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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 697

02/04/2019 Authored by Albright and Bennett
The bill was read for the first time and referred to the Committee on Commerce

1.1 A bill for an act
1.2 relating to health care; modifying health plan contracting requirements; establishing
1.3 a task force on the cost of high deductible health plans; prescribing duties; requiring
1.4 a report; providing appointments; appropriating money; amending Minnesota
1.5 Statutes 2018, sections 62Q.733, subdivision 3; 62Q.735, subdivisions 2, 5.

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

1.7 Section 1. Minnesota Statutes 2018, section 62Q.733, subdivision 3, is amended to read:

1.8 Subd. 3. Health care provider or provider. "Health care provider" or "provider" means
1.9 a physician, chiropractor, dentist, podiatrist, clinic, or other provider as defined under section
1.10 62J.03, other than hospitals, ambulatory surgical centers, or freestanding emergency rooms.

1.11 EFFECTIVE DATE. This section is effective July 1, 2019, and applies to contracts
1.12 entered into, renewed, or amended on or after that date.

1.13 Sec. 2. Minnesota Statutes 2018, section 62Q.735, subdivision 2, is amended to read:

1.14 Subd. 2. Proposed amendments. (a) Any amendment or change in the terms of an
1.15 existing contract between a health plan company and a provider must be disclosed to the
1.16 provider at least 45 days prior to the effective date of the proposed change, with the exception
1.17 of amendments required of the health plan company by law or governmental regulatory
1.18 authority, when notice shall be given to the provider when the requirement is made known
1.19 to the health plan company. If a health plan company fails to provide an amendment or
1.20 change in terms at least 45 days prior to the effective date of the proposed change, the
1.21 proposed amendment or change in terms is not effective until the next contract year.

2.1 (b) Any amendment or change in the contract that alters the fee schedule or materially  
 2.2 alters the written contractual policies and procedures governing the relationship between  
 2.3 the provider and the health plan company must be disclosed to the provider not less than  
 2.4 45 days before the effective date of the proposed change and the provider must have the  
 2.5 opportunity to terminate the contract before the amendment or change is deemed to be in  
 2.6 effect. If a health plan company fails to provide an amendment or change in the contract  
 2.7 that alters the fee schedule or materially alters the written contractual policies and procedures  
 2.8 at least 45 days prior to the effective date of the proposed change, the proposed change in  
 2.9 terms is not effective until the next contract year.

2.10 (c) By mutual consent, evidenced in writing in amendments separate from the base  
 2.11 contract and not contingent on participation, the parties may waive the disclosure  
 2.12 requirements under paragraphs (a) and (b).

2.13 (d) Notwithstanding paragraphs (a) and (b), the effective date of contract termination  
 2.14 shall comply with the terms of the contract when a provider terminates a contract.

2.15 **EFFECTIVE DATE.** This section is effective July 1, 2019, and applies to contracts  
 2.16 entered into, renewed, or amended on or after that date.

2.17 Sec. 3. Minnesota Statutes 2018, section 62Q.735, subdivision 5, is amended to read:

2.18 Subd. 5. **Fee schedules.** (a) A health plan company shall provide, ~~upon request~~ no later  
 2.19 than 45 days before the next contract year's effective date, any additional fees or fee schedules  
 2.20 relevant to the particular provider's practice beyond those provided with the renewal  
 2.21 documents for the next contract year to all participating providers, excluding claims paid  
 2.22 under the pharmacy benefit. Health plan companies may fulfill the requirements of this  
 2.23 section by making the full fee schedules available no later than 45 days before the next  
 2.24 contract year's effective date through a secure web portal for contracted providers. If a health  
 2.25 plan company fails to provide any additional fees or fee schedules at least 45 days before  
 2.26 the next contract year's effective date, the fees on the existing fee schedules are effective  
 2.27 for the next contract year, as increased by the most recently published rates in the Consumer  
 2.28 Price Index for All Urban Consumers for Medical Care Services for the Minneapolis region.

2.29 (b) A dental organization may satisfy paragraph (a) by complying with section 62Q.735,  
 2.30 subdivision 1, paragraph (c).

2.31 **EFFECTIVE DATE.** This section is effective July 1, 2019, and applies to contracts  
 2.32 entered into, renewed, or amended on or after that date.

3.1 Sec. 4. **TASK FORCE ON HIGH DEDUCTIBLE HEALTH PLANS.**

3.2 **Subdivision 1. Establishment.** The task force on high deductible health plans is  
3.3 established to study issues related to the direct and indirect costs, including hidden costs,  
3.4 of high deductible health plans.

3.5 **Subd. 2. Membership; meetings; staff.** (a) The task force is composed of the following  
3.6 ten members, who must be appointed by July 1, 2019, and who serve at the pleasure of their  
3.7 appointing authorities:

3.8 (1) the commissioner of commerce or a designee;

3.9 (2) the commissioner of health or a designee;

3.10 (3) the commissioner of Minnesota Management and Budget or a designee;

3.11 (4) two members of the house of representatives, one appointed by the speaker of the  
3.12 house and one appointed by the minority leader;

3.13 (5) two members of the senate, one appointed by the majority leader and one appointed  
3.14 by the minority leader;

3.15 (6) one person appointed by the Minnesota Council of Health Plans;

3.16 (7) three members appointed by the Minnesota Medical Group Management Association  
3.17 to represent health care providers; and

3.18 (8) one health plan enrollee advocate, appointed by the commissioner of commerce.

3.19 (b) Members of the task force must receive compensation and expense reimbursement  
3.20 as provided under Minnesota Statutes, section 15.059, subdivision 3.

3.21 (c) The commissioner of commerce must convene the task force by August 1, 2019, and  
3.22 must appoint a chair from the membership of the task force. Staffing and technical assistance  
3.23 must be provided by the Department of Commerce.

3.24 **Subd. 3. Duties.** The task force must review and discuss the following issues related to  
3.25 the cost of high deductible health plans:

3.26 (1) initiatives states have taken to address the cost of high deductible health plans to  
3.27 enrollees, health plans, and health care providers;

3.28 (2) initiatives insurers have taken to address the cost of high deductible health plans;

3.29 (3) the costs to health care providers incurred to collect or attempt to collect deductibles  
3.30 and co-pays on high deductible health plans;

4.1 (4) the annual amount of uncollected debt owed health care providers that is attributable  
4.2 to high deductible health plans; and

4.3 (5) possible compensation mechanisms to reimburse health care providers for  
4.4 uncompensated care in the form of uncollectible deductibles and co-pays on high deductible  
4.5 plans.

4.6 Subd. 4. **Report.** By February 1, 2020, the task force must submit to the chairs and  
4.7 ranking minority members of the house of representatives and senate committees and  
4.8 divisions with primary jurisdiction over commerce and transportation its written  
4.9 recommendations, including any draft legislation necessary to implement the  
4.10 recommendations.

4.11 Subd. 5. **Expiration.** The task force expires the day after the report under subdivision  
4.12 4 is submitted, or February 2, 2020, whichever is earlier.

4.13 Sec. 5. **APPROPRIATION.**

4.14 \$..... is appropriated from the general fund to the Department of Commerce to pay the  
4.15 costs of the task force established in section 4.