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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 1809

March 7, 2007

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

March 19, 2007

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to health; providing grants and other funding to safety net health care
1.3 providers; requiring grants for unreimbursed health care costs; appropriating
1.4 money; amending Minnesota Statutes 2006, sections 144.3345, subdivision 2;
1.5 256B.0625, subdivision 30, by adding a subdivision.

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

1.7 Section 1. Minnesota Statutes 2006, section 144.3345, subdivision 2, is amended to
1.8 read:

1.9 Subd. 2. **Grants authorized.** (a) The commissioner of health shall award grants
1.10 to eligible community e-health collaborative projects and to individual organizations
1.11 as specified in paragraph (b) to improve the implementation and use of interoperable
1.12 electronic health records including but not limited to the following projects:

1.13 (1) collaborative efforts to host and support fully functional interoperable electronic
1.14 health records in multiple care settings;

1.15 (2) electronic medication history and electronic patient registration information;

1.16 (3) electronic personal health records for persons with chronic diseases and for
1.17 prevention services;

1.18 (4) rural and underserved community models for electronic prescribing; and

1.19 (5) enabling local public health systems to rapidly and electronically exchange
1.20 information needed to participate in community e-health collaboratives or for public
1.21 health emergency preparedness and response.

1.22 Grant funds may not be used for construction of health care or other buildings or
1.23 facilities.

1.24 (b) The commissioner shall award grants to community clinics as defined under
1.25 section 145.9268, subdivision 1, federally qualified health centers, community mental

2.1 health centers, community dental clinics that primarily serve low-income and uninsured
2.2 persons, and nonprofit organizations that provide public health home nursing services to
2.3 uninsured patients, for the purposes listed in paragraph (a). An organization must not
2.4 be required to be part of a community e-health collaborative in order to receive a grant
2.5 under this paragraph.

2.6 Sec. 2. Minnesota Statutes 2006, section 256B.0625, subdivision 30, is amended to
2.7 read:

2.8 Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic
2.9 services, federally qualified health center services, nonprofit community health clinic
2.10 services, public health clinic services, and the services of a clinic meeting the criteria
2.11 established in rule by the commissioner. Rural health clinic services and federally
2.12 qualified health center services mean services defined in United States Code, title 42,
2.13 section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified
2.14 health center services shall be made according to applicable federal law and regulation.

2.15 (b) A federally qualified health center that is beginning initial operation shall submit
2.16 an estimate of budgeted costs and visits for the initial reporting period in the form and
2.17 detail required by the commissioner. A federally qualified health center that is already in
2.18 operation shall submit an initial report using actual costs and visits for the initial reporting
2.19 period. Within 90 days of the end of its reporting period, a federally qualified health
2.20 center shall submit, in the form and detail required by the commissioner, a report of
2.21 its operations, including allowable costs actually incurred for the period and the actual
2.22 number of visits for services furnished during the period, and other information required
2.23 by the commissioner. Federally qualified health centers that file Medicare cost reports
2.24 shall provide the commissioner with a copy of the most recent Medicare cost report filed
2.25 with the Medicare program intermediary for the reporting year which support the costs
2.26 claimed on their cost report to the state.

2.27 (c) In order to continue cost-based payment under the medical assistance program
2.28 according to paragraphs (a) and (b), a federally qualified health center or rural health clinic
2.29 must apply for designation as an essential community provider within six months of final
2.30 adoption of rules by the Department of Health according to section 62Q.19, subdivision
2.31 7. For those federally qualified health centers and rural health clinics that have applied
2.32 for essential community provider status within the six-month time prescribed, medical
2.33 assistance payments will continue to be made according to paragraphs (a) and (b) for the
2.34 first three years after application. For federally qualified health centers and rural health
2.35 clinics that either do not apply within the time specified above or who have had essential

3.1 community provider status for three years, medical assistance payments for health services
3.2 provided by these entities shall be according to the same rates and conditions applicable
3.3 to the same service provided by health care providers that are not federally qualified
3.4 health centers or rural health clinics.

3.5 (d) Effective July 1, 1999, the provisions of paragraph (c) requiring a federally
3.6 qualified health center or a rural health clinic to make application for an essential
3.7 community provider designation in order to have cost-based payments made according
3.8 to paragraphs (a) and (b) no longer apply.

3.9 (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b)
3.10 shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

3.11 (f) Effective January 1, 2001, each federally qualified health center and rural health
3.12 clinic may elect to be paid either under the prospective payment system established
3.13 in United States Code, title 42, section 1396a(aa), or under an alternative payment
3.14 methodology consistent with the requirements of United States Code, title 42, section
3.15 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The
3.16 alternative payment methodology shall be 100 percent of ~~cost~~ costs as determined
3.17 ~~according to~~ by generally accepted accounting principles, and annual Medicare cost
3.18 ~~principles~~ reports, including Medicaid-eligible cost add-ons.

3.19 Sec. 3. Minnesota Statutes 2006, section 256B.0625, is amended by adding a
3.20 subdivision to read:

3.21 Subd. 39a. **Influenza vaccine.** The commissioner of human services shall reimburse
3.22 providers for administration of influenza vaccine to enrollees at the payment rate set
3.23 by the Medicare program.

3.24 Sec. 4. **UNCOMPENSATED CARE FUND.**

3.25 The commissioner of health shall study and present recommendations to the
3.26 governor and the legislature by January 15, 2008, on the design, operation, and funding
3.27 of an uncompensated care fund to be used to provide subsidies to hospitals, community
3.28 clinics, federally qualified health centers, community mental health centers, and other
3.29 health care providers that serve a disproportionately large percentage of uninsured patients.
3.30 An organization must not provide or perform abortion services under this program.

3.31 Sec. 5. **GRANT FOR TOLL-FREE HEALTH CARE ACCESS NUMBER.**

3.32 The commissioner of human services shall award a grant to the Neighborhood
3.33 Health Care Network to pay the costs of maintaining and staffing a toll-free telephone

4.1 number to provide callers with information on health coverage options, eligibility for
4.2 MinnesotaCare and other health care programs, and health care providers that offer free or
4.3 reduced-cost health care services.

4.4 Sec. 6. **GRANTS FOR UNREIMBURSED COSTS.**

4.5 The commissioner of health shall award grants to community clinics defined under
4.6 Minnesota Statutes, section 145.9268, subdivision 1, federally qualified health centers,
4.7 community mental health centers, hospitals for which uninsured patients represent
4.8 six percent or more of patient visits, community dental clinics that primarily serve
4.9 low-income and uninsured persons, and nonprofit organizations that provide public health
4.10 home nursing services to uninsured patients. Grants must be used to cover the cost of
4.11 unreimbursed health care services provided to patients who are uninsured. In awarding
4.12 grants, the commissioner shall give preference to applicants for which costs related to
4.13 unreimbursed health care services provided to uninsured patients represent a significant
4.14 proportion of total costs.

4.15 Sec. 7. **APPROPRIATIONS.**

4.16 Subdivision 1. **General fund.** \$..... for the fiscal year ending June 30, 2008, and
4.17 \$..... for the fiscal year ending June 30, 2009, are appropriated from the general fund to
4.18 the commissioner of health for the loan forgiveness program established under Minnesota
4.19 Statutes, section 144.1501, to be used to address shortages of health care professionals
4.20 practicing in primary care clinics, community health centers, community mental health
4.21 centers, and community dental clinics that primarily serve low-income and uninsured
4.22 patients.

4.23 Subd. 2. **Health care access fund.** (a) \$..... is appropriated from the health care
4.24 access fund to the commissioner of health for the biennium ending June 30, 2009, to
4.25 provide grants under Minnesota Statutes, section 144.3345, subdivision 2, paragraph (b).

4.26 (b) \$..... is appropriated from the health care access fund to the commissioner of
4.27 human services for the fiscal year ending June 30, 2008, to provide a grant to a research
4.28 center associated with a safety net hospital and county-affiliated health system to develop
4.29 the capabilities necessary for evaluating the effects of changes in state health policies on
4.30 low-income and uninsured individuals, including the impact on state health care program
4.31 costs, health outcomes, cost-shifting to different units and levels of government, and
4.32 utilization patterns including use of emergency room care and hospitalization rates.

5.1 (c) \$..... is appropriated from the health care access fund to the commissioner of
5.2 human services for the biennium ending June 30, 2009, for a grant to support the toll-free
5.3 telephone number under section 5.

5.4 (d) \$..... is appropriated from the health care access fund to the commissioner
5.5 of health for the biennium ending June 30, 2009, for grants to safety net providers for
5.6 unreimbursed health care costs under section 6.