

1.1 moves to amend H.F. No. 2459 as follows:

1.2 Page 1, after line 6 insert:

1.3 "Section 1. **[256B.688] PROVIDER TAX RATE INCREASE.**

1.4 (a) The commissioner shall increase the total payments to managed care plans under
1.5 section 256B.69 by an amount equal to the cost increases to the managed care plans from
1.6 the elimination of:

1.7 (1) the exemption from the taxes imposed under section 297I.05, subdivision 5, for
1.8 premiums paid by the state for medical assistance and the MinnesotaCare program; and

1.9 (2) the exemption of gross revenues subject to the taxes imposed under sections 295.50
1.10 to 295.57, for payments paid by the state for services provided under medical assistance
1.11 and the MinnesotaCare program. Any increase based on clause (2) must be reflected in
1.12 provider rates paid by the managed care plan unless the managed care plan is a staff model
1.13 health plan company.

1.14 (b) The commissioner shall increase by two percent the fee-for-service payments under
1.15 medical assistance and the MinnesotaCare program for services subject to the hospital,
1.16 surgical center, or health care provider taxes under sections 295.50 to 295.57."

1.17 Page 2, after line 4 insert:

1.18 "Sec. 3. Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision
1.19 6, as amended by Laws 2004, chapter 272, article 2, section 4; Laws 2005, First Special

2.1 Session chapter 4, article 5, section 18; and Laws 2005, First Special Session chapter 4,
2.2 article 9, section 11, is amended to read:

2.3 **Subd. 6. Basic Health Care Grants**

2.4 **Summary by Fund**

2.5	General	1,290,454,000	1,475,996,000
2.6	Health Care Access	254,121,000	282,689,000

2.7 **UPDATING FEDERAL POVERTY**

2.8 **GUIDELINES.** Annual updates to the federal
2.9 poverty guidelines are effective each July 1,
2.10 following publication by the United States
2.11 Department of Health and Human Services
2.12 for health care programs under Minnesota
2.13 Statutes, chapters 256, 256B, 256D, and 256L.

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

2.16 (a) MinnesotaCare Grants

2.17	Health Care Access	253,371,000	281,939,000
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2.18 **MINNESOTACARE FEDERAL**

2.19 **RECEIPTS.** Receipts received as a result of
2.20 federal participation pertaining to
2.21 administrative costs of the Minnesota health
2.22 care reform waiver shall be deposited as
2.23 nondedicated revenue in the health care access
2.24 fund. Receipts received as a result of federal
2.25 participation pertaining to grants shall be
2.26 deposited in the federal fund and shall offset
2.27 health care access funds for payments to
2.28 providers.

2.29 **MINNESOTACARE FUNDING.** The
2.30 commissioner may expend money
2.31 appropriated from the health care access fund
2.32 for MinnesotaCare in either fiscal year of the
2.33 biennium.

3.1 (b) MA Basic Health Care Grants - Families
 3.2 and Children
 3.3 General 427,769,000 489,545,000

3.4 **SERVICES TO PREGNANT WOMEN.**

3.5 The commissioner shall use available federal
 3.6 money for the State-Children's Health
 3.7 Insurance Program for medical assistance
 3.8 services provided to pregnant women who are
 3.9 not otherwise eligible for federal financial
 3.10 participation beginning in fiscal year 2003.
 3.11 This federal money shall be deposited in the
 3.12 federal fund and shall offset general funds for
 3.13 payments to providers. Notwithstanding
 3.14 section 14, this paragraph shall not expire.

3.15 **MANAGED CARE RATE INCREASE. (a)**

3.16 ~~Effective January 1, 2004, the commissioner~~
 3.17 ~~of human services shall increase the total~~
 3.18 ~~payments to managed care plans under~~
 3.19 ~~Minnesota Statutes, section 256B.69, by an~~
 3.20 ~~amount equal to the cost increases to the~~
 3.21 ~~managed care plans from by the elimination~~
 3.22 ~~of: (1) the exemption from the taxes imposed~~
 3.23 ~~under Minnesota Statutes, section 297I.05,~~
 3.24 ~~subdivision 5, for premiums paid by the state~~
 3.25 ~~for medical assistance, general assistance~~
 3.26 ~~medical care, and the MinnesotaCare program;~~
 3.27 ~~and (2) the exemption of gross revenues~~
 3.28 ~~subject to the taxes imposed under Minnesota~~
 3.29 ~~Statutes, sections 295.50 to 295.57, for~~
 3.30 ~~payments paid by the state for services~~
 3.31 ~~provided under medical assistance, general~~
 3.32 ~~assistance medical care, and the~~
 3.33 ~~MinnesotaCare program. Any increase based~~
 3.34 ~~on clause (2) must be reflected in provider~~
 3.35 ~~rates paid by the managed care plan unless the~~

4.1 ~~managed care plan is a staff model health plan~~
4.2 ~~company.~~

4.3 ~~(b) The commissioner of human services shall~~
4.4 ~~increase by the applicable tax rate in effect~~
4.5 ~~under Minnesota Statutes, section 295.52, the~~
4.6 ~~fee for service payments under medical~~
4.7 ~~assistance, general assistance medical care,~~
4.8 ~~and the MinnesotaCare program for services~~
4.9 ~~subject to the hospital, surgical center, or~~
4.10 ~~health care provider taxes under Minnesota~~
4.11 ~~Statutes, sections 295.50 to 295.57, effective~~
4.12 ~~for services rendered on or after January 1,~~
4.13 ~~2004.~~

4.14 (c) The commissioner of finance shall transfer
4.15 from the health care access fund to the general
4.16 fund the following amounts in the fiscal years
4.17 indicated: 2004, \$16,587,000; 2005,
4.18 \$46,322,000; 2006, \$49,413,000; and 2007,
4.19 \$58,695,000.

4.20 (d) Notwithstanding section 14, these
4.21 provisions shall not expire.

4.22 (c) MA Basic Health Care Grants - Elderly
4.23 and Disabled

4.24 General 610,518,000 743,858,000

4.25 **DELAY MEDICAL ASSISTANCE**

4.26 **FEE-FOR-SERVICE - ACUTE CARE.** The
4.27 following payments in fiscal year 2005 from
4.28 the Medicaid Management Information
4.29 System that would otherwise have been made
4.30 to providers for medical assistance and general
4.31 assistance medical care services shall be
4.32 delayed and included in the first payment in
4.33 fiscal year 2006:

4.34 (1) for hospitals, the last two payments; and

5.1 (2) for nonhospital providers, the last payment.

5.2 This payment delay shall not include payments

5.3 to skilled nursing facilities, intermediate care

5.4 facilities for mental retardation, prepaid health

5.5 plans, home health agencies, personal care

5.6 nursing providers, and providers of only

5.7 waiver services. The provisions of Minnesota

5.8 Statutes, section 16A.124, shall not apply to

5.9 these delayed payments. Notwithstanding

5.10 section 14, this provision shall not expire.

5.11 **DEAF AND HARD-OF-HEARING**

5.12 **SERVICES.** If, after making reasonable

5.13 efforts, the service provider for mental health

5.14 services to persons who are deaf or hearing

5.15 impaired is not able to earn \$227,000 through

5.16 participation in medical assistance intensive

5.17 rehabilitation services in fiscal year 2005, the

5.18 commissioner shall transfer \$227,000 minus

5.19 medical assistance earnings achieved by the

5.20 grantee to deaf and hard-of-hearing grants to

5.21 enable the provider to continue providing

5.22 services to eligible persons.

5.23 (d) General Assistance Medical Care Grants

5.24	General	239,861,000	229,960,000
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5.25 (e) Health Care Grants - Other Assistance

5.26	General	3,067,000	3,407,000
5.27	Health Care Access	750,000	750,000

5.28 **MINNESOTA PRESCRIPTION DRUG**

5.29 **DEDICATED FUND.** Of the general fund

5.30 appropriation, \$284,000 in fiscal year 2005 is

5.31 appropriated to the commissioner for the

5.32 prescription drug dedicated fund established

5.33 under the prescription drug discount program.

6.1 **DENTAL ACCESS GRANTS**

6.2 **CARRYOVER AUTHORITY.** Any unspent
 6.3 portion of the appropriation from the health
 6.4 care access fund in fiscal years 2002 and 2003
 6.5 for dental access grants under Minnesota
 6.6 Statutes, section 256B.53, shall not cancel but
 6.7 shall be allowed to carry forward to be spent
 6.8 in the biennium beginning July 1, 2003, for
 6.9 these purposes.

6.10 **STOP-LOSS FUND ACCOUNT.** The
 6.11 appropriation to the purchasing alliance
 6.12 stop-loss fund account established under
 6.13 Minnesota Statutes, section 256.956,
 6.14 subdivision 2, for fiscal years 2004 and 2005
 6.15 shall only be available for claim
 6.16 reimbursements for qualifying enrollees who
 6.17 are members of purchasing alliances that meet
 6.18 the requirements described under Minnesota
 6.19 Statutes, section 256.956, subdivision 1,
 6.20 paragraph (f), clauses (1), (2), and (3).

6.21 (f) Prescription Drug Program

6.22	General	9,239,000	9,226,000
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6.23 **PRESCRIPTION DRUG ASSISTANCE**

6.24 **PROGRAM.** Of the general fund
 6.25 appropriation, \$702,000 in fiscal year 2004
 6.26 and \$887,000 in fiscal year 2005 are for the
 6.27 commissioner to establish and administer the
 6.28 prescription drug assistance program through
 6.29 the Minnesota board on aging.

6.30 **REBATE REVENUE RECAPTURE.** Any
 6.31 funds received by the state from a drug
 6.32 manufacturer due to errors in the
 6.33 pharmaceutical pricing used by the
 6.34 manufacturer in determining the prescription

- 7.1 drug rebate are appropriated to the
- 7.2 commissioner to augment funding of the
- 7.3 prescription drug program established in
- 7.4 Minnesota Statutes, section 256.955."

- 7.5 Renumber the sections in sequence and correct the internal references

- 7.6 Amend the title accordingly