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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-SIXTH
SESSION**

HOUSE FILE No. 3544

March 9, 2010

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to human services; reducing state health care program payment rates
1.3 to managed care plans; increasing state health care program fee-for-service
1.4 payment rates; amending Minnesota Statutes 2008, section 256B.69, by adding a
1.5 subdivision; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

1.7 Section 1. Minnesota Statutes 2008, section 256B.69, is amended by adding a
1.8 subdivision to read:

1.9 Subd. 5k. **Payment reduction.** For services rendered on or after January 1, 2011,
1.10 the total payment made to managed care plans for providing covered services under
1.11 the medical assistance, general assistance medical care, and MinnesotaCare programs
1.12 is reduced by one percent from their current statutory rates. This provision excludes
1.13 payments for nursing home services, home and community-based waivers, payments to
1.14 demonstration projects for persons with disabilities, and mental health services added as
1.15 covered benefits after December 31, 2007.

1.16 Sec. 2. **[256B.767] FEE-FOR-SERVICE PAYMENT INCREASE.**

1.17 Effective for services rendered on or after January 1, 2011, the commissioner shall
1.18 increase fee-for-service payment rates by seven percent for physician and professional
1.19 services under section 256B.76, subdivision 1, and basic care services subject to the rate
1.20 reduction specified in section 256B.766.