A bill for an act

relating to health; regulating participating provider agreements between health plan companies and health care providers; amending Minnesota Statutes 2008, sections 62Q.735, by adding subdivisions; 62Q.75, subdivision 3, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62Q.

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

Section 1. Minnesota Statutes 2008, section 62Q.735, is amended by adding a subdivision to read:

Subd. 4. **Contract amendment and renewal provisions.** (a) A health plan company shall not require a provider to provide notice of intention to terminate its contract before communicating with the provider regarding contract renewals. A health plan company shall not communicate with members until final termination notice is received from the provider, consistent with the requirements described in section 62D.08, subdivision 5.

(b) A health plan company shall not preclude a nonnetwork provider from subsequent network participation solely as a result of the provider having terminated its participation in accordance with the terms of its contract.

EFFECTIVE DATE. This section is effective January 1, 2011, and applies to contracts entered into, renewed, or amended on or after that date.

Sec. 2. Minnesota Statutes 2008, section 62Q.735, is amended by adding a subdivision to read:

Subd. 5. **Fee schedules.** A health plan company shall provide, upon request, any additional fees relevant to the particular provider's practice beyond those provided with the renewal documents for the next contract year to all participating providers,

excluding claims paid under the pharmacy benefit. Health plan companies may fulfill the requirements of this section by making the full fee schedules available through a secure Web portal for contracted providers.

EFFECTIVE DATE. This section is effective January 1, 2011, and applies to contracts entered into, renewed, or amended on or after that date.

Sec. 3. Minnesota Statutes 2008, section 62Q.735, is amended by adding a subdivision to read:

Subd. 6. **Reimbursement tiering methodologies.** Where health plan company reimbursement is related to tiering of providers, the health plan company shall provide to any tiered providers upon request an explanation of the methodology used to calculate tier ranking, including information on cost and quality. This explanation does not allow any provider access to proprietary or trade secret information. When a tiered product is used by a health plan, the health plan company shall provide notification to the provider of the tier in which the provider is included prior to the effective date of the tiered product.

EFFECTIVE DATE. This section is effective January 1, 2011, and applies to contracts entered into, renewed, or amended on or after that date.

Sec. 4. Minnesota Statutes 2008, section 62Q.75, subdivision 3, is amended to read:

Subd. 3. **Claims filing.** Unless otherwise provided by contract, by section 16A.124, subdivision 4a, or by federal law, the health care providers and facilities specified in subdivision 2 must submit their charges to a health plan company or third-party administrator within six months from the date of service or the date the health care provider knew or was informed of the correct name and address of the responsible health plan company or third-party administrator, whichever is later. A health care provider or facility that does not make an initial submission of charges within the six-month period shall not be reimbursed for the charge and may not collect the charge from the recipient of the service or any other payer. The six-month submission requirement may be extended to 12 months in cases where a health care provider or facility specified in subdivision 2 has determined and can substantiate that it has experienced a significant disruption to normal operations that materially affects the ability to conduct business in a normal manner and to submit claims on a timely basis. Any request by a health care provider or facility specified in subdivision 2 for an exception to a contractually defined claims submission timeline must be reviewed and acted upon by the health plan company within the same time frame as the contractually agreed upon claims filing timeline. This subdivision also applies to all

health care providers and facilities that submit charges to workers' compensation payers for treatment of a workers' compensation injury compensable under chapter 176, or to reparation obligors for treatment of an injury compensable under chapter 65B.

EFFECTIVE DATE. This section is effective January 1, 2011, and applies to contracts entered into, renewed, or amended on or after that date.

Sec. 5. Minnesota Statutes 2008, section 62Q.75, is amended by adding a subdivision to read:

Subd. 4. **Claims adjustment timeline.** (a) Once a clean claim, as defined in section 62Q.75, subdivision 1, has been paid, the contract must provide a 12-month deadline on all adjustments to and recoupments of the payment with the exception of payments related to coordination of benefits, subrogation, duplicate claims, retroactive terminations, and cases of fraud and abuse.

(b) Paragraph (a) shall not apply to pharmacy contracts entered into between or on behalf of health plan companies.

EFFECTIVE DATE. This section is effective January 1, 2011, and applies to contracts entered into, renewed, or amended on or after that date.

Sec. 6. **[62Q.751] COLLECTION OF CO-PAYMENTS, DEDUCTIBLES, AND ESTIMATED PAYMENTS FROM PATIENTS.**

A health plan company shall permit providers to collect co-payments, deductibles, and coinsurance from patients at or prior to the time of service. Overpayments by patients to providers must be returned to the patient by the provider in the same form in which it was collected within 30 days of the date in which the claim adjudication is received by the provider.

EFFECTIVE DATE. This section is effective August 1, 2010, and applies to contracts entered into, renewed, or amended on or after that date.