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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2824

04/05/2019 Authored by Haley and Schomacker 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 insurance; authorizing a health carrier to offer a reference-based pricing
1.3 health plan in the individual and small group markets; proposing coding for new
1.4 law in Minnesota Statutes, chapter 62K.

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

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

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

1.10 Subd. 2. Provider participation. (a) An enrollee of a reference-based pricing health
1.11 plan may access any health care provider who has agreed to a reimbursement rate specified
1.12 in this section and any other terms and conditions offered by the health carrier. Any terms
1.13 and conditions offered by the health carrier must be the same for all health care providers
1.14 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.

1.19 Subd. 3. Reimbursement rates. (a) The reimbursement rates offered to providers who
1.20 agree to participate in a reference-based pricing health plan must be based on a percentage
1.21 relative to the rates defined by the most recent Medicare reimbursement schedules as
1.22 promulgated by the Centers for Medicare and Medicaid Services.

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

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

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

2.10 Subd. 4. **Conditions.** (a) Nothing in this section requires a provider to participate in a
2.11 reference-based pricing health plan. No health carrier shall require, as a condition of
2.12 participation in any other health plan, product, or other arrangement offered by the health
2.13 carrier, that the provider participate in a reference-based pricing health plan.

2.14 (b) Nothing in this section shall be construed to require a health carrier to provide
2.15 coverage for a service or treatment that is not covered under the enrollee's health plan.

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

2.19 Subd. 5. **Definitions.** For purposes of this section, "provider" has the meaning given in
2.20 section 62J.03, subdivision 8.