

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 883

(SENATE AUTHORS: GRUENHAGEN)

DATE
01/27/2023

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Introduction and first reading
Referred to Human Services

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to insurance; allowing health carriers to offer reference-based pricing
1.3 health plans; proposing coding for new law in Minnesota Statutes, chapter 62K.

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

1.5 Section 1. **62K.16** REFERENCE-BASED PRICING HEALTH PLAN.

1.6 Subdivision 1. General. Notwithstanding any law to the contrary and upon any necessary
1.7 federal approval, a health carrier may offer in the individual, small, and large group market
1.8 a reference-based pricing health plan that meets the requirements of this section.

1.9 Subd. 2. Provider participation. (a) An enrollee of a reference-based pricing health
1.10 plan may access any health care provider who has agreed to (1) a reimbursement rate up to
1.11 but not greater than the reimbursement rate specified in the enrollee's reference-based pricing
1.12 plan as defined under this section, and (2) any other terms and conditions offered by the
1.13 health carrier. Any terms and conditions offered by the health carrier must be the same for
1.14 all health care providers who agree to participate in the health plan.

1.15 (b) A health carrier may require a participating provider to meet reasonable data,
1.16 utilization review, and quality assurance requirements.

1.17 (c) A provider who agrees to participate must provide services to all enrollees of the
1.18 health plan if the provider's reimbursement rates are equal to or less than that specified in
1.19 the enrollee's health plan.

1.20 Subd. 3. Reimbursement rates. (a) The reimbursement rates offered to providers who
1.21 agree to participate in a reference-based pricing health plan must be based on a percentage

2.1 relative to the rates defined by the most recent Medicare reimbursement schedules
2.2 promulgated by the Centers for Medicare and Medicaid Services.

2.3 (b) For services that do not have a corresponding Medicare reimbursement value, the
2.4 health carrier must negotiate the rates based on other fee schedules used within the health
2.5 care market.

2.6 (c) If a reference-based pricing health plan's reimbursement rate is at least 120 percent
2.7 above the Medicare rate and the health plan is offered in all counties throughout Minnesota,
2.8 the health plan is exempt from the geographic and network adequacy requirements under
2.9 section 62K.10.

2.10 (d) A provider who agrees to participate in the health plan agrees to accept the
2.11 reimbursement rate as payment in full under the terms of the health plan in accordance with
2.12 section 62K.11.

2.13 Subd. 4. **Conditions.** (a) Nothing in this section requires a provider to participate in a
2.14 reference-based pricing health plan. A health carrier is prohibited from requiring, as a
2.15 condition of participation in any other health plan, product, or other arrangement offered
2.16 by the health carrier, that the provider participate in a reference-based pricing health plan.

2.17 (b) Nothing in this section requires a health carrier to provide coverage for a service or
2.18 treatment that is not covered under the enrollee's health plan.

2.19 (c) A reference-based pricing health plan may impose cost-sharing requirements,
2.20 including co-payments, deductibles, and coinsurance and reasonable referral and prior
2.21 authorization requirements.

2.22 Subd. 5. **Definitions.** (a) For purposes of this section, the following terms have the
2.23 meaning given them.

2.24 (b) "Provider" has the meaning given in section 62J.03, subdivision 8.

2.25 (c) "Reference-based pricing health plan" means a health plan in which the employer
2.26 pays a set price for each service instead of negotiating prices with providers.