

# House Research Act Summary

**CHAPTER:** 295

**SESSION:** 2000 Regular Session

**TOPIC:** Health Care Purchasing Alliances

**Date:** June 23, 2000

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## Overview

This act modifies provisions in chapter 62T that govern community purchasing arrangements. Chapter 62T allows health care providers to form accountable provider networks to market health care services on a risk-sharing or non-risk sharing basis to groups of employers, trade associations, and other entities that are organized as a health care purchasing alliance. This act reduces the employer contribution requirement towards the cost of employee health care coverage for certain purchasing alliances, removes the enrollee limit for accountable provider networks, and makes other changes.

## Section

- 1 **Employer-member contribution.** Adds § 62T.025. Allows employer-members of a purchasing alliance to contribute 25 percent or more of the cost of employee coverage for up to 36 months, if the member can demonstrate that it has not offered employee health coverage for a year or more. Limits the applicability of the provision to rural purchasing alliances operating prior to May 1, 2000, and allows affected purchasing alliances to develop membership criteria which disallow employer contributions below 50 percent. (Under current law, a health care purchasing alliance must comply with all of the requirements of chapter 62L - Small Employer Insurance Reform. One of the requirements in that chapter is that an employer contribute at least 50 percent towards the cost of employee coverage, in order to obtain coverage on a guaranteed issue basis.)
- 2 **Application of other laws.** Amends § 62T.03. Qualifies the requirement that an accountable provider network and a health care purchasing alliance comply with all of the requirements of chapter 62L, by adding an exception for modifications and waivers permitted under this chapter. Provides that a self-insured employer may participate as an affiliate member of a purchasing alliance, without affecting the employer's standing under the Employee Retirement Income Security Act (ERISA).
- 3 **Complaint system.** Amends § 62T.04. Allows an accountable provider network to establish and

maintain an employee complaint system as required by a contract with a purchasing alliance, and requires this contract to be approved by the commissioner. Prohibits the commissioner from waiving enrollee rights related to external review.

(Under current law, the complaint system must meet the requirements of sections 62Q.68 to 62Q.72.)

- 4 **Benefits.** Amends § 62T.05. Allows an accountable provider network, after consultation with the purchasing alliance, to offer only one benefit plan to employer-members.
- 5 **Authorization.** Amends § 62T.06, subd. 1. Allows information needed to monitor the quality of care and enrollee rights to be submitted in a manner approved by the commissioner as part of an alternative quality assurance program.
- 6 **Solvency protection.** Amends § 62T.06, subd. 2 Allows assets supporting the deposit requirement to be guaranteed by an entity that is approved and which can be monitored by the commissioner. Allows members of a purchasing alliance to assist in meeting the solvency requirements through a subordinated surplus contribution under a contract approved by the commissioner. Also makes a technical change.
- 7 **Duties of the commissioner.** Amends § 62T.11. Allows the commissioner to approve up to five accountable provider network applications during a six-year time period ending June 30, 2003. Requires the commissioner to honor the intent of this section to foster community-focused, affordable health coverage for small employers and their employees.
- 8 **Repealer.** Repeals section 62T.13. (This section limits an accountable provider network to a maximum enrollment of 30,000 persons.)