

1.1 A bill for an act

1.2 relating to human services; reducing certain physician payment rates for state  
1.3 health care programs; amending Minnesota Statutes 2008, section 256B.76,  
1.4 subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2008, section 256B.76, subdivision 1, is amended to read:

1.7 Subdivision 1. **Physician reimbursement.** (a) Effective for services rendered on  
1.8 or after October 1, 1992, the commissioner shall make payments for physician services  
1.9 as follows:

1.10 (1) payment for level one Centers for Medicare and Medicaid Services' common  
1.11 procedural coding system codes titled "office and other outpatient services," "preventive  
1.12 medicine new and established patient," "delivery, antepartum, and postpartum care,"  
1.13 "critical care," cesarean delivery and pharmacologic management provided to psychiatric  
1.14 patients, and level three codes for enhanced services for prenatal high risk, shall be paid  
1.15 at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June  
1.16 30, 1992. If the rate on any procedure code within these categories is different than the  
1.17 rate that would have been paid under the methodology in section 256B.74, subdivision 2,  
1.18 then the larger rate shall be paid;

1.19 (2) payments for all other services shall be paid at the lower of (i) submitted charges,  
1.20 or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

1.21 (3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th  
1.22 percentile of 1989, less the percent in aggregate necessary to equal the above increases  
1.23 except that payment rates for home health agency services shall be the rates in effect  
1.24 on September 30, 1992.

**S.F. No. 1547, as introduced - 86th Legislative Session (2009-2010) [09-3046]**

2.1 (b) Effective for services rendered on or after January 1, 2000, payment rates for  
2.2 physician and professional services shall be increased by three percent over the rates  
2.3 in effect on December 31, 1999, except for home health agency and family planning  
2.4 agency services. The increases in this paragraph shall be implemented January 1, 2000,  
2.5 for managed care.

2.6 (c) Effective for services rendered on or after July 1, 2009, payment rates for  
2.7 physician and professional services shall be reduced by three percent over the rates in effect  
2.8 on June 30, 2009, except for office or other outpatient services (procedure codes 99201  
2.9 to 99215) and preventive medicine services (procedure codes 99381 to 99412) billed by  
2.10 the following primary care specialties: general practitioner, internal medicine, pediatrics,  
2.11 geriatric nurse practitioner, pediatric nurse practitioner, family practice nurse practitioner,  
2.12 adult nurse practitioner, geriatrics, and family practice. The commissioner, effective  
2.13 January 1, 2010, shall reduce capitation rates paid to managed care and county-based  
2.14 purchasing plans under sections 256B.69 and 256B.692 to reflect this payment reduction.