

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 1105

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DATE	D-PG	OFFICIAL STATUS
02/16/2017	642	Introduction and first reading Referred to Health and Human Services Finance and Policy

1.1 A bill for an act

1.2 relating to human services; requiring the commissioner of human services to

1.3 establish and implement a bundled payment system for perinatal services under

1.4 medical assistance and MinnesotaCare; appropriating money; proposing coding

1.5 for new law in Minnesota Statutes, chapter 256B.

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

1.7 Section 1. **[256B.0759] BUNDLED PAYMENT FOR PERINATAL SERVICES.**

1.8 Subdivision 1. **Implementation.** The commissioner of human services, in cooperation

1.9 with the commissioner of health, shall implement a bundled payment system for perinatal

1.10 services, effective January 1, 2018. The payment system shall apply to medical assistance

1.11 and MinnesotaCare services delivered through managed care plans under section 256B.69,

1.12 county-based purchasing plans under section 256B.692, integrated health partnerships under

1.13 the health care delivery system demonstration project authorized under section 256B.0755,

1.14 and through the medical assistance fee-for-service delivery system.

1.15 Subd. 2. **Establishment of perinatal bundle.** (a) The commissioner of human services

1.16 shall enter into an interagency agreement with the commissioner of health to implement

1.17 this subdivision and subdivision 5.

1.18 (b) The commissioner of health shall define the clinical components of the perinatal

1.19 bundle, develop criteria for accountable entities, and measure the quality of services provided

1.20 by accountable entities.

1.21 (c) The perinatal bundle shall include the standard perinatal services provided during

1.22 pregnancy, labor, and birth; a 60-day postpartum period for the mother; and the first year

1.23 of newborn care. These services shall include hospital and professional services and other

2.1 high-value services and providers, including but not limited to midwives, licensed birth
2.2 centers, and doula care.

2.3 (d) The perinatal bundle episode shall begin with confirmation of pregnancy and initiation
2.4 of prenatal care. To be eligible for bundled payment, the accountable entity must initiate
2.5 care by 20 weeks' gestation. The perinatal bundle episode ends 60 days postpartum for the
2.6 woman and one year postbirth for the infant.

2.7 (e) The target population for payment through the perinatal bundle shall be low-risk
2.8 pregnant women and their infants. The commissioner of health shall use nationally recognized
2.9 criteria to define "low-risk." If a mother who has a stillborn infant or a mother who has an
2.10 infant with lethal anomalies chooses perinatal hospice care, the mother is eligible for services
2.11 paid as part of the perinatal bundle.

2.12 Subd. 3. **Accountable entities.** (a) The commissioner of human services shall contract
2.13 with accountable entities to provide the perinatal bundle for a fixed price to low-risk
2.14 Minnesota health care program recipient mothers and infants. The commissioner shall ensure
2.15 that at least one accountable entity is available to residents of each Minnesota county.

2.16 (b) An accountable entity may be established by a health care provider or health care
2.17 provider group, a hospital or hospital system, a managed care or county-based purchasing
2.18 plan, or an integrated health partnership.

2.19 (c) An accountable entity must:

2.20 (1) be certified by the commissioner of health;

2.21 (2) have the financial resources to accept some degree of financial risk for episodes of
2.22 care; and

2.23 (3) have a consultation relationship with at least one level III perinatal center.

2.24 Subd. 4. **Payment for perinatal bundle; risk pool.** (a) The perinatal bundle payment
2.25 amount shall include the cost of all standard perinatal services. The initial payment amount
2.26 shall equal 85 percent of average payments provided under section 256B.69 for mother-infant
2.27 pairs in 2016. Future perinatal bundle payments shall be set by the commissioner of human
2.28 services based on the most current expenditure data available, and any payment increases
2.29 must not exceed the increase in the Consumer Price Index for All Urban Consumers: Medical
2.30 Care. The commissioner of human services shall make payments to accountable entities
2.31 within six weeks of birth.

2.32 (b) The commissioner of human services shall retain 15 percent of the average payments
2.33 provided under section 256B.69 for mother-infant pairs in 2016, to be administered by the

3.1 commissioner as a separate perinatal risk pool fund. The fund shall be used by the
3.2 commissioner to adjust base payment rates to pay for:

3.3 (1) the care of high-risk pregnancies and newborns;

3.4 (2) nonperinatal health care for the mother; and

3.5 (3) the cost of care that exceeds 250 percent of the perinatal bundle payment rate.

3.6 (c) The commissioner of human services shall adjust capitation payments made under
3.7 sections 256B.69, 256B.692, and 256L.12, and total cost of care payments made to integrated
3.8 health partnerships operating under section 256B.0755, to reflect separate payment for
3.9 perinatal bundles under this section.

3.10 Subd. 5. **Measures of quality and cost.** Accountable entities shall annually report
3.11 perinatal encounter, outcome, and cost data to the commissioners of health and human
3.12 services in the time and format specified by the commissioners. The information must also
3.13 include patient-reported outcomes. The commissioner of health shall develop quality
3.14 scorecards to track and compare the performance of accountable entities. Quality and cost
3.15 information must be made available to the public on the departments of health and human
3.16 services Web sites.

3.17 Subd. 6. **Federal approval and waivers.** The commissioner of human services shall
3.18 seek any necessary federal approvals and waivers necessary to implement this section.

3.19 Sec. 2. **APPROPRIATION.**

3.20 \$..... in fiscal year 2018 is appropriated from the general fund to the commissioner of
3.21 human services to implement Minnesota Statutes, section 256B.0759. Of this amount, \$.....
3.22 is for the commissioner of human services to enter into an interagency agreement with the
3.23 commissioner of health. The unencumbered balance in the first year does not cancel but is
3.24 available for the second year.