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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **102**

01/09/2017 Authored by Zerwas
The bill was read for the first time and referred to the Committee on Health and Human Services Reform
01/30/2017 Adoption of Report: Amended and re-referred to the Committee on Health and Human Services Finance

1.1 A bill for an act
1.2 relating to human services; modifying an intergovernmental transfer related to
1.3 ambulance services; amending Minnesota Statutes 2016, section 256B.196,
1.4 subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2016, section 256B.196, subdivision 2, is amended to read:

1.7 Subd. 2. **Commissioner's duties.** (a) For the purposes of this subdivision and subdivision
1.8 3, the commissioner shall determine the fee-for-service outpatient hospital services upper
1.9 payment limit for nonstate government hospitals. The commissioner shall then determine
1.10 the amount of a supplemental payment to Hennepin County Medical Center and Regions
1.11 Hospital for these services that would increase medical assistance spending in this category
1.12 to the aggregate upper payment limit for all nonstate government hospitals in Minnesota.
1.13 In making this determination, the commissioner shall allot the available increases between
1.14 Hennepin County Medical Center and Regions Hospital based on the ratio of medical
1.15 assistance fee-for-service outpatient hospital payments to the two facilities. The commissioner
1.16 shall adjust this allotment as necessary based on federal approvals, the amount of
1.17 intergovernmental transfers received from Hennepin and Ramsey Counties, and other factors,
1.18 in order to maximize the additional total payments. The commissioner shall inform Hennepin
1.19 County and Ramsey County of the periodic intergovernmental transfers necessary to match
1.20 federal Medicaid payments available under this subdivision in order to make supplementary
1.21 medical assistance payments to Hennepin County Medical Center and Regions Hospital
1.22 equal to an amount that when combined with existing medical assistance payments to
1.23 nonstate governmental hospitals would increase total payments to hospitals in this category
1.24 for outpatient services to the aggregate upper payment limit for all hospitals in this category

2.1 in Minnesota. Upon receipt of these periodic transfers, the commissioner shall make
2.2 supplementary payments to Hennepin County Medical Center and Regions Hospital.

2.3 (b) For the purposes of this subdivision and subdivision 3, the commissioner shall
2.4 determine an upper payment limit for physicians and other billing professionals affiliated
2.5 with Hennepin County Medical Center and with Regions Hospital. The upper payment limit
2.6 shall be based on the average commercial rate or be determined using another method
2.7 acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall
2.8 inform Hennepin County and Ramsey County of the periodic intergovernmental transfers
2.9 necessary to match the federal Medicaid payments available under this subdivision in order
2.10 to make supplementary payments to physicians and other billing professionals affiliated
2.11 with Hennepin County Medical Center and to make supplementary payments to physicians
2.12 and other billing professionals affiliated with Regions Hospital through HealthPartners
2.13 Medical Group equal to the difference between the established medical assistance payment
2.14 for physician and other billing professional services and the upper payment limit. Upon
2.15 receipt of these periodic transfers, the commissioner shall make supplementary payments
2.16 to physicians and other billing professionals affiliated with Hennepin County Medical Center
2.17 and shall make supplementary payments to physicians and other billing professionals
2.18 affiliated with Regions Hospital through HealthPartners Medical Group.

2.19 (c) Beginning January 1, 2010, Hennepin County and Ramsey County may make monthly
2.20 voluntary intergovernmental transfers to the commissioner in amounts not to exceed
2.21 \$12,000,000 per year from Hennepin County and \$6,000,000 per year from Ramsey County.
2.22 The commissioner shall increase the medical assistance capitation payments to any licensed
2.23 health plan under contract with the medical assistance program that agrees to make enhanced
2.24 payments to Hennepin County Medical Center or Regions Hospital. The increase shall be
2.25 in an amount equal to the annual value of the monthly transfers plus federal financial
2.26 participation, with each health plan receiving its pro rata share of the increase based on the
2.27 pro rata share of medical assistance admissions to Hennepin County Medical Center and
2.28 Regions Hospital by those plans. Upon the request of the commissioner, health plans shall
2.29 submit individual-level cost data for verification purposes. The commissioner may ratably
2.30 reduce these payments on a pro rata basis in order to satisfy federal requirements for actuarial
2.31 soundness. If payments are reduced, transfers shall be reduced accordingly. Any licensed
2.32 health plan that receives increased medical assistance capitation payments under the
2.33 intergovernmental transfer described in this paragraph shall increase its medical assistance
2.34 payments to Hennepin County Medical Center and Regions Hospital by the same amount
2.35 as the increased payments received in the capitation payment described in this paragraph.

3.1 (d) For the purposes of this subdivision and subdivision 3, the commissioner shall
3.2 determine an upper payment limit for ambulance services affiliated with Hennepin County
3.3 Medical Center and the city of St. Paul, and ambulance services owned and operated by
3.4 another governmental entity that chooses to participate by requesting the commissioner to
3.5 determine an upper payment limit. The upper payment limit shall be based on the average
3.6 commercial rate or be determined using another method acceptable to the Centers for
3.7 Medicare and Medicaid Services. The commissioner shall inform Hennepin County ~~and,~~
3.8 the city of St. Paul, and other participating governmental entities of the periodic
3.9 intergovernmental transfers necessary to match the federal Medicaid payments available
3.10 under this subdivision in order to make supplementary payments to Hennepin County
3.11 Medical Center ~~and,~~ the city of St. Paul, and other participating governmental entities equal
3.12 to the difference between the established medical assistance payment for ambulance services
3.13 and the upper payment limit. Upon receipt of these periodic transfers, the commissioner
3.14 shall make supplementary payments to Hennepin County Medical Center ~~and,~~ the city of
3.15 St. Paul, and other participating governmental entities. A tribal government that owns and
3.16 operates an ambulance service is not eligible to participate under this subdivision.

3.17 (e) The commissioner shall inform the transferring governmental entities on an ongoing
3.18 basis of the need for any changes needed in the intergovernmental transfers in order to
3.19 continue the payments under paragraphs (a) to (d), at their maximum level, including
3.20 increases in upper payment limits, changes in the federal Medicaid match, and other factors.

3.21 (f) The payments in paragraphs (a) to (d) shall be implemented independently of each
3.22 other, subject to federal approval and to the receipt of transfers under this subdivision and
3.23 subdivision 3.

3.24 **EFFECTIVE DATE.** This section is effective July 1, 2017, or upon federal approval,
3.25 whichever is later. The commissioner of human services shall notify the revisor of statutes
3.26 when federal approval is received.