MN HOUSE RESEARCH

Bill Summary

H.F. 3

First engrossment

Subject	OneCare Buy-In
Authors	Liebling and others
Analyst	Randall Chun
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Overview

This bill directs the commissioner of human services to make various changes in the delivery of health care services. The bill requires the commissioner to:

- contract with a dental administrator for dental services to MA and MinnesotaCare recipients;
- provide a 54 percent MA rate increase for adult dental services, and an increase for children's dental services sufficient to equalize adult and children's rates, and eliminate the critical access dental provider payment rate and other higher payment rates;
- administer an outpatient prescription drug program for MA, MinnesotaCare, and the One-Care Buy-In program; and
- establish the OneCare Buy-In program through the MNsure website for persons not eligible for a government-sponsored program, that would include a platinum product in all areas of the state, and silver and gold products in certain rating areas, and seek necessary federal waivers.

Summary

Section	Description
1	**Definitions.** Amends § 62J.497, subd. 1. Excludes state and federal programs under chapters 256B (MA), 256L (MinnesotaCare), and 256T (OneCare Buy-in) from the definition of "group purchaser" used in the electronic prescription drug program.
2	**Administration of dental services.** Adds § 256B.0375. (a) Directs the commissioner of human services, effective January 1, 2022, to contract with a dental administrator, to administer dental services to all recipients of MA and MinnesotaCare. (b) Requires the administrator to provide administrative services, including but not limited to: 1) provider recruitment, contracting, and assistance;

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2) recipient outreach and assistance;
3) utilization management and medical necessity review for dental services;
4) dental claims processing;
5) coordination with other services;
6) management of fraud and abuse;
7) monitoring access to dental services;
8) performance measurement;
9) quality improvement and evaluation requirements; and
10) management of third-party liability.

(c) Sets payments to contracted dental providers at the rates established under § 256B.76 (the MA reimbursement rate).

Provides a January 1, 2022, effective date.

3 **Reimbursement under other state health care programs.**

Amends § 256B.0644. Requires a vendor of medical care under MA that dispenses outpatient prescription drugs to participate as a provider or contractor in MinnesotaCare, as a condition of participating as an MA provider. Provides a January 1, 2022, effective date.

4 **Prescription drugs.**

Amends § 256B.69, subd. 6d. Requires the commissioner to exclude coverage for prescription drugs from managed care contracts. Strikes a reference to managed care plans administering a prescription drug benefit under MA. Provides a January 1, 2022, effective date.

5 Statewide procurement. Amends § 256B.69, subd. 35. For CY 2021, allows the commissioner to exten**d** a managed care or county-based purchasing plan**'**s contract for a sixth year, for the provision of services in the seven-county metropolitan area to MA and MinnesotaCare enrollees who are families and children. Requires MA and MinnesotaCare procurement for this group of individuals in the seven-county metropolitan area for CY 2022.

6 **Dental reimbursement.**

Amends § 256B.76, subd. 2. Sunsets, effective January 1, 2022, a 9.65 percent rate increase for dental services provided outside of the seven-county metropolitan area and a 23.8 percent increase for dental services provided to children.

Effective January 1, 2022, increases MA dental payment rates by 54 percent. States that this increase does not apply to state-operated dental clinics, federally qualified health centers, rural health centers, or Indian health centers. (This provision has the effect of

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	setting MinnesotaCare dental payment rates at this level, since MinnesotaCare pays providers at the MA rate unless otherwise specified.)
7	**Critical access dental providers.** Amends § 256B.76, subd. 4. Sunsets, effective January 1, 2022, the 37.5 percent MA rate increase paid to critical access dental providers.
8	**Outpatient prescription drugs.** Amends § 256L.03, by adding subd. 7. States that outpatient prescription drugs for all MinnesotaCare enrollees are covered according to § 256L.30. Provides a January 1, 2022, effective date.
9	**Critical access dental providers.** Amends § 256L.11, subd. 7. Sunsets, effective January 1, 2022, the 20 percent MinnesotaCare rate increase paid to critical access dental providers.
10	**Outpatient prescription drugs.** Adds § 256L.30. **Subd. 1. Establishment of program.** Requires the commissioner to administer and oversee the outpatient prescription drug program for MinnesotaCare. Prohibits the commissioner from including the outpatient pharmacy benefit in a contract with a public or private entity. **Subd. 2. Covered outpatient prescription drugs.** (a) Requires the commissioner, in consultation with the drug formulary committee, to establish an outpatient prescription drug formulary for MinnesotaCare that satisfies the federal essential health benefit requirements. Allows the commissioner to modify the formulary after consulting with the formulary committee and providing for public notice and comment. Exempts the establishment of the formulary from rulemaking. Directs the commissioner to make the formulary available to the public on the agency website. (b) Requires the formulary to contain at least one drug in every U.S. Pharmacopeia category and class or the same number of drugs in each category and class as the essential health benefit benchmark plan, whichever is greater. (c) Allows the commissioner to negotiate drug rebates or discounts directly with a drug manufacturer to place a drug on the formulary. Also allows negotiation of rebates or discounts through a contract with a vendor. Requires the commissioner, beginning January 15, 2022, and each January 15 thereafter, to report to the legislature on the rebates and discounts negotiated, their aggregate dollar value, and how the savings were applied.

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(d) Allows the commissioner to use prior authorization, and allows the formulary committee to recommend drugs for prior authorization. Allows the commissioner to request that the committee review a drug for prior authorization.

(e) Specifies procedures to be followed by the commissioner before requiring prior authorization for a drug.

(f) Allows the commissioner to automatically require prior authorization for up to 180 days for any drug approved by the Food and Drug Administration after July 1, 2019. Specifies related criteria.

(g) Allows the commissioner to require prior authorization before nonformulary drugs are eligible for payment.

(h) Requires prior authorization requests to be processed according to federal regulations on essential health benefits and prescription drugs.

Subd. 3. Pharmacy provider participation. (a) Requires pharmacies participating in MA to participate as a provider in the MinnesotaCare outpatient prescription drug program.

(b) Prohibits a pharmacy from refusing services to an enrollee, unless specified conditions apply.

Subd. 4. Covered outpatient prescription drug reimbursement rate. (a) Specifies the basis for determining the amount of payment for prescription drugs.

(b) Specifies the basis for determining the amount of payment for a pharmacy that acquires drugs through the 340B Drug Pricing Program.

(c) Defines the usual and customary price for purposes of the subdivision.

Provides a January 1, 2022, effective date.

11 **Definitions.**

Adds § 256T.01. Defines the following terms: commissioner, department, essential health benefits, individual market, and MNsure website. Provides an immediate effective date.

12 **OneCare Buy-in.**

Adds § 256T.02.

Subd. 1. Establishment. (a) Requires the commissioner of human services to establish a program to offer products developed for the OneCare Buy-In through the MNsure website.

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(b) Directs the commissioner, in collaboration with the commissioner of commerce and MNsure board, to:

1) establish a cost allocation methodology to reimburse MNsure operations in lieu of the premium withhold;
2) implement mechanisms for financial sustainability and mitigate adverse financial impacts; and
3) coordinate eligibility, coverage, and provider networks to ensure, to the extent possible, continuity of care between MA, MinnesotaCare, and the OneCare Buy-in.

(c) States that the buy-in shall be considered a public health care program for purposes of chapter 62V, and the MinnesotaCare program for purposes of state health care program participation requirements.

(d) States that DHS is deemed to be certified as an HMO, and in compliance with state laws that apply to HMOs. Gives the commissioner the authority to accept and expend federal funds.

Subd. 2. Premium administration and payment. (a) Requires the commissioner to annually establish a per-enrollee monthly premium rate, and to publish the rate by August 1 of each year.

(b) Requires premium administration under the buy-in to be consistent with federal requirements under the Affordable Care Act. Requires premium rates to be established in accordance with § 62A.65, subd. 3 (premium rate restrictions).

Subd. 3. Rates to providers. Requires provider payment rates to be targeted to the current MinnesotaCare rates, plus the aggregate difference between those rates and Medicare rates. Provides that the aggregate must not consider services that receive a Medicare encounter payment.

Subd. 4. Reserve and other financial requirements. (a) Establishes a OneCare Buy-In reserve account and requires enrollee premiums to be deposited into the account. Specifies related requirements.

(b) Beginning January 1, 2023, requires enrollee premiums to be set at a level to fund all ongoing claims, management, and information technology costs, and the operational and administrative functions of the OneCare Buy-In program.

(c) Prohibits the commissioner from expending state dollars beyond what is specifically appropriated, or transferring funds from other accounts, in order to fund the reserve account or claims costs, or to support ongoing administration and operation of the program and its information technology systems.

Subd. 5. Covered benefits. Requires each health plan established under this chapter to include the essential health benefits under the ACA, dental benefits as

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provided under MA for adults, and coverage of eyeglasses as provided in Minnesota rules. Allows a health plan to include other services covered under MinnesotaCare.

Subd. 6. Third-party administrator. (a) Allows the commissioner to enter into a contract with a third-party administrator to perform the operational management of the buy-in. Specifies duties of the administrator.

(b) Requires the solicitation of vendors to serve as administrator to meet the requirements of § 16C.06 (procurement requirements).

Subd. 7. Eligibility. (a) In order to be eligible for the buy-in, requires persons to be:

1) a resident of Minnesota; and
2) not eligible for a government-sponsored program as defined under the ACA. Provides that persons entitled to Medicare Part A or enrolled in Medicare Part B are considered eligible for a government-sponsored program. Prohibits persons entitled to premium-free Medicare Part A from refusing to apply for or enroll in Medicare in order to establish eligibility for the buy-in.

(b) Allows persons eligible for a qualified health plan (with or without premium tax credits or cost-sharing reductions) to be eligible to purchase and enroll in the buy-in.

Subd. 8. Enrollment. (a) Allows a person to apply for the buy-in during the annual open and special enrollment periods for MNsure.

(b) Requires annual reenrollment for the buy-in.

Subd. 9. Premium tax credits, cost-sharing reductions, and subsidies. Provides that a person eligible under this chapter, with income not exceeding 400 percent of FPG, may qualify for advance premium tax credits and cost-sharing reductions to purchase a health plan under this chapter.

Subd. 10. Covered benefits and payment rate modifications. Allows the commissioner, after public notice and comment, to modify covered benefits and payment rates.

Subd. 11. Coverage for legislators. Provides that members of the state legislature are eligible for coverage through the OneCare Buy-In program, and not for coverage available to state employees under § 43A.24.

Subd. 12. Request for federal authority. Requires the commissioner to seek all necessary federal waivers to establish the buy-in.

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	Provides that subdivisions 1 to 11 are effective January 1, 2023, and that subdivision 12 is effective the day following final enactment.
13	**OneCare Buy-in products.** Adds § 256T.03. **Subd. 1. Platinum product.** Requires the commissioner to establish a buy-in coverage option at the platinum level, to be made available in all rating areas in the state. **Subd. 2. Silver and gold products.** (a) If a rating area lacks an affordable or comprehensive health care coverage option according to standards developed by the commissioner of health, directs the commissioner of human services to offer the following year silver and gold products in the rating area for a five-year period. Allows the commissioner of health to use encounter and pricing data to monitor triggers in the individual market. Also allows that commissioner, effective January 1, 2020, to require additional data elements to be submitted to conduct the necessary analysis. (b) Requires the commissioner of human services to establish the following coverage options: one silver level plan at 70 percent of the actuarial value of the buy-in option and one gold level plan at 80 percent of the actuarial value. **Subd. 3. Qualified health plan rules.** (a) Provides that the coverage options developed under this section are subject to the process under § 62K.06 (metal level mandatory offering). Also deems the coverage options as meeting the requirements of chapters 62A, 62K, and 62V that apply to qualified health plans. (b) Provides that benefits under this section are secondary. Requires the commissioner to use cost-avoidance techniques to coordinate with other health coverage and identify persons with other coverage. (c) States that DHS is not an insurance company for purposes of this chapter. **Subd. 4. Actuarial value.** Requires actuarial value to be calculated in accordance with federal regulations (45 CFR 156.135). Provides a January 1, 2023, effective date.
14	**Outpatient prescription drugs.** Adds § 256T.04. **Subd. 1. Establishment of program.** Requires the commissioner to administer and oversee the outpatient prescription drug program for the OneCare Buy-in

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	program. Prohibits the commissioner from including the outpatient pharmacy benefit in a contract with a public or private entity. **Subd. 2. Covered outpatient prescription drugs.** States that outpatient prescription drugs are covered as provided in chapter 256L (MinnesotaCare). **Subd. 3. Pharmacy provider participation.** States that pharmacy participation is governed by section 256L.30, subdivision 3. **Subd. 4. Reimbursement rate.** Requires the commissioner to establish outpatient prescription drug reimbursement rates according to chapter 256L (MinnesotaCare). Provides a January 1, 2023, effective date.
15	**Direction to commissioner; state-based risk adjustment analysis.** Requires the commissioner of commerce, in consultation with the commissioner of health, to study the design and implementation of a state-based risk adjustment program. Requires the commissioner to report findings and recommendations to the legislature by February 15, 2021.
16	**Study of MinnesotaCare expansion.** Requires the commissioner of human services to study the costs and requirements for a MinnesotaCare expansion. Specifies criteria for the expansion and requires the commissioner to contract with an actuarial consulting firm for technical assistance. Requires the commissioner to present a report, implementation plan, and draft legislation to the legislature, by December 15, 2019.
17	**Study of cost of providing dental services.** Requires the commissioner of human services to conduct a survey of the cost to dental providers of delivering dental services to MA and MinnesotaCare enrollees under both fee-for-service and managed care. Specifies criteria for the vendor and the survey. Requires enrolled dental vendors to respond to the survey and allows the commissioner to sanction vendors who do not respond. Requires the initial survey to be completed no later than January 1, 2021, and requires the survey to be repeated every three years. Directs the commissioner to provide a summary of the results of each survey and recommendations for any changes in dental rates to the legislature.
18	**Repealer.** Repeals § 256L.11, subd. 6a (MinnesotaCare 54 percent payment rate increase for dental providers). Provides a January 1, 2022, effective date.