State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2826

03/06/2014 Authored by Liebling, Franson, Schomacker, Fritz and Johnson, C.,
The bill was read for the first time and referred to the Committee on Health and Human Services Policy

A bill for an act

relating to health; defining county roles and options in the purchasing of health care for people enrolled in Minnesota health care programs; amending Minnesota Statutes 2012, sections 256B.69, subdivisions 3a, 3b; 256B.692, subdivision 1; Minnesota Statutes 2013 Supplement, section 256B.0756.

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

Section 1. Minnesota Statutes 2013 Supplement, section 256B.0756, is amended to read:

256B.0756 HENNEPIN AND RAMSEY COUNTIES PILOT PROGRAM.

(a) The commissioner, upon federal approval of a new waiver request or amendment of an existing demonstration, may establish a pilot program in Hennepin County or Ramsey County, or both, to test alternative and innovative integrated health care delivery networks.

(b) Individuals eligible for the pilot program shall be individuals who are eligible for medical assistance under section 256B.055 and who reside in Hennepin County or Ramsey County. The commissioner may identify individuals to be enrolled in the Hennepin County pilot program based on zip code in Hennepin County or whether the individuals would benefit from an integrated health care delivery network.

(c) Individuals enrolled in the pilot program shall be enrolled in an integrated health care delivery network in their county of residence. The integrated health care delivery network in Hennepin County shall be a network, such as an accountable care organization or a community-based collaborative care network, created by or including Hennepin County Medical Center. The integrated health care delivery network in Ramsey County shall be a network, such as an accountable care organization or community-based collaborative care network, created by or including Regions Hospital.

(d) In developing a payment system for the pilot programs, the commissioner shall establish a total cost of care for the recipients enrolled in the pilot programs that equals the cost of care that would otherwise be spent for these enrollees in the prepaid medical assistance program.

(e) The commissioner shall apply to the federal government for, or as appropriate, cooperate with counties, providers, or other entities that are applying for any applicable grant or demonstration under the Patient Protection and Affordable Health Care Act, Public Law 111-148, or the Health Care and Education Reconciliation Act of 2010, Public Law 111-152, that would further the purposes of or assist in the creation of an integrated health care delivery network for the purposes of this subdivision, including, but not limited to, a global payment demonstration or the community-based collaborative care network grants.

(f) Effective July 1, 2014, the commissioner may expand the pilot program under this section to be available to any other county or group of counties for any categories of persons enrolled in Minnesota health care programs, if the county or group of counties meets the applicable requirements for a pilot project under this section.

Sec. 2. Minnesota Statutes 2012, section 256B.69, subdivision 3a, is amended to read:

Subd. 3a. **County authority.** (a) The commissioner, when implementing the medical assistance prepayment program or an accountable care program within a county, must include the county board in the process of development, approval, and issuance of the request for proposals to provide services to eligible individuals within the proposed county. County boards must be given reasonable opportunity to make recommendations regarding the development, issuance, review of responses, and changes needed in the request for proposals. The commissioner must provide county boards the opportunity to review each proposal based on the identification of community needs under chapters 145A and 256E and county advocacy activities. If a county board finds that a proposal does not address certain community needs, the county board and commissioner shall continue efforts for improving the proposal and network prior to the approval of the contract. The county board shall make recommendations regarding the approval of local networks and their operations to ensure adequate availability and access to covered services. The ~~provider or~~ health plan or accountable entity must respond directly to county advocates and the state prepaid medical assistance ombudsperson regarding service delivery and must be accountable to the state regarding contracts with medical assistance funds. The county board may recommend a maximum number of participating health plans and accountable entities after considering the size of the enrolling population; ensuring adequate access and capacity; considering the client and county administrative

complexity; and considering the need to promote the viability of locally developed health plans. The county board or a single entity representing a group of county boards and the commissioner shall mutually select health plans or accountable entities for participation at the time of initial implementation of the prepaid medical assistance program or accountable care program in that county or group of counties and at the time of contract renewal. The commissioner shall also seek input for contract requirements from the county or single entity representing a group of county boards at each contract renewal and incorporate those recommendations into the contract negotiation process.

(b) At the option of the county board, the board may develop contract requirements related to the achievement of local public health goals to meet the health needs of medical assistance enrollees. These requirements must be reasonably related to the performance of health plan or accountable entity functions and within the scope of the medical assistance benefit set. If the county board and the commissioner mutually agree to such requirements, the department shall include such requirements in all health plan or accountable entity contracts ~~governing the prepaid medical assistance program~~ in that county at initial implementation of the program in that county and at the time of contract renewal. The county board may participate in the enforcement of the contract provisions related to local public health goals.

(c) For counties in which a prepaid medical assistance program or accountable care program has not been established, the commissioner shall not implement that program in that county if a county board or group of counties submits an acceptable and timely ~~preliminary and final~~ proposal under section 256B.692, or to become an accountable entity operating another type of accountable care program until county-based purchasing or the other accountable care program is no longer operational in that county. For counties in which a prepaid medical assistance program or accountable care program is in existence on or after September 1, 1997, the commissioner must terminate contracts with health plans according to section 256B.692, subdivision 5, or with other accountable entities if the county board submits and the commissioner accepts a preliminary and final proposal ~~according to that subdivision~~. The commissioner is not required to terminate contracts that begin on or after September 1, 1997, according to section 256B.692 until two years have elapsed from the date of initial enrollment.

(d) In the event that a county board or a single entity representing a group of county boards and the commissioner cannot reach agreement regarding: (i) the selection of participating health plans or accountable entities in that county; (ii) contract requirements; or (iii) implementation and enforcement of county requirements including provisions regarding local public health goals, the commissioner shall resolve all disputes after taking

into account the recommendations of a three-person mediation panel. The panel shall be composed of one designee of the president of the association of Minnesota counties, one designee of the commissioner of human services, and one person selected jointly by the designee of the commissioner of human services and the designee of the Association of Minnesota Counties. Within a reasonable period of time before the hearing, the panelists must be provided all documents and information relevant to the mediation. The parties to the mediation must be given 30 days' notice of a hearing before the mediation panel.

(e) If a county which elects to implement county-based purchasing or other accountable care program ceases to implement ~~county-based purchasing~~ the program, it is prohibited from assuming the responsibility of county-based purchasing or other accountable entity for a period of five years from the date it discontinues purchasing.

(f) The commissioner shall not require that contractual disputes between county-based purchasing entities and the commissioner be mediated by a panel that includes a representative of the Minnesota Council of Health Plans.

(g) At the request of a county-purchasing entity, the commissioner shall adopt a contract reprocurement or renewal schedule under which all counties included in the entity's service area are reprocured or renewed at the same time.

(h) The commissioner shall provide a written report under section 3.195 to the chairs of the legislative committees having jurisdiction over human services in the senate and the house of representatives describing in detail the activities undertaken by the commissioner to ensure full compliance with this section. The report must also provide an explanation for any decisions of the commissioner not to accept the recommendations of a county or group of counties required to be consulted under this section. The report must be provided at least 30 days prior to the effective date of a new or renewed prepaid or managed care contract in a county.

(i) For purposes of this subdivision and subdivision 3b, the following terms have the meanings given:

(1) "accountable care program" means a health care delivery systems demonstration project under section 256B.0755, a county-integrated care delivery network under section 256B.0756, an accountable community for health project authorized by the Center for Medicare and Medicaid Services Innovation Center under a state innovation model grant, or a county-based purchasing plan under section 256B.692; and

(2) "accountable entity" means the health care delivery system, provider, network, government entity, or other entity that is proposing or operating an accountable care program.

Sec. 3. Minnesota Statutes 2012, section 256B.69, subdivision 3b, is amended to read:

Subd. 3b. **Provision of data to county boards.** The commissioner, in consultation with representatives of county boards of commissioners, shall identify program information and data necessary on an ongoing basis for county boards to: (1) make recommendations to the commissioner related to state purchasing under the prepaid medical assistance program or an accountable care program; and (2) effectively develop or administer county-based purchasing or other form of accountable care program. This information and data must include, but is not limited to, county-specific, individual-level fee-for-service and prepaid health plan claims information.

Sec. 4. Minnesota Statutes 2012, section 256B.692, subdivision 1, is amended to read:

Subdivision 1. **In general.** (a) County boards or groups of county boards may elect to purchase or provide health care services on behalf of persons eligible for medical assistance who would otherwise be required to or may elect to participate in the prepaid medical assistance program according to section 256B.69. Counties that elect to purchase or provide health care under this section must provide all services included in prepaid managed care programs according to section 256B.69, subdivisions 1 to 22. County-based purchasing under this section is governed by section 256B.69, unless otherwise provided for under this section. County-based purchasing programs integrate medical care with public health and social services, create provider incentives based on total cost of care, facilitate information exchange for care coordination, and contribute to other health care reform goals. The state shall recognize and work with county-based purchasing programs as local government agents and partners when developing and implementing health care reforms and changes that directly affect the enrolled recipients for whom the programs are accountable.

(b) County boards or groups of county boards may elect to establish a health care delivery system demonstration project under section 256B.0755, or a county health care delivery network under section 256B.0756. Projects established under this paragraph are governed by the requirements established by the commissioner under section 256B.0755 or 256B.0756, respectively, and are not subject to the requirements of this section.

(c) County boards or groups of county boards may elect to establish accountable communities for health as authorized under the state innovation model demonstration project established with the Center for Medicare and Medicaid Services Innovation Center. Projects established under this paragraph are governed by the requirements established by the commissioner for accountable communities for health and are not subject to the other requirements of this section.

(d) The commissioner and the commissioner of health shall implement this section in a manner appropriate to a state-county relationship as distinguished from a state contract with a private vendor, and shall take into consideration the higher level of public transparency and accountability inherent in a governmental organization that is governed by elected officials. To the extent possible, the commissioner shall waive or modify regulations, requirements, and mandated reports that are inappropriate, duplicative, or unnecessary as applied to counties or groups of counties due to the existence of other laws and regulations governing accountability, solvency, reporting, availability of information, and other matters for governmental entities.