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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 635

02/05/2015 Authored by Liebling, Schultz, Laine, Moran, Bly and others
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act
1.2 relating to human services; requiring the commissioner of human services
1.3 to develop and implement a new health care delivery system; requiring a
1.4 report; prohibiting renewal of managed care purchasing contracts beyond 2016;
1.5 appropriating money; proposing coding for new law in Minnesota Statutes,
1.6 chapter 256B.

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

1.8 Section 1. **[256B.0758] HEALTH CARE DELIVERY SYSTEM REDESIGN.**

1.9 **Subdivision 1. Development of new health care delivery system.** The
1.10 commissioner, in consultation with the advisory committee established under this section,
1.11 shall develop and implement a new system to deliver health care services to Minnesota
1.12 health care program enrollees. The new health care delivery system must make payments
1.13 directly to health care providers and must not include contracts with or payments to
1.14 managed care organizations, unless the commissioner does not include county-based
1.15 purchasing plans under subdivision 7.

1.16 **Subd. 2. Criteria for new system.** The new system must:

1.17 (1) replace the delivery of health care services through managed care plans under
1.18 section 256B.69, through participating entities under section 256L.121, and through
1.19 county-based purchasing plans under section 256B.692, if the commissioner includes
1.20 county-based purchasing plans according to subdivision 7;

1.21 (2) provide services to medical assistance recipients required to enroll in a managed
1.22 care plan under section 256B.69, including those eligibility groups allowed to opt out of
1.23 enrollment, to MinnesotaCare recipients under chapter 256L, and to medical assistance
1.24 recipients required to enroll in a county-based purchasing plan under section 256B.692, if
1.25 the commissioner includes county-based purchasing plans according to subdivision 7;

2.1 (3) provide enrollees with all services required to be provided under sections
 2.2 256B.69 and 256B.692;

2.3 (4) make payment directly to health care providers, using a payment methodology
 2.4 based on total cost of care, risk and gain sharing, and quality measurement and incentives;

2.5 (5) incorporate the principles of, and findings from, the health care delivery system
 2.6 demonstration project under section 256B.0755 and the county integrated health care
 2.7 delivery network program under section 256B.0756;

2.8 (6) be compatible with and build upon initiatives implemented and funded through
 2.9 the state innovation model (SIM) grant and the Minnesota accountable health model;

2.10 (7) incorporate health care homes certified under section 256B.0751 and other
 2.11 methods of care coordination;

2.12 (8) allow participation by:

2.13 (i) health care delivery systems and accountable care organizations participating
 2.14 under, or meeting the general criteria established in, section 256B.0755;

2.15 (ii) an entity operating a county integrated health care delivery network authorized
 2.16 under section 256B.0756;

2.17 (iii) health care provider networks established by county boards that meet the
 2.18 general criteria specified in section 256B.692, if the commissioner includes county-based
 2.19 purchasing plans according to subdivision 7; and

2.20 (iv) networks of health care providers established to offer services to MinnesotaCare
 2.21 enrollees under chapter 256L;

2.22 (9) provide technical assistance that allows small, independent health care providers
 2.23 to participate in the new health care delivery system; and

2.24 (10) comply with other requirements specified in this section.

2.25 Subd. 3. **Contracts.** (a) The commissioner may contract with a health care policy
 2.26 consultant or other entity to provide technical services related to design and development
 2.27 of the new health care delivery system.

2.28 (b) The commissioner may contract with a health plan company, third-party
 2.29 administrator, or other entity for administrative services related to implementation and
 2.30 operation of the new health care delivery system.

2.31 (c) The commissioner shall contract with a health plan company, third-party
 2.32 administrator, or other entity to provide technical assistance that will enable small,
 2.33 independent health care providers to participate in the new health care delivery system.

2.34 Subd. 4. **Infrastructure development grants.** The commissioner shall award grants
 2.35 to assist small, independent health care providers in developing the data infrastructure
 2.36 necessary for participation in the new health care delivery system.

3.1 Subd. 5. **Nonrenewal of contracts.** For contracts signed after December 31, 2014,
3.2 the commissioner of human services shall not enter into or extend managed care contracts
3.3 under section 256B.69, contracts with participating entities under section 256L.121, and
3.4 county-based purchasing contracts under section 256B.692, if the commissioner includes
3.5 county-based purchasing plans under subdivision 7, beyond December 31, 2016.

3.6 Subd. 6. **Advisory committee.** The commissioner shall establish an advisory
3.7 committee to assist the commissioner in developing the new health care delivery system.
3.8 The commissioner shall appoint to the advisory committee representatives of the following
3.9 stakeholder groups: state health care program enrollees, health care delivery systems,
3.10 health care providers, and county boards. The advisory committee is governed by section
3.11 15.059, except that members shall not receive per diem compensation.

3.12 Subd. 7. **County-based purchasing.** The commissioner shall determine whether to
3.13 include county-based purchasing plans established under section 256B.692 in the health
3.14 care delivery system established under this section.

3.15 **EFFECTIVE DATE.** The health care delivery system developed under this section
3.16 shall be implemented January 1, 2017, or upon federal approval, whichever is later. The
3.17 commissioner of human services shall notify the revisor of statutes when federal approval
3.18 is obtained.

3.19 Sec. 2. **REPORT TO LEGISLATURE.**

3.20 The commissioner shall present a report on the new delivery system to the legislature
3.21 by December 15, 2015. The report must include criteria for the new delivery system
3.22 established according to Minnesota Statutes, section 256B.0758, an implementation plan
3.23 and schedule, and draft legislation. The report must also include recommendations on
3.24 whether medical assistance services not required to be provided under Minnesota Statutes,
3.25 sections 256B.69 and 256B.692, should be delivered through the new health care delivery
3.26 system.

3.27 Sec. 3. **FEDERAL WAIVER OR APPROVAL.**

3.28 The commissioner of human services shall seek all federal waivers or approvals
3.29 necessary to implement a new health care delivery system under Minnesota Statutes,
3.30 section 256B.0758.

3.31 Sec. 4. **APPROPRIATION.**

4.1 \$..... is appropriated in fiscal year 2016 from the general fund to the commissioner
4.2 of human services to develop and implement the new health care delivery system under
4.3 Minnesota Statutes, section 256B.0758.