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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1586**

March 1, 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 health care; creating a study group to make recommendations on the
1.3 creation and operation of a voluntary, statewide health plan purchasing pool.

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

1.5 Section 1. **LEGISLATIVE FINDINGS.**

1.6 The legislature finds that:

1.7 (1) health plan purchasing pools reduce health care costs, improve access to health
1.8 care, allow greater choice, and provide continuity of care;

1.9 (2) large health plan purchasing pools can realize economies of scale, thereby
1.10 lowering administrative and operating costs; their significant market presence allows them
1.11 to negotiate more effectively to obtain comprehensive coverage at competitive rates; and
1.12 their size makes it easier to attract and retain enrollees; and

1.13 (3) the creation of a large health care purchasing pool that is a public entity and that
1.14 offers fee-for-service plans has a greater capacity to serve the public interest than other
1.15 forms of organization.

1.16 The legislature further finds that the creation of a large statewide health plan
1.17 purchasing pool is an economical and efficient tool to address the state's current health
1.18 care accessibility and affordability concerns.

1.19 Sec. 2. **HEALTH PLAN PURCHASING POOL STUDY GROUP.**

1.20 Subdivision 1. **Creation; membership.** A health plan purchasing pool study group
1.21 is created to study and make recommendations regarding the creation of a voluntary,
1.22 statewide health plan purchasing pool that would provide affordable, fee-for-service health
1.23 coverage to eligible Minnesota residents. The study group is composed of:

- 2.1 (1) the chief house and senate authors of this act;
- 2.2 (2) the chairs of the senate Committee on Health, Housing, and Family Security and
- 2.3 the Health and Human Services Budget Division;
- 2.4 (3) the chairs of the house Health Care and Human Services Committee and the
- 2.5 Health Care and Human Services Division;
- 2.6 (4) the attorney general or the attorney general's designated representative; and
- 2.7 (5) three representatives of health care providers appointed as follows:
- 2.8 (i) one member appointed by the governor;
- 2.9 (ii) one member appointed by the speaker of the house; and
- 2.10 (iii) one member appointed by the Subcommittee on Committees of the senate
- 2.11 Committee on Rules and Administration.
- 2.12 All appointments to be made under this subdivision must be made within 30 days
- 2.13 of the effective date of this act.
- 2.14 Subd. 2. **Study; report.** The study group shall study and make recommendations
- 2.15 on the following issues related to the creation, maintenance, and funding of a voluntary,
- 2.16 statewide health plan purchasing pool to provide comprehensive, cost-effective, and
- 2.17 medically appropriate health coverage to all public and private employees in Minnesota
- 2.18 and all Minnesota residents:
- 2.19 (1) the creation of an independent public entity to administer the pool;
- 2.20 (2) eligibility and participation requirements for existing public and private health
- 2.21 care purchasing pools, public and private employers, and residents of this state;
- 2.22 (3) the design of a fee-for-service plan or plans that will provide comprehensive
- 2.23 coverage for preventive, mental health, dental and other medical services, and
- 2.24 comprehensive drug benefits to enrollees and maximize the cost savings and other
- 2.25 efficiencies that a large purchasing pool offering fee-for-service coverage would be
- 2.26 expected to generate without the need for a public subsidy;
- 2.27 (4) provisions that allow the pool to contract directly with health care providers
- 2.28 to provide coverage to enrollees;
- 2.29 (5) incentives designed to attract and retain the maximum number of enrollees;
- 2.30 (6) recommendations for the administration of the pool and the plans that will be
- 2.31 available to enrollees including, but not limited to, recommendations to keep the pool
- 2.32 solvent and profitable so that public subsidies are not necessary; and
- 2.33 (7) other elements the task force concludes are necessary or desirable for the pool
- 2.34 to possess.

3.1 The study group shall submit its report and the draft legislation necessary to
3.2 implement its recommendations to the legislature and the governor by February 1, 2008.

3.3 The study group expires upon submission of its report to the legislature and the governor.

3.4 Subd. 3. **Staffing.** State agencies shall supply the study group with any advisory
3.5 staff services the study group considers necessary to complete the study and report under
3.6 subdivision 2.

3.7 **Sec. 3. EFFECTIVE DATE.**

3.8 This act is effective the day following final enactment.