

HOUSE RESEARCH

Bill Summary

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Overview

This bill repeals the MinnesotaCare provider taxes, the one percent premium tax on nonprofit health plan companies, the hospital surcharge, and the 1.8 percent hospital intergovernmental transfer. The bill also eliminates the health care access fund and makes conforming changes.

Section

- 1 **Definitions.** Amends § 62J.041, subd. 1. Makes a conforming change related to repeal of the MinnesotaCare provider tax.
- 2 **Exemption.** Amends § 62Q.096, subd. 6. Reinstates a definition of staff model health plan company that would otherwise be repealed as a result of the elimination of the MinnesotaCare provider tax.
- 3 **Creation of account.** Amends § 144.1494, subd. 1. Moves the rural physician education account from the health care access fund to the general fund.
- 4 **Creation of account.** Amends § 144.1495, subd. 2. Moves the midlevel practitioner education account from the health care access fund to the general fund.
- 5 **Creation of account.** Amends § 144.1496, subd. 1. Moves the nurse education account from the health care access fund to the general fund.
- 6 **Board cooperation required.** Amends § 214.16, subd. 2. Strikes language requiring the health-related boards to provide assistance to the commissioner of revenue in collecting the MinnesotaCare provider tax.
- 7 **Grounds for disciplinary action.** Amends § 214.16, subd. 3. Strikes language requiring health-related boards to take disciplinary action in cases of a provider's failure to pay the health care provider tax or provide related information to the commissioner of revenue.
- 8 **Financial management.** Amends § 256L.02, subd. 3. Modifies the MinnesotaCare program financial management provisions, to conform to the elimination of the federal reserve and the

health care access fund. Requires expected expenditures on the program to be compared to available appropriations, rather than health care access fund revenues.

9 **Funding for pregnant women and children under age two.** Amends § 256L.02, subd. 4. Eliminates a reference to the health care access fund.

10 **Minnesota tax laws.** Amends § 270B.01, subd. 8. Strikes references to the MinnesotaCare provider tax.

11 **Disclosure to commissioner of human services.** Amends § 270B.14, subd. 1. Makes conforming changes related to repeal of the MinnesotaCare provider tax.

12 **Health maintenance organizations; nonprofit health service plan corporations; community integrated service networks.** Amends § 297I.15, by adding subd. 11. Exempts nonprofit health plan companies from insurance premium taxes.

13 **Transfer.** Requires the commissioner of finance to transfer all funds in the health care access fund as of June 30, 2003, to the general fund.

14 **Appropriation.** Appropriates \$54,476,000 from the general fund to the commissioner of human services for FY 2002, for MA costs. Provides that this appropriation shall become part of base funding and be increased each year by the change in the consumer price index.

15 **Repealer.**

(a) Repeals the MinnesotaCare provider taxes and related provisions, effective July 1, 2002.

(b) Repeals provisions establishing the health care access fund, the federal reserve within that fund, and a provision related to transfers from the fund, effective July 1, 2003.

(c) Repeals the requirement that accountable provider networks pay the MinnesotaCare tax and also repeals the one percent premium tax on nonprofit health plan companies, effective January 1, 2002.

(d) Repeals the hospital surcharge and the 1.8 percent hospital intergovernmental transfer, effective July 1, 2001.

16 **Effective date.** Provides effective dates.