HOUSE RESEARCH
Bill Summary

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Overview

Section

1 **Flexible benefits plans.** Adds § 62L.0561.

Subd. 1. Definitions. Provides that the terms used in this section have the meanings provided in § 62Q.01, except that "health plan" includes individual and group coverage.

Subd. 2. Flexible benefits plan. Notwithstanding other law to the contrary, allows a health plan company to offer, sell, issue, and renew a health plan that is a flexible benefits plan if the following requirements are satisfied:

(1) the plan must be offered in compliance with state law, except as otherwise permitted by this section;

(2) the plan must be designed to allow persons to better manage cost and coverage options through the use of cost-sharing;

(3) the plan may modify or exclude all benefit coverage otherwise required, except for maternity benefits and other benefits required by federal law, except that any type of provider licensed or registered to provide a benefit must be allowed to provide that benefit;

(4) each plan and the plan's premiums must be approved by the relevant commissioner; and

(5) prior to sale of the plan, the purchaser must be given a written list of coverages otherwise required by law that are modified or excluded.

Subd. 3. Employer health plan. Allows an employer to provide a health plan permitted under this section, notwithstanding other law to the contrary.

Provides an effective date of January 1, 2012.

2 **Primary care provider tiering.** Amends § 256B.0754, by adding subd. 3. (a) Requires the commissioner to adjust rates to providers participating in Minnesota health care programs annually, based on the number of enrollees and compared to peer provider payments. States that rate adjustments shall not include care coordination payments to health care homes.

(b) Requires providers who are more than one standard deviation above the mean in annual cost per patient in the previous year to have 30 percent of their payment withheld. Requires an amount that would raise the total annual payment per patient to the 84th percentile or an amount that would reduce total program cost by 10 percent, whichever is less, must be returned to the provider as soon as practical following the end of the calendar or contract year.

(c) Excludes health care homes, rural health clinics, and federally qualified health centers from this subdivision.

(d) States that providers reimbursed on a cost basis are not subject to rate adjustments under this section.

(e) Requires the commissioner to phase-in the tiering system by service type. Requires the system to be implemented first with primary care providers.

Provides that the section is effective for services provided in CY 2010 and thereafter.

3 **Provider tiering patient incentives.** Amends § 256B.0754, by adding subd. 4. Requires the commissioner to seek federal approval to allow incentives for enrollees to choose high-performing providers under § 62U.04. Requires the incentives to be implemented no later than 120 days after receipt of approval. Provides that the incentives may include an enrollee credit for prescription drug co-pays. States that enrollees choosing a high-performing provider as their primacy care provider (PCP) shall be eligible for a credit for their enrollment period, and that these enrollees are eligible for the same credit in the next enrollment period if they continue to designate a high-performing PCP.

4 **Repealer.** Repeals § 62L.056 (small employer flexible benefits plans). Provides an effective date of January 1, 2012.