$351,488, and it will increase by 5% each of the following years to account for health care price inflation.

SEGIP's analysis stated that the proposed mandate would be administratively challenging to implement, as medical claims do not include the member's occupation. Therefore, it is difficult to discern if the proposed

services are currently occurring and being covered, as the proposed language does not define the eligible exams, tests, and procedures or the frequency at which they would be required to be covered at no member cost. Additionally, MMB noted that the proposed mandate does not make a specific exemption for HDHPs, and thus the federal requirements for HDHPs would preempt application of the state benefit mandate until the annual deductible is met.

Fiscal Impact on State Public Programs

There is no estimated cost to Minnesota public health coverage programs, as the proposed health benefit mandate does not apply to these programs.

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.^{3,4} For further defrayal requirements and methodology, please visit <https://mn.gov/commerce/insurance/industry/policy-data-reports/62j-reports/>.

As Minnesota's benchmark plan broadly covers the physical examinations and procedures⁵ outlined in physical examination tests and procedures recommended by IFCA,¹ Commerce assumes there would be no defrayal requirement associated with passage of this bill.

Appendix A. Bill Text

A bill for an act relating to health insurance; requiring certain tests and procedures to be classified as preventive for firefighters; proposing coding for new law in Minnesota Statutes, chapter 62Q.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [62Q.461] FIREFIGHTERS; PREVENTIVE SERVICES.

Every health plan issued to a full-time firefighter, as defined in section 299N.03, subdivision 5, must include coverage for physical examination tests and procedures recommended by the International Fire Chiefs Association. The tests and procedures covered under this section must be classified as preventive and covered without cost-sharing, including but not limited to deductible, co-pay, or coinsurance.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to health plans offered, issued, or renewed on or after that date.

Works Cited

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5. CMS. Minnesota EHB Benchmark Plan, State Required Benefits. Accessed November 28, 2023. https://downloads.cms.gov/cciio/State%20Required%20Benefits_MN.PDF