A bill for an act

relating to health; requiring the commissioners of health and human services to develop and implement certification standards for obstetric health care homes; requiring the commissioners to provide payments for the coordination of obstetric services; authorizing rulemaking; amending Minnesota Statutes 2008, sections 256B.0751, subdivisions 3, 7, by adding a subdivision; 256B.0752, subdivision 2; 256B.0753, subdivisions 1, 2.

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

Section 1. Minnesota Statutes 2008, section 256B.0751, is amended by adding a subdivision to read:

Subd. 2a. **Development and implementation of standards for obstetric health care homes.** (a) By July 1, 2010, the commissioners of health and human services shall develop and implement standards of certification for obstetric health care homes for state health care programs. The standards must be based on and compatible with the standards for certification of health care homes developed under subdivision 2. In addition, the standards developed by the commissioners must:

(1) encourage and remove barriers to the use of certified nurse midwives;

(2) require obstetric health care homes to establish package prices under section 62U.05, subdivision 2, for the obstetric basket of care defined by the commissioner under section 62U.05, subdivision 1;

(3) encourage the use of birthing center units within, attached to, or within close proximity to hospitals that provide obstetrical care; and

(4) require the coordination of care provided by obstetric health care homes with care provided by other health care homes.

(b) In developing these standards, the commissioners shall consider existing standards developed by national independent accrediting and medical home organizations, and shall consult with national and local organizations working on obstetric health care home models, physicians specializing in family practice, obstetrics, and maternal fetal medicine, certified nurse midwives, licensed traditional midwives, relevant state agencies, health plan companies, hospitals and other providers, and patients and patient advocates.

(c) For purposes of developing and implementing these standards, the commissioners may use the expedited rulemaking process under section 14.389.

Sec. 2. Minnesota Statutes 2008, section 256B.0751, subdivision 3, is amended to read:

Subd. 3. **Requirements for clinicians certified as health care homes.** (a) A personal clinician or a primary care clinic may be certified as a health care home. If a primary care clinic is certified, all of the primary care clinic's clinicians must meet the criteria of a health care home. In order to be certified as a health care home, a clinician or clinic must meet the standards set by the commissioners in accordance with this section. Certification as a health care home is voluntary. In order to maintain their status as health care homes, clinicians or clinics must renew their certification annually.

(b) Clinicians or clinics certified as health care homes must offer their health care home services to all their patients with complex or chronic health conditions or who are pregnant, who are interested in participation.

(c) Health care homes must participate in the health care home collaborative established under subdivision 5.

Sec. 3. Minnesota Statutes 2008, section 256B.0751, subdivision 7, is amended to read:

Subd. 7. **Outreach.** Beginning July 1, 2009, the commissioner shall encourage state health care program enrollees who have a complex or chronic condition, and by July 1, 2010, shall encourage state health care program enrollees who are pregnant, to select a primary care clinic with clinicians who have been certified as health care homes.

Sec. 4. Minnesota Statutes 2008, section 256B.0752, subdivision 2, is amended to read:

Subd. 2. **Evaluation reports.** The commissioners shall provide to the legislature comprehensive evaluations of the health care home model three years and five years after implementation. The report must include:

(1) the number of state health care program enrollees in health care homes and the number and characteristics of enrollees with complex or chronic conditions or who are pregnant, identified by income, race, ethnicity, and language;

(2) the number and geographic distribution of health care home providers;

(3) the performance and quality of care of health care homes;

(4) measures of preventive care;

(5) health care home payment arrangements, and costs related to implementation and payment of care coordination fees;

(6) the estimated impact of health care homes on health disparities; and

(7) estimated savings from implementation of the health care home model for the fee-for-service, managed care, and county-based purchasing sectors.

Sec. 5. Minnesota Statutes 2008, section 256B.0753, subdivision 1, is amended to read:

Subdivision 1. **Development.** The commissioner of human services, in coordination with the commissioner of health, shall develop a payment system that provides per-person care coordination payments to health care homes certified under section 256B.0751 for providing care coordination services and directly managing on-site or employing care coordinators. The care coordination payments under this section are in addition to the quality incentive payments in section 256B.0754, subdivision 1. The care coordination payment system must vary the fees paid by thresholds of care complexity, with the highest fees being paid for care provided to individuals requiring the most intensive care coordination. In developing the criteria for care coordination payments, the commissioner shall consider the feasibility of including the additional time and resources needed by patients with limited English-language skills, cultural differences, or other barriers to health care. The commissioner may determine a schedule for phasing in care coordination fees such that the fees will be applied first to individuals who have, or are at risk of developing, complex or chronic health conditions. Development of the payment system must be completed by January 1, 2010, except that development of care coordination payments for care provided to pregnant women must be completed by January 1, 2011.

Sec. 6. Minnesota Statutes 2008, section 256B.0753, subdivision 2, is amended to read:

Subd. 2. **Implementation.** The commissioner of human services shall implement care coordination payments as specified under this section by July 1, 2010, or upon federal approval, whichever is later, except that care coordination payments for care provided to pregnant women must be implemented by July 1, 2011, or upon federal approval, whichever is later. For enrollees served under the fee-for-service system, the care coordination payment shall be determined by the commissioner in contracts with certified health care homes. For enrollees served by managed care or county-based

purchasing plans, the commissioner's contracts with these plans shall require the payment of care coordination fees to certified health care homes.