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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **120**

January 15, 2009

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The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight

1.1 A bill for an act
1.2 relating to health; establishing oversight for rural health cooperative
1.3 arrangements; appropriating money; proposing coding for new law in Minnesota
1.4 Statutes, chapter 62R.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. [62R.09] ANTITRUST IMMUNITY.

1.7 Subdivision 1. **Intent; purpose.** The legislature finds that the goals of controlling
1.8 health care costs and improving the quality of and access to health care services in rural
1.9 areas are significantly enhanced by the development of health care cooperatives created
1.10 under this chapter. To promote health care cooperative arrangements, it is necessary for the
1.11 cooperatives to collectively negotiate on behalf of their members. Although negotiations
1.12 may raise competitive issues, the legislature finds that properly supervised health care
1.13 cooperative negotiations will enhance the delivery of health care in rural markets. The
1.14 legislature further finds that by establishing a system of review and supervision of health
1.15 care cooperative contractual negotiations competition is preserved. The purpose of this
1.16 legislation is to clarify the provisions in this chapter to ensure that health care cooperative
1.17 arrangements under section 62R.06 are not in violation of state or federal antitrust law.

1.18 Subd. 2. **Review and approval; monitoring.** (a) The commissioner shall review
1.19 and authorize contracts and business or financial arrangements under section 62R.06,
1.20 subdivision 1. All contracts and business or financial arrangements must be submitted on
1.21 an application for approval to the commissioner.

1.22 (b) Within 30 days after receiving an application, the commissioner may request
1.23 additional information that is necessary to complete the review required under this section.
1.24 If the commissioner does not request additional information and does not act within 60

2.1 days after receipt of an application, the application shall be deemed approved. The
2.2 commissioner shall not deny any application unless the commissioner determines that the
2.3 proposed arrangement is likely to result in higher health care costs or diminished access to
2.4 or quality of health care than would occur in the competitive marketplace.

2.5 (c) The commissioner may condition approval of a proposed arrangement on a
2.6 modification of all or part of the arrangement to eliminate any restriction on competition
2.7 that is not reasonably related to the goals of improving health care access or quality. The
2.8 commissioner may also establish conditions for approval that are reasonably necessary
2.9 to protect against abuses of private economic power and to ensure that the arrangement
2.10 has oversight by the state.

2.11 (d) The commissioner shall monitor arrangements approved under this section
2.12 to ensure that the arrangement remains in compliance with the conditions of approval.
2.13 The commissioner may revoke an approval upon a finding that the arrangement is not in
2.14 substantial compliance with the terms of the application or the conditions of approval.

2.15 Subd. 3. **Applications.** (a) Applications for approval under this section must
2.16 include a detailed description of the proposed arrangement.

2.17 (b) The application must include:

2.18 (1) the identities of all the parties to the arrangement;

2.19 (2) the intent of the arrangement;

2.20 (3) the expected outcome of the arrangement; and

2.21 (4) an explanation of how the arrangement will improve access or quality of care.

2.22 (c) Data on providers collected under this section are private data on individuals or
2.23 nonpublic data, as defined in section 13.02.

2.24 Subd. 4. **Application fee.** When submitting an application to the commissioner, a
2.25 health care cooperative shall pay a fee of \$2,000 for the commissioner's cost of reviewing
2.26 and monitoring the arrangement. Revenue received by the commissioner under this
2.27 section shall be deposited into the state government special revenue fund and shall be
2.28 appropriated to the commissioner for the purpose of administering this section.