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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 2693

05/18/2017 Authored by Murphy, E., and Hornstein
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 to design
1.3 a state Medicare demonstration project; requiring a report to the legislature.

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

1.5 Section 1. STATE MEDICARE DEMONSTRATION PROJECT.

1.6 Subdivision 1. Project design. The commissioner of human services shall develop a
1.7 design and implementation timeline for a demonstration project under which persons age
1.8 55 and over, who would otherwise be covered through the individual market, would be able
1.9 to receive coverage under an expanded Medicare program. The demonstration project design
1.10 and proposed implementation by the commissioner must meet the criteria specified in this
1.11 section.

1.12 Subd. 2. Eligibility. (a) In order to be eligible for coverage under the demonstration
1.13 project, an individual must:

1.14 (1) be age 55 or older;

1.15 (2) have a household income that exceeds 200 percent of the federal poverty guidelines;

1.16 (3) not be eligible for coverage under medical assistance, MinnesotaCare, or the federal
1.17 Medicare program;

1.18 (4) not be eligible for employer-subsidized insurance; and

1.19 (5) be a lawful resident of Minnesota.

1.20 (b) An individual eligible to receive advanced premium tax credits and cost-sharing
1.21 subsidies through MNsure may choose to obtain coverage under the demonstration project,

2.1 but must allow the value of the advanced premium tax credits and cost-sharing subsidies
2.2 to accrue to the state.

2.3 Subd. 3. **Covered services.** The demonstration project must cover at least those services
2.4 covered under Medicare. The commissioner may expand covered services to include
2.5 additional preventive services, and other services appropriate for the population to be served
2.6 by the demonstration project.

2.7 Subd. 4. **Service delivery; provider contracting.** (a) The commissioner shall directly
2.8 contract with health care providers to deliver services to demonstration project enrollees.
2.9 The commissioner may contract with providers using competitive bidding on a regional
2.10 basis.

2.11 (b) The commissioner shall require all providers to deliver services under a value-based
2.12 purchasing arrangement that includes payment benchmarks for total cost of care, risk-gain
2.13 sharing, and incentives for care coordination. In designing the delivery system, the
2.14 commissioner shall incorporate relevant features of health care delivery systems operating
2.15 under Minnesota Statutes, section 256B.0755, the county pilot program operating under
2.16 Minnesota Statutes, section 256B.0756, and health care homes operating under Minnesota
2.17 Statutes, sections 256B.0751 and 256B.0757, and may incorporate features of other
2.18 innovative payment methods.

2.19 (c) The commissioner shall evaluate providers on quality and outcome measures, and
2.20 shall consider provider scores on these measures when determining provider payment rates.
2.21 The commissioner shall adjust quality and outcome scores to reflect enrollee socioeconomic
2.22 characteristics, health disparities, and language, cultural, and other barriers to care.

2.23 Subd. 5. **Premiums and cost-sharing.** (a) The commissioner shall develop a sliding
2.24 premium scale for demonstration project enrollees.

2.25 (b) The commissioner shall base enrollee cost-sharing on the cost-sharing requirements
2.26 of the Medicare program, but may modify these cost-sharing requirements as needed to
2.27 ensure affordable access to care.

2.28 Subd. 6. **Coordination.** The demonstration project shall be designed and operated in a
2.29 manner that facilitates the transition of demonstration project enrollees to the federally
2.30 operated Medicare program, once demonstration project enrollees become eligible for that
2.31 program.

- 3.1 Subd. 7. Report to legislature. The commissioner, by January 15, 2018, shall present
3.2 a report on the demonstration project to the legislative committees with jurisdiction over
3.3 health and human services policy and spending, commerce, and health. The report must:
- 3.4 (1) include a design for the demonstration project that is consistent with and includes
3.5 recommendations related to the criteria specified in this section;
- 3.6 (2) list the federal waivers, approvals, and law changes necessary to implement the
3.7 demonstration project, and recommend a strategy and timeline by which the state and its
3.8 congressional delegation can seek the waivers, approvals, and law changes;
- 3.9 (3) provide recommendations on funding sources for the demonstration project, that
3.10 include a consideration of the use of funds that would otherwise be provided to an enrollee
3.11 in the form of advanced premium tax credit and cost-sharing reductions, and use of an
3.12 expanded Medicare payroll tax; and
- 3.13 (4) include an implementation plan and timeline for the demonstration project, and
3.14 recommendations for necessary changes in state law.