A bill for an act

relating to health; authorizing a computer-based model to assess the impact of health care reform proposals; requiring a study of changes to state budgeting approaches; appropriating money.

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

Section 1. **GLOBAL MODELING OF HEALTH CARE REFORMS.**

Subdivision 1. **Reform modeling tool.** The commissioner of health, in consultation with the commissioners of human services, employee relations, and finance, shall contract with the University of Minnesota to develop a computer-based model that will assess the impact of proposed health care reforms or major health care-related legislation on all sectors of the health care system, including public health, public and private health insurance coverage, long-term and continuing care, programs for persons with disabilities, social services and other sectors related to Minnesotans' health, and health care. The model must be:

(1) developed by a consortium of researchers, actuaries, health care financial analysts, computer analysts, and policy experts with safeguards to make sure that the model and its assumptions and formulas are based on valid and objective data, research, and expert opinions;

(2) designed to enable policy makers and state agencies to enter into the model and access each component of health care reform including health care home, payment reforms, population-wide prevention, and coverage for the uninsured and determine the short-term and long-term impact on health insurance premiums, health status of Minnesotans, incidence of chronic disease, and government program costs;

(3) capable of assessing the interaction of different legislative and policy changes to determine the net affect on costs, access, and health status within sectors of the health care system, and the net overall impact across all sectors;

(4) designed to identify risks of unpredictable or unintended consequences, cost-shifting between or within sectors of the health care system, and opportunities to make changes in one sector that will produce a benefit to other sectors; and

(5) capable of being adjusted based on both the proposed changes and the resulting impact in the following areas:

(i) insured status of Minnesotans, including both public and private health coverage;

(ii) health status of Minnesotans, including the incidence of chronic disease and risk factors such as obesity and smoking;

(iii) utilization of preventive care services such as screenings, immunizations, and physical examinations;

(iv) costs and cost distribution, including costs to individuals and families for premiums, co-payments, deductibles, and other direct costs; costs to Minnesota businesses for employee health benefits and other health-related costs; and government costs for health coverage for public programs, public employees, public health programs, long-term and continuing care programs, and social services; and

(v) total cost of health care and health-related services, both public and private.

Subd. 2. **Fiscal notes on health care reform legislation.** (a) The commissioner of finance shall use the computer modeling tool and other information to:

(1) conduct a global impact assessment of major health policy changes proposed in legislation;

(2) describe the impact of the proposed legislation; and

(3) quantify the costs and savings:

(i) in every part of the state's budget, including state health care programs, public employee costs, long-term care and continuing care programs, and other health care and social services programs; and

(ii) on local government budgets and private health insurance premiums, and on the out-of-pocket expenses individuals pay for health care and taxes.

(b) The commissioner, in consultation with the chairs of the senate and house health care finance committees, shall develop recommendations for the governor and the legislature on changes to state budgeting approaches and legislative processes that will bridge across traditional budget boundaries in order to both assess the impact of proposed legislative changes across these boundaries and to allow the reallocation of resources across boundaries. These approaches should also cover a time period longer than the

existing two-year budgeting cycle so that longer term return-on-investment projections can be considered when making short-term budget decisions.

Sec. 2. **APPROPRIATION.**

$300,000 is appropriated from the health care access fund to the commissioner of health for the fiscal year ending June 30, 2009, for the costs of developing and using the health reform modeling tool under section 1, subdivision 1.