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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 3072

February 18, 2008

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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; amending county-based purchasing law; amending
1.3 Minnesota Statutes 2006, section 256B.692, subdivisions 3, 6; Laws 2005, First
1.4 Special Session chapter 4, article 8, section 84, as amended.

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

1.6 Section 1. Minnesota Statutes 2006, section 256B.692, subdivision 3, is amended to
1.7 read:

1.8 **Subd. 3. Requirements of the county board.** A county board that intends to
1.9 purchase or provide health care under this section, which may include purchasing all or
1.10 part of these services from health plans or individual providers on a fee-for-service basis,
1.11 or providing these services directly, must demonstrate the ability to follow and agree to
1.12 the following requirements:

1.13 (1) purchase all covered services for a fixed payment from the state that does not
1.14 exceed the estimated state and federal cost that would have occurred under the prepaid
1.15 medical assistance and general assistance medical care programs;

1.16 (2) ensure that covered services are accessible to all enrollees and except for
1.17 counties located within a rural area as defined in Code of Federal Regulations, title 42,
1.18 section 438.52, paragraph (b), that enrollees have a reasonable choice of providers, health
1.19 plans, or networks when possible. For counties located within an urban area as defined
1.20 in Code of Federal Regulations, title 42, section 412.62, paragraph (f), the county may
1.21 provide a choice of two different county-based purchasing plans to satisfy the choice of
1.22 providers requirement in this section. If the county is also a provider of service, the county
1.23 board shall develop a process to ensure that providers employed by the county are not the

2.1 sole referral source and are not the sole provider of health care services if other providers,
 2.2 which meet the same quality and cost requirements are available;

2.3 (3) issue payments to participating vendors or networks in a timely manner;

2.4 (4) establish a process to ensure and improve the quality of care provided;

2.5 (5) provide appropriate quality and other required data in a format required by
 2.6 the state;

2.7 (6) provide a system for advocacy, enrollee protection, and complaints and appeals
 2.8 that is independent of care providers or other risk bearers and complies with section
 2.9 256B.69;

2.10 (7) ensure that the implementation and operation of the Minnesota senior health
 2.11 options demonstration project and the Minnesota disability health options demonstration
 2.12 project, authorized under section 256B.69, subdivision 23, will not be impeded;

2.13 (8) ensure that all recipients that are enrolled in the prepaid medical assistance or
 2.14 general assistance medical care program will be transferred to county-based purchasing
 2.15 without utilizing the department's fee-for-service claims payment system;

2.16 (9) ensure that all recipients who are required to participate in county-based
 2.17 purchasing are given sufficient information prior to enrollment in order to make informed
 2.18 decisions; and

2.19 (10) ensure that the state and the medical assistance and general assistance medical
 2.20 care recipients will be held harmless for the payment of obligations incurred by the county
 2.21 if the county, or a health plan providing services on behalf of the county, or a provider
 2.22 participating in county-based purchasing becomes insolvent, and the state has made the
 2.23 payments due to the county under this section.

2.24 Sec. 2. Minnesota Statutes 2006, section 256B.692, subdivision 6, is amended to read:

2.25 Subd. 6. **Commissioner's authority.** The commissioner may:

2.26 (1) reject any preliminary or final proposal that:

2.27 ~~(a) (i)~~ substantially fails to meet the requirements of this section, or

2.28 ~~(b) that the commissioner determines would substantially impair the state's ability to~~
 2.29 ~~purchase health care services in other areas of the state, or~~

2.30 ~~(c) would substantially impair an enrollee's choice of care systems when reasonable~~
 2.31 ~~choice is possible, or~~

2.32 ~~(d) (ii)~~ would substantially impair the implementation and operation of the
 2.33 Minnesota senior health options demonstration project authorized under section 256B.69,
 2.34 subdivision 23; and

3.1 (2) assume operation of a county's purchasing of health care for enrollees in medical
3.2 assistance and general assistance medical care in the event that the contract with the
3.3 county is terminated.

3.4 Sec. 3. Laws 2005, First Special Session chapter 4, article 8, section 84, as amended by
3.5 Laws 2006, chapter 264, section 15, is amended to read:

3.6 Sec. 84. **SOLE-SOURCE OR SINGLE-PLAN MANAGED CARE**
3.7 **CONTRACT.**

3.8 Notwithstanding Minnesota Statutes, section 256B.692, subdivision 6, ~~clause~~
3.9 ~~(1), paragraph (c)~~, the commissioner of human services shall approve a county-based
3.10 purchasing health plan proposal, submitted on behalf of Cass, Crow Wing, Morrison,
3.11 Todd, and Wadena Counties, that requires county-based purchasing on a single-plan basis
3.12 contract if the implementation of the single-plan purchasing proposal does not limit an
3.13 enrollee's provider choice or access to services and all other requirements applicable to
3.14 health plan purchasing are satisfied. The commissioner shall continue single health plan
3.15 purchasing arrangements with county-based purchasing entities in the service areas in
3.16 existence on May 1, 2006, including arrangements for which a proposal was submitted by
3.17 May 1, 2006, on behalf of Cass, Crow Wing, Morrison, Todd, and Wadena Counties, in
3.18 response to a request for proposals issued by the commissioner.

3.19 The commissioner shall consider, and may approve, contracting on a single-health
3.20 plan basis with county-based purchasing plans, or with other qualified health plans
3.21 that have coordination arrangements with counties, to serve persons with a disability
3.22 who voluntarily enroll, in order to promote better coordination or integration of health
3.23 care services, social services and other community-based services, provided that all
3.24 requirements applicable to health plan purchasing, including those in Minnesota Statutes,
3.25 section 256B.69, subdivision 23, are satisfied. By January 15, 2007, the commissioner
3.26 shall report to the chairs of the appropriate legislative committees in the house and senate
3.27 an analysis of the advantages and disadvantages of using single-health plan purchasing
3.28 to serve persons with a disability who are eligible for health care programs. The report
3.29 shall include consideration of the impact of federal health care programs and policies for
3.30 persons who are eligible for both federal and state health care programs and shall consider
3.31 strategies to improve coordination between federal and state health care programs for
3.32 those persons.