

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 2664

(SENATE AUTHORS: MARTY)

DATE
03/07/2023

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Introduction and first reading
Referred to Health and Human Services

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to human services; requiring the commissioner of human services to
1.3 contract for the administration of the medical assistance and MinnesotaCare
1.4 programs; requiring a report; appropriating money; amending Minnesota Statutes
1.5 2022, section 256B.04, by adding a subdivision.

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

1.7 Section 1. Minnesota Statutes 2022, section 256B.04, is amended by adding a subdivision
1.8 to read:

1.9 Subd. 26. Administration of medical assistance and MinnesotaCare. (a) The
1.10 commissioner shall contract with a third-party administrator to administer the medical
1.11 assistance and MinnesotaCare programs beginning January 1, 2026. The contract must
1.12 require the administrator to:

1.13 (1) provide benefits management, claims processing, and enrollee support services;

1.14 (2) coordinate its activities with the eligibility determination functions performed by
1.15 MNSure and county agencies; and

1.16 (3) increase provider payment rates or implement innovative methods in health care
1.17 delivery and reimbursement in order to ensure access to care and improve health care quality,
1.18 as directed by the commissioner or legislature.

1.19 (b) This subdivision does not prohibit the commissioner from seeking legislative and
1.20 federal approval for demonstration projects to ensure access to care or improve health care
1.21 quality.

1.22 (c) The commissioner shall:

2.1 (1) terminate managed care and county-based purchasing plan contracts under sections
 2.2 256B.69, 256B.692, 256L.12, and 256L.121 by December 31, 2025, and pay back any
 2.3 capitation rate withholds that are not tied to performance measures;

2.4 (2) seek any changes in state law necessary for the administration of the medical
 2.5 assistance and MinnesotaCare programs by a third-party administrator; and

2.6 (3) report to the chairs and ranking minority members of the legislative committees with
 2.7 jurisdiction over health care finance and policy by January 1, 2025, on progress in contracting
 2.8 with a third-party administrator.

2.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.10 Sec. 2. **APPROPRIATION.**

2.11 \$..... in fiscal year 2024 is appropriated from the general fund to the commissioner of
 2.12 human services to contract with a third-party administrator to administer medical assistance
 2.13 and MinnesotaCare. The base for this appropriation is \$..... in fiscal year 2025.