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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **3380**

February 25, 2008

Authored by Liebling, Norton, Welti, Tschumper, Poppe and others

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

March 11, 2008

Committee Recommendation and Adoption of Report:

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

April 23, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

May 5, 2008

By motion, re-referred to the Committee on Ways and Means

1.1 A bill for an act  
1.2 relating to human services; revising requirements for county-based purchasing  
1.3 for state health care programs; amending Minnesota Statutes 2007 Supplement,  
1.4 section 256B.69, subdivision 4; Laws 2005, First Special Session chapter 4,  
1.5 article 8, section 84, as amended.

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

1.7 Section 1. Minnesota Statutes 2007 Supplement, section 256B.69, subdivision 4, is  
1.8 amended to read:

1.9 Subd. 4. **Limitation of choice.** (a) The commissioner shall develop criteria to  
1.10 determine when limitation of choice may be implemented in the experimental counties.  
1.11 The criteria shall ensure that all eligible individuals in the county have continuing access  
1.12 to the full range of medical assistance services as specified in subdivision 6.

1.13 (b) The commissioner shall exempt the following persons from participation in the  
1.14 project, in addition to those who do not meet the criteria for limitation of choice:

1.15 (1) persons eligible for medical assistance according to section 256B.055,  
1.16 subdivision 1;

1.17 (2) persons eligible for medical assistance due to blindness or disability as  
1.18 determined by the Social Security Administration or the state medical review team, unless:

1.19 (i) they are 65 years of age or older; or

1.20 (ii) they reside in Itasca County or they reside in a county in which the commissioner  
1.21 conducts a pilot project under a waiver granted pursuant to section 1115 of the Social  
1.22 Security Act;

1.23 (3) recipients who currently have private coverage through a health maintenance  
1.24 organization;

2.1 (4) recipients who are eligible for medical assistance by spending down excess  
2.2 income for medical expenses other than the nursing facility per diem expense;

2.3 (5) recipients who receive benefits under the Refugee Assistance Program,  
2.4 established under United States Code, title 8, section 1522(e);

2.5 (6) children who are both determined to be severely emotionally disturbed and  
2.6 receiving case management services according to section 256B.0625, subdivision 20,  
2.7 except children who are eligible for and who decline enrollment in an approved preferred  
2.8 integrated network under section 245.4682;

2.9 (7) adults who are both determined to be seriously and persistently mentally ill and  
2.10 received case management services according to section 256B.0625, subdivision 20;

2.11 (8) persons eligible for medical assistance according to section 256B.057,  
2.12 subdivision 10; and

2.13 (9) persons with access to cost-effective employer-sponsored private health  
2.14 insurance or persons enrolled in a non-Medicare individual health plan determined to be  
2.15 cost-effective according to section 256B.0625, subdivision 15.

2.16 Children under age 21 who are in foster placement may enroll in the project on an elective  
2.17 basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an  
2.18 elective basis. The commissioner may enroll recipients in the prepaid medical assistance  
2.19 program for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by  
2.20 spending down excess income.

2.21 (c) The commissioner may allow persons with a one-month spenddown who are  
2.22 otherwise eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay  
2.23 their monthly spenddown to the state.

2.24 (d) The commissioner may require those individuals to enroll in the prepaid medical  
2.25 assistance program who otherwise would have been excluded under paragraph (b), clauses  
2.26 (1), (3), and (8), and under Minnesota Rules, part 9500.1452, subpart 2, items H, K, and L.

2.27 (e) Before limitation of choice is implemented, eligible individuals shall be notified  
2.28 and after notification, shall be allowed to choose only among demonstration providers.  
2.29 The commissioner may assign an individual with private coverage through a health  
2.30 maintenance organization, to the same health maintenance organization for medical  
2.31 assistance coverage, if the health maintenance organization is under contract for medical  
2.32 assistance in the individual's county of residence. After initially choosing a provider,  
2.33 the recipient is allowed to change that choice only at specified times as allowed by the  
2.34 commissioner. If a demonstration provider ends participation in the project for any reason,  
2.35 a recipient enrolled with that provider must select a new provider but may change providers  
2.36 without cause once more within the first 60 days after enrollment with the second provider.

3.1 (f) An infant born to a woman who is eligible for and receiving medical assistance  
3.2 and who is enrolled in the prepaid medical assistance program shall be retroactively  
3.3 enrolled to the month of birth in the same managed care plan as the mother once the  
3.4 child is enrolled in medical assistance unless the child is determined to be excluded from  
3.5 enrollment in a prepaid plan under this section.

3.6 (g) The commissioner shall assign an eligible individual, in the absence of a specific  
3.7 managed care plan choice by the individual, to the county-based purchasing health plan in  
3.8 Olmsted, Winona, Houston, Fillmore, and Mower Counties.

3.9 **EFFECTIVE DATE.** This section is effective upon federal approval.

3.10 Sec. 2. Laws 2005, First Special Session chapter 4, article 8, section 84, as amended by  
3.11 Laws 2006, chapter 264, section 15, is amended to read:

3.12 Sec. 84. **SOLE-SOURCE OR SINGLE-PLAN MANAGED CARE**  
3.13 **CONTRACT.**

3.14 (a) Notwithstanding Minnesota Statutes, section 256B.692, subdivision 6, clause  
3.15 (1), paragraph (c), the commissioner of human services shall approve a county-based  
3.16 purchasing health plan proposal, submitted on behalf of Cass, Crow Wing, Morrison,  
3.17 Todd, and Wadena Counties, that requires county-based purchasing on a single-plan basis  
3.18 contract if the implementation of the single-plan purchasing proposal does not limit an  
3.19 enrollee's provider choice or access to services and all other requirements applicable to  
3.20 health plan purchasing are satisfied. The commissioner shall continue, until December 31,  
3.21 2010, single health plan purchasing arrangements with county-based purchasing entities  
3.22 in the service areas in existence on May 1, 2006, including arrangements for which a  
3.23 proposal was submitted by May 1, 2006, on behalf of Cass, Crow Wing, Morrison, Todd,  
3.24 and Wadena Counties, in response to a request for proposals issued by the commissioner.

3.25 (b) Notwithstanding Minnesota Statutes, section 256B.692, subdivision 6, clause  
3.26 (1)(c), the commissioner of human services shall approve a county-based purchasing  
3.27 health plan proposal submitted on behalf of Winona, Houston, Fillmore, and Mower  
3.28 Counties for medical assistance, MinnesotaCare, general assistance medical care, and  
3.29 other prepaid health care programs administered by the commissioner of human services  
3.30 if the implementation of the proposal does not limit an enrollee's provider choice or access  
3.31 to services, and all other requirements applicable to health plan purchasing are satisfied.

3.32 (c) The commissioner shall develop a plan to reopen all counties for competitive  
3.33 reprocurement every five years, beginning in 2011.

3.34 (d) The commissioner shall consider, and may approve, contracting on a  
3.35 single-health plan basis with county-based purchasing plans, or with other qualified health

4.1 plans that have coordination arrangements with counties, to serve persons with a disability  
4.2 who voluntarily enroll, in order to promote better coordination or integration of health  
4.3 care services, social services and other community-based services, provided that all  
4.4 requirements applicable to health plan purchasing, including those in Minnesota Statutes,  
4.5 section 256B.69, subdivision 23, are satisfied. ~~By January 15, 2007, the commissioner~~  
4.6 ~~shall report to the chairs of the appropriate legislative committees in the house and senate~~  
4.7 ~~an analysis of the advantages and disadvantages of using single-health plan purchasing~~  
4.8 ~~to serve persons with a disability who are eligible for health care programs. The report~~  
4.9 ~~shall include consideration of the impact of federal health care programs and policies for~~  
4.10 ~~persons who are eligible for both federal and state health care programs and shall consider~~  
4.11 ~~strategies to improve coordination between federal and state health care programs for~~  
4.12 ~~those persons.~~