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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **591**

February 5, 2007

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The bill was read for the first time and referred to the Committee on Health and Human Services

1.1 A bill for an act
1.2 relating to human services; increasing the withhold and the number of
1.3 performance targets for state managed care contracts; amending Minnesota
1.4 Statutes 2006, section 256B.69, subdivision 5a.

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

1.6 Section 1. Minnesota Statutes 2006, section 256B.69, subdivision 5a, is amended to
1.7 read:

1.8 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section
1.9 and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year
1.10 basis beginning January 1, 1996. Managed care contracts which were in effect on June
1.11 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995
1.12 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The
1.13 commissioner may issue separate contracts with requirements specific to services to
1.14 medical assistance recipients age 65 and older.

1.15 (b) A prepaid health plan providing covered health services for eligible persons
1.16 pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms
1.17 of its contract with the commissioner. Requirements applicable to managed care programs
1.18 under chapters 256B, 256D, and 256L, established after the effective date of a contract
1.19 with the commissioner take effect when the contract is next issued or renewed.

1.20 (c) Effective for services rendered on or after January 1, 2003, the commissioner
1.21 shall withhold five percent of managed care plan payments under this section for the
1.22 prepaid medical assistance and general assistance medical care programs pending
1.23 completion of performance targets. Effective for services rendered on or after January
1.24 1, 2008, the commissioner shall increase the withhold by one-half percent, for a total

2.1 withhold of 5-1/2 percent of managed care plan payments, and shall add well child
2.2 services, including immunizations and vision screening, as a new performance target.
2.3 Effective for services rendered on or after January 1, 2009, the commissioner shall
2.4 increase the withhold by an additional one percent, for a total withhold of 6-1/2 percent of
2.5 managed care plan payments, and shall add cancer screening, treatment of asthma, and
2.6 treatment of diabetes as new performance targets. Effective for services rendered on or
2.7 after January 1, 2010, the commissioner shall increase the withhold by an additional one
2.8 percent, for a total withhold of 7-1/2 percent of managed care plan payments, and shall
2.9 add treatment of depression, treatment of heart disease, and treatment of tobacco addiction
2.10 as new performance targets. Each performance target must be quantifiable, objective,
2.11 measurable, and reasonably attainable, except in the case of a performance target based
2.12 on a federal or state law or rule. Criteria for assessment of each performance target must
2.13 be outlined in writing prior to the contract effective date. The withheld funds must be
2.14 returned no sooner than July of the following year if performance targets in the contract
2.15 are achieved. The commissioner may exclude special demonstration projects under
2.16 subdivision 23. A managed care plan or a county-based purchasing plan under section
2.17 256B.692 may include as admitted assets under section 62D.044 any amount withheld
2.18 under this paragraph that is reasonably expected to be returned.