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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH SESSION

HOUSE FILE No. 2562

February 4, 2010
Authorized by Thissen
The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight
February 11, 2010
Committee Recommendation and Adoption of Report:
To Pass as Amended and re-referred to the Committee on Finance
April 15, 2010
Committee Recommendation and Adoption of Report:
To Pass as Amended and re-referred to the Committee on Ways and Means
April 28, 2010
Committee Recommendation and Adoption of Report:
To Pass
Read Second Time

1.1 A bill for an act
1.2 relating to human services; extending eligibility for the COBRA premium state
1.3 subsidy; authorizing carryforward of unexpended funds for COBRA grants;
1.4 changing appropriations; amending Laws 2009, chapter 79, article 5, section 78,
1.5 subdivision 5; article 13, section 3, subdivision 6.

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

1.7 Section 1. Laws 2009, chapter 79, article 5, section 78, subdivision 5, is amended to
1.8 read:

1.9 Subd. 5. Expiration. This section, with the exception of subdivision 4, expires
1.10 ~~December 31, 2010~~ June 30, 2011. Subdivision 4 expires December 31, 2011.

1.11 Sec. 2. Laws 2009, chapter 79, article 13, section 3, subdivision 6, is amended to read:

1.12 Subd. 6. Basic Health Care Grants

1.13 The amounts that may be spent from this
1.14 appropriation for each purpose are as follows:

1.15 (a) MinnesotaCare Grants 391,915,000 485,448,000

1.16 This appropriation is from the health care
1.17 access fund.

1.18 (b) MA Basic Health Care Grants - Families
1.19 and Children 751,988,000 973,088,000

1.20 Medical Education Research Costs

1.21 (MERC). Of these funds, the commissioner
1.22 of human services shall transfer \$38,000,000

2.1 in fiscal year 2010 to the medical education  
2.2 research fund. These funds must restore the  
2.3 fiscal year 2009 unallotment of the transfers  
2.4 under Minnesota Statutes, section 256B.69,  
2.5 subdivision 5c, paragraph (a), for the July 1,  
2.6 2008, through June 30, 2009, period.

2.7 **Newborn Screening Fee.** Of the general  
2.8 fund appropriation, \$34,000 in fiscal year  
2.9 2011 is to the commissioner for the hospital  
2.10 reimbursement increase described under  
2.11 Minnesota Statutes, section 256.969,  
2.12 subdivision 28.

2.13 **Local Share Payment Modification**

2.14 **Required for ARRA Compliance.**

2.15 Effective from July 1, 2009, to December  
2.16 31, 2010, Hennepin County's monthly  
2.17 contribution to the nonfederal share of  
2.18 medical assistance costs must be reduced  
2.19 to the percentage required on September  
2.20 1, 2008, to meet federal requirements for  
2.21 enhanced federal match under the American  
2.22 Reinvestment and Recovery Act (ARRA)  
2.23 of 2009. Notwithstanding the requirements  
2.24 of Minnesota Statutes, section 256B.19,  
2.25 subdivision 1c, paragraph (d), for the period  
2.26 beginning July 1, 2009, to December 31,  
2.27 2010, Hennepin County's monthly payment  
2.28 under that provision is reduced to \$434,688.

2.29 **Capitation Payments.** Effective from  
2.30 July 1, 2009, to December 31, 2010,  
2.31 notwithstanding the provisions of Minnesota  
2.32 Statutes 2008, section 256B.19, subdivision  
2.33 1c, paragraph (c), the commissioner shall  
2.34 increase capitation payments made to the  
2.35 Metropolitan Health Plan under Minnesota

3.1 Statutes 2008, section 256B.69, by  
 3.2 \$6,800,000 to recognize higher than average  
 3.3 medical education costs. The increased  
 3.4 amount includes federal matching funds.

3.5 **Use of Savings.** Any savings derived  
 3.6 from implementation of the prohibition in  
 3.7 Minnesota Statutes, section 256B.032, on the  
 3.8 enrollment of low-quality, high-cost health  
 3.9 care providers as vendors of state health care  
 3.10 program services shall be used to offset on a  
 3.11 pro rata basis the reimbursement reductions  
 3.12 for basic care services in Minnesota Statutes,  
 3.13 section 256B.766.

3.14 <b>(c) MA Basic Health Care Grants - Elderly and</b> 3.15 <b>Disabled</b>	970,183,000	1,142,310,000
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3.16 **Minnesota Disability Health Options.**  
 3.17 Notwithstanding Minnesota Statutes, section  
 3.18 256B.69, subdivision 5a, paragraph (b), for  
 3.19 the period beginning July 1, 2009, to June  
 3.20 30, 2011, the monthly enrollment of persons  
 3.21 receiving home and community-based  
 3.22 waived services under Minnesota  
 3.23 Disability Health Options shall not exceed  
 3.24 1,000. If the budget neutrality provision  
 3.25 in Minnesota Statutes, section 256B.69,  
 3.26 subdivision 23, paragraph (f), is reached  
 3.27 prior to June 30, 2013, the commissioner may  
 3.28 waive this monthly enrollment requirement.

3.29 **Hospital Fee-for-Service Payment Delay.**  
 3.30 Payments from the Medicaid Management  
 3.31 Information System that would otherwise  
 3.32 have been made for inpatient hospital  
 3.33 services for Minnesota health care program  
 3.34 enrollees must be delayed as follows: for  
 3.35 fiscal year 2011, payments in the month of  
 3.36 June equal to \$15,937,000 must be included

4.1 in the first payment of fiscal year 2012 and  
 4.2 for fiscal year 2013, payments in the month  
 4.3 of June equal to \$6,666,000 must be included  
 4.4 in the first payment of fiscal year 2014. The  
 4.5 provisions of Minnesota Statutes, section  
 4.6 16A.124, do not apply to these delayed  
 4.7 payments. Notwithstanding any contrary  
 4.8 provision in this article, this paragraph  
 4.9 expires December 31, 2014.

4.10 **Nonhospital Fee-for-Service Payment**

4.11 **Delay.** Payments from the Medicaid  
 4.12 Management Information System that would  
 4.13 otherwise have been made for nonhospital  
 4.14 acute care services for Minnesota health  
 4.15 care program enrollees must be delayed as  
 4.16 follows: payments in the month of June equal  
 4.17 to \$23,438,000 for fiscal year 2011 must be  
 4.18 included in the first payment for fiscal year  
 4.19 2012, and payments in the month of June  
 4.20 equal to \$27,156,000 for fiscal year 2013  
 4.21 must be included in the first payment for  
 4.22 fiscal year 2014. This payment delay must  
 4.23 not include nursing facilities, intermediate  
 4.24 care facilities for persons with developmental  
 4.25 disabilities, home and community-based  
 4.26 services, prepaid health plans, personal care  
 4.27 provider organizations, and home health  
 4.28 agencies. The provisions of Minnesota  
 4.29 Statutes, section 16A.124, do not apply to  
 4.30 these delayed payments. Notwithstanding  
 4.31 any contrary provision in this article, this  
 4.32 paragraph expires December 31, 2014.

4.33 <b>(d) General Assistance Medical Care Grants</b>	345,223,000	<i>381,081,000</i>
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4.34 \* (The preceding text "**381,081,000**" was indicated as vetoed by the governor. It  
 4.35 was reconsidered and not approved by the legislature, May 17, 2009.)

5.1 **(e) Other Health Care Grants**

5.2	Appropriations by Fund		
5.3	General	295,000	295,000
5.4			<del>7,080,000</del>
5.5	Health Care Access	23,533,000	<u>5,230,000</u>

5.6 **Base Adjustment.** The health care access  
 5.7 fund base is reduced to \$190,000 in each of  
 5.8 fiscal years 2012 and 2013.

5.9 Sec. 3. **COBRA CARRYFORWARD.**

5.10 Unexpended funds appropriated in fiscal year 2010 for COBRA grants under Laws  
 5.11 2009, chapter 79, article 5, section 78, do not cancel and are available to the commissioner  
 5.12 of human services for fiscal year 2011 COBRA grant expenditures. Up to \$110,000 of  
 5.13 the fiscal year 2011 appropriation for COBRA grants provided in Laws 2009, chapter 79,  
 5.14 article 13, section 3, subdivision 6, may be used by the commissioner of human services  
 5.15 for costs related to administration of the COBRA grants.