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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **2490**

03/08/2016 Authored by Schultz; Loeffler; Murphy, E.; Mullery; Davnie and others

The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act
1.2 relating to health care; eliminating repeal of the tax on hospitals and health care
1.3 providers; providing a contingent increase in primary care provider payment
1.4 rates; clarifying uses of money in the health care access fund; amending
1.5 Minnesota Statutes 2014, sections 295.52, subdivision 8; 295.581; repealing
1.6 Laws 2011, First Special Session chapter 9, article 6, section 97, subdivision 6.

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

1.8 Section 1. Minnesota Statutes 2014, section 295.52, subdivision 8, is amended to read:

1.9 Subd. 8. **Contingent reduction in tax rate.** (a) By December 1 of each year,
1.10 beginning in ~~2011~~ 2016, the commissioner of management and budget shall determine the
1.11 projected balance in the health care access fund for the biennium.

1.12 (b) If the commissioner of management and budget determines that the projected
1.13 balance in the health care access fund for the biennium reflects a ratio of revenues to
1.14 expenditures and transfers greater than 125 percent, and if the actual cash balance in the
1.15 fund is adequate, as determined by the commissioner of management and budget, the
1.16 commissioner, ~~in consultation with the commissioner of revenue,~~ of human services shall
1.17 ~~reduce the tax rates levied under subdivisions 1, 1a, 2, 3, and 4, for the subsequent calendar~~
1.18 ~~year sufficient to reduce the structural balance in the fund. The rate may be reduced to~~
1.19 ~~the extent that the projected revenues for the biennium do not exceed 125 percent of~~
1.20 ~~expenditures and transfers. The new rate shall be rounded to the nearest one-tenth of one~~
1.21 ~~percent. The rate reduction under this paragraph expires at the end of each calendar year~~
1.22 ~~and is subject to an annual redetermination by the commissioner of management and budget~~
1.23 increase the medical assistance payment rate for physician services that use the evaluation
1.24 and management conversion factor and are provided by a family physician, general
1.25 pediatrician, physician assistant, or advanced practice registered nurse. The rate shall be

increased by the maximum percentage possible to the extent that the total cost of the rate increase reduces the total structural balance of the fund so that the projected revenues are not greater than 125 percent of the expenditures and transfers. Any rate increase under this paragraph is effective for services provided on or after July 1 of the subsequent year through June 30 of the following year. The rate increase is subject to an annual redetermination by the commissioners of management and budget and human services.

~~(e) For purposes of the analysis defined in paragraph (b), the commissioner of management and budget shall include projected revenues, notwithstanding the repeal of the tax imposed under this section effective January 1, 2020.~~

Sec. 2. Minnesota Statutes 2014, section 295.581, is amended to read:

295.581 PROHIBITION ON NON-MINNESOTA CARE TRANSFERS FROM RESTRICTIONS ON USE OF HEALTH CARE ACCESS FUND.

(a) Notwithstanding any law to the contrary, and notwithstanding section 645.33, money in the health care access fund shall be appropriated only for purposes that are consistent with past and current MinnesotaCare appropriations in Laws 1992, chapter 549; Laws 1993, chapter 345; Laws 1994, chapter 625; and Laws 1995, chapter 234, or for initiatives that are part of the section 1115 of the Social Security Act health care reform waiver submitted to the federal Centers for Medicare and Medicaid Services by the commissioner of human services as appropriated in Laws 1995, chapter 234 the purposes of subsidizing health care coverage for eligible low-income Minnesotans; improving the quality of health care services provided to Minnesotans; ensuring geographic access to primary care and other health care services; providing research and analysis related to health care costs, quality, and access; and improving public health and promoting the development of community-based comprehensive strategies to create healthy communities.

(b) The commissioner of management and budget shall determine the annual state cost of providing medical assistance to individuals and families with children who, prior to January 1, 2014, were eligible for the MinnesotaCare program and after January 1, 2014, were eligible for the medical assistance program. The commissioner of management and budget shall annually transfer an amount equal to the cost identified in this paragraph from the health care access fund to the general fund.

Sec. 3. **REPEALER.**

Laws 2011, First Special Session chapter 9, article 6, section 97, subdivision 6, is repealed.

APPENDIX
Repealed Minnesota Session Laws: 16-5577

Laws 2011, First Special Session chapter 9, article 6, section 97, subdivision 6

Sec. 97. REPEALER.

Subd. 6. **MinnesotaCare provider taxes.** Minnesota Statutes 2010, sections 13.4967, subdivision 3; 295.50, subdivisions 1, 1a, 2, 2a, 3, 4, 6, 6a, 7, 9b, 9c, 10a, 10b, 12b, 13, 14, and 15; 295.51, subdivisions 1 and 1a; 295.52, subdivisions 1, 1a, 2, 3, 4, 4a, 5, 6, and 7; 295.53, subdivisions 1, 2, 3, and 4a; 295.54; 295.55; 295.56; 295.57; 295.58; 295.581; 295.582; and 295.59, are repealed effective for gross revenues received after December 31, 2019.