

HOUSE RESEARCH

Bill Summary

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Overview

This bill contains provisions related to health plan premiums, networks, provider payments, and related geographical considerations. The bill modifies criteria for geographic regions in the individual market, limits aggregate premium differences between regions to a ratio of 1.5, and requires health plans to serve an entire geographic region. The bill modifies provider network adequacy standards for certain higher cost geographic regions. The bill also requires evaluations or studies on all-payer rate setting, revised standards for provider network adequacy, and use of a single statewide geographic region for premium rate setting.

Section

- 1 Premium rate restrictions.** Amends § 62A.65, subd. 3. Modifies the criteria for the geographic regions used in setting premium rates for individual health plans. Requires geographic regions to have populations that do not vary by more than 400 percent, except that the two counties in the state with the largest populations may constitute one region. Limits the maximum aggregate premium ratio between the highest cost and lowest cost geographic region to 1.5. Also requires health plans to serve the entire geographic region. Provides an effective date of May 1, 2014, or upon federal approval, whichever is later.
- 2 Primary care; mental health services; general hospital services.** Amends § 62K.10, subd. 2. For geographic regions for which average aggregate premiums exceed those of the lowest cost region by at least 50 percent in 2014, increases the maximum travel distance or time standard for provider network adequacy from the lesser of 30 miles or 30 minutes to the lesser of 75 miles or 75 minutes, for access to in-network or contracted providers of primary care, mental health, and general hospital services. Allows a health carrier to use this modified standard only if it also offers at least one health plan that meets the 30 mile or 30

Section

minute standard. Provides an effective date of May 1, 2014.

- 3 Other health services.** Amends § 62K.10, subd. 3. For geographic regions for which average aggregate premiums exceed those of the lowest cost region by at least 50 percent in 2014, increases the maximum travel distance or time standard for network adequacy from the lesser of 60 miles or 60 minutes to the lesser of 100 miles or 100 minutes, for access to in-network or contracted providers of specialty physician services, ancillary services, specialized hospital services, and all other services not listed in § 62K.10, subd. 2. Allows a health carrier to use this modified standard only if it also offers at least one health plan that meets the 60 mile or 60 minute standard. Provides an effective date of May 1, 2014.
- 4 Evaluation of all-payer rate setting system.** (a) Requires the commissioners of health, commerce, and human services to evaluate the potential costs and benefits of using an all-payer rate setting system to determine provider payments made under private and public sector health plans, and report to the legislature by December 15, 2014. Specifies criteria for the report.

(b) As part of the report, requires the commissioner of human services to estimate the fiscal impact of payments made under MA and MinnesotaCare under an all-payer rate setting system.

(c) As part of the report, requires the commissioner of commerce to estimate the impact on private insurance premium rates under an all-payer rate setting system.

(d) Requires the commissioners, in conducting the evaluation, to consult with specified stakeholder groups, and to include any written responses from these groups as an appendix to the report.
- 5 Network adequacy standards proposal.** Requires the commissioner of health, by December 15, 2014, to propose to the legislature revised standards for provider network adequacy under § 62K.10, and specifies related criteria.
- 6 Single geographic rate area study.** Requires the commissioner of commerce, as part of the public release of rates for qualified health plans available beginning January 1, 2015, to report on the likely impact on premium rates in each region of the establishment of a single geographic region for the entire state, for plans available beginning January 1, 2016.
- 7 Appropriation.** Appropriates \$450,000 in total from the general fund for FY 2015, to the commissioners of health, commerce, and human services, for the evaluation reports required under section 4.