HOUSE RESEARCH

Bill Summary

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Overview

This bill contains provisions related to a wide range of health care policy areas, many of which are recommended by the Department of Human Services.

Section

Article 1: Individualized Education Plan Services

1 **Special education services.** Amends § 256B.0625, subd. 26. Provides that only costs reported through the designated Minnesota Department of Education data systems in distinct service categories qualify for inclusion in the cost-based payment structure developed by the commissioner for MA payment of special education services.

Article 2: State Health Access Program

1 **Coverage of private duty nursing services.** Adds § 62Q.545. Requires a health plan to cover private duty nursing services when an inpatient hospital stay would otherwise be required. Allows a period of private duty nursing services to be subject to the same cost-sharing as an inpatient hospital stay. Provides that the section is effective July 1, 2010, and applies to health plans offered, sold, issued, or renewed on or after that date.

2 **Community-based health care coverage program.** Amends § 62Q.80.

Subd. 1. Scope. Allows a community-based health care initiative to develop and operate more than one program (related changes are made throughout the section). Also provides exemptions from the following chapters: 62M (utilization review), 62N (CISNs), and 62U (payment restructuring and reform).

Subd. 1a. Demonstration project. Requires the commissioner of human services to award demonstration grants, along with the commissioner of health. Expands the geographic scope of the project to include programs in Minnesota, rather than Carlton, Cook, Lake, and St. Louis Counties as in current law.

Subd. 2. Definitions. Modifies the definition of "community-based" by removing a reference to "geographically contiguous political subdivisions" and includes a county-based purchasing organization in the definition of a community-based health initiative.

Subd. 3. Approval. Requires community-based health initiatives receiving funds from the Department of Health to submit their community-based health care coverage program for approval by the commissioner of health. Requires community-based health initiatives receiving State Health Access Program (SHAP) grant funding to submit their community-based health care coverage program for approval by the commissioner of human services.

Subd. 4. Establishment. Makes conforming changes.

Subd. 5. Qualifying employees. Allows self-employed, full-time individuals to be eligible for the program, and also allows persons with only catastrophic health coverage to be eligible. States that individuals cannot be eligible for MA or GAMC. (Current law refers to enrollment in these programs and MinnesotaCare.)

Subd. 6. Qualifying employers. Requires employers, in order to be eligible, to pay a median wage of 350 percent of FPG or less for a household size of one (replaces the requirement that the median wage be $12.50 per hour or less).

Subd. 7. Participating providers. Makes a conforming change.

Subd. 8. Coverage. Makes conforming changes.

Subd. 9. Enrollee information. Makes conforming and technical changes.

Subd. 10. Complaint resolution process. Makes conforming changes.

Subd. 11. Data privacy. Makes a conforming change.

Subd. 12. Limitations on enrollment. Makes conforming changes.

Subd. 13. Report. Requires initiatives that receive funding from DHS to submit status reports to the commissioner of human services as defined in the terms of the contract. Strikes language related to an independent evaluation due January 15, 2010. Makes conforming changes.

Subd. 14. Sunset. Extends the sunset of the program, from December 31, 2012, to August 31, 2014.

Article 3: Children's Health Insurance Reauthorization Act (CHIPRA)

1 **Infants.** Amends § 256B.055, subd. 10. Eliminates the requirement that an infant less than age one remain in the mother's household in order to be covered under MA.

2 **Infants and pregnant women.** Amends § 256B.057, subd. 1. Eliminates the requirement that an infant less than age one remain in the mother's household in order to continue to be eligible for MA without redetermination until the infant's first birthday. Eliminates an effective date that is no longer needed.

Article 4: Long-Term Care Partnership

1 **Exchange for long-term care partnership policy; addition of policy rider.** Amends § 62S.24, subd. 8. Provides that an exchange of a long-term care insurance policy for a long-term care partnership policy may be in the form of an amendment or rider, or a disclosure statement. Makes conforming changes and strikes obsolete language.

2 **Consumer protection standards for long-term care partnership policies.** Adds § 62S.312. Requires long-term care insurance policies, in order to quality as a long-term care partnership policy, to meet Internal Revenue Code requirements for being tax qualified, and meet consumer protection requirements in federal law that are taken from a National Association of Insurance Commissioners (NAIC) model act. Requires insurance carriers to certify that each policy form included in the long-term care partnership complies with requirements in the NAIC model act, as implemented in specified sections of chapter 62S.

3 **Partnership policy.** Amends § 256B.0571, subd. 6. Modifies the definition of a partnership policy by requiring inflation protection under section 62S.23 (the new cross-reference contains identical language to the stricken cross-reference; the stricken cross-reference is repealed later in the bill) and requiring the standards of section 62S.312 to be met. Requires the policy to be issued on or after July 1, 2006, or exchanged on or after that date (this language replaces current law which refers to the effective date of the state plan amendment).

4 **Program established.** Amends § 256B.0571, subd. 8. Clarifies a reference to the criteria that a partnership policy must meet.

5 **Repealer.** Repeals § 256B.0571, subd. 10 (inflation protection requirement that is replaced with identical language).

Article 5: Modification to Prohibitions on Asset Transfers

1 **Repealer.** Repeals § 256B.0595, subds. 1b, 2b, 3b, 4b, and 5 (prohibited transfers and period of MA eligibility; federal approval was not obtained for these provisions).

Article 6: Community Clinics

1 **Eligible vendors of medical care.** Amends § 256B.032. Prohibits federally qualified health centers and rural health clinics from being excluded as providers under MA, GAMC, or MinnesotaCare based upon combined cost and quality scores that are below the threshold set by the commissioner.

2 **Other clinic services.** Amends § 256B.0625, subd. 30. Strikes language allowing MA coverage for services of a clinic that meets criteria established in rule. Defines "nonprofit community clinic."

Article 7: Dental Benefit Set

1 **Dental services.** Amends § 256B.0625, subd. 9. Provides MA coverage of panoramic x-rays once every five years for nonpregnant adults, and strikes language restricting coverage to situations in which they are provided in conjunction with a posterior extraction or outpatient facility procedure, or as medically necessary for the diagnosis and follow-up or oral and maxillofacial pathology and trauma. Allows coverage in this latter situation without a limit on frequency. Provides that MA covers medically necessary dental services for pregnant women, and applies some but not all of the guidelines for dental coverage for children to pregnant women.

Article 8: Prior Authorization for Health Services

1 **Prior authorization required.** Amends § 256B.0625, subd. 25. Requires the commissioner to publish in the Minnesota health care programs provider manual and on the department's web site the list of services that require prior authorization, and criteria and standards to select services. Removes the requirement that they be published in the State Register.

Article 9: Drug Formulary Committee

1 **Formulary committee.** Amends § 256B.0625, subd. 13c. Requires the formulary committee to meet at least twice per year (current law requires quarterly meetings).

Article 10: Preferred Drug List

1 **Preferred drug list.** Amends § 256B.0625, subd. 13g. Allows prior authorization to be used for drugs not on the preferred drug list, even if the manufacturer has signed a supplemental rebate contract.

Article 11: Multisource Drugs

1 **Payment rates.** Amends § 256B.0625, subd. 13e. Requires payment for multisource drugs, for which a maximum allowable cost has been set, to be on the basis of the maximum allowable cost, unless prior authorization has been granted and the prescriber has indicated "dispense as written." Under current law, when a generic equivalent is available, payment is on the basis of the actual acquisition cost of the generic drug or the maximum allowable cost.

Article 12: Administrative Uniformity Committee

1 **Home infusion therapy services.** Amends § 256B.0625, by adding subd. 8b. Requires home infusion therapy services provided by home infusion therapy pharmacies to be paid at the lower of the submitted charge or the combined payment rates for the component services. States that the section is effective upon federal approval.

2 **Payment rates.** Amends § 256B.0625, subd. 13e. Provides that home infusion therapy services provided by home infusion therapy pharmacies must be paid as provided in section 256B.0625, subd. 8d. States that the section is effective upon federal approval.

Article 13: Health Plans

1 **Payments on behalf of enrollees in government health care programs.** Amends § 62A.045. Requires health insurers to comply with the requirements of the federal Deficit Reduction Act of 2005 when "providing coverage to residents of Minnesota," as well as when "doing business in Minnesota" as required under current law. Eliminates the definition of "health plan" that applies to the section; this term is replaced by "health insurer" which is defined in paragraph (a). Also changes the term "health carrier" to "health insurer."

2 **Alternative services; elderly and disabled persons.** Amends § 256B.69, subd. 23. Allows the commissioner to contract with Medicare-approved special needs plans offered by a demonstration project or by an entity directly or indirectly wholly owned or controlled by a demonstration provider. Gives the commissioner of health enforcement and rulemaking powers under chapter 62D (HMOs), 62M (utilization review), and 62Q (health plan companies) with respect to these plans.

Article 14: Claims Against the State

1 **Distribution to private plaintiff in certain actions.** Amends § 15C.13. Provides that for actions brought by individuals under the false claims act, in which the distribution of

recoveries is governed by federal law, the basis for calculating the portion of the recovery the individual receives shall not include amounts reserved for distribution to the federal government or whose use is designated by federal law.

Article 15: Prepaid Health Plans

1 **Managed care contracts.** Amends § 256B.69, subd. 5a. Provides that the return of certain withholds from managed care rates (those adopted to address the state budget shortfall) is not subject to meeting performance targets.

Article 16: Income Standards for Eligibility

1 **Families with children income methodology.** Amends § 256B.056, subd. 1c. Provides that MA income standards, when adjusted by the change in the federal poverty guidelines, shall not go below those in effect on July 1, 2009.

2 **General assistance medical care; eligibility.** Amends § 256D.03, subd. 3. Provides that GAMC income standards, when adjusted by the change in the federal poverty guidelines, shall not go below those in effect on July 1, 2009.

3 **Annual income limits adjustment.** Amends § 256L.04, subd. 7b. Provides that MinnesotaCare income standards, when adjusted by the change in the federal poverty guidelines, shall not go below those in effect on July 1, 2009.