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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 1739

02/27/2017 Authored by Zerwas; Dean, M.; Schomacker; Flanagan and Albright
The bill was read for the first time and referred to the Committee on Health and Human Services Reform
03/13/2017 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; setting requirements for competitive bidding and
1.3 managed care procurement; amending Minnesota Statutes 2016, section 256B.69,
1.4 by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2016, section 256B.69, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 36. Competitive bidding and procurement. (a) For managed care organization
1.9 contracts effective on or after January 1, 2019, the commissioner shall utilize a competitive
1.10 price bidding program on a regional basis for nonelderly adults and children, who are not
1.11 eligible on the basis of a disability and are enrolled in medical assistance and MinnesotaCare.
1.12 If the commissioner utilizes a competitive price bidding program, the commissioner shall
1.13 establish a minimum of four geographic regions in the state. The commissioner shall
1.14 implement separate competitive price bidding for each of the geographic regions. The
1.15 program shall allow a minimum of three managed care organizations to serve each
1.16 metropolitan statistical area, unless the commissioner determines the potential enrollment
1.17 in a particular county within a metropolitan statistical area can be adequately served by only
1.18 two managed care organizations. The commissioner shall allow a minimum of two managed
1.19 care organizations to serve areas of the state that are not part of a metropolitan statistical
1.20 area. For purposes of this subdivision, "managed care organization" means a demonstration
1.21 provider as defined in subdivision 2, paragraph (b).

1.22 (b) County board resolutions identifying managed care organization preferences must
1.23 explicitly be given scoring weight in the procurement process. The commissioner shall
1.24 specify in the request for proposals the scoring weight that will be given to county board

2.1 resolutions. County boards may identify priority areas for managed care organizations to  
2.2 address in the proposals. The request for proposals must list these priority areas for each  
2.3 county and specify the scoring weight that will be assigned to addressing priority areas.

2.4 (c) If a best and final offer is requested, each responding managed care organization  
2.5 must be offered the opportunity to submit a best and final offer.

2.6 (d) The commissioner, when evaluating proposals, shall consider network adequacy for  
2.7 dental and other services.

2.8 (e) Notwithstanding sections 13.591 and 13.599, after the managed care organizations  
2.9 are notified about the award determination, but before contracts are signed, the commissioner  
2.10 shall provide each managed care organization with its own scoring sheet and supporting  
2.11 information. The scoring sheet shall not be made available to other managed care  
2.12 organizations until final contracts are signed.

2.13 (f) A managed care organization that is aggrieved by the commissioner's decision related  
2.14 to the selection of managed care organizations to deliver services in a county or counties  
2.15 may appeal the commissioner's decision using the contested case procedures in sections  
2.16 14.57 to 14.62. A contested case proceeding must be initiated within 60 days after the date  
2.17 on which the commissioner notifies the managed care organization that the managed care  
2.18 organization was not awarded a contract or service area. After considering the appeal, the  
2.19 administrative law judge must either uphold or modify the commissioner's selection of  
2.20 managed care organizations. The decision of the administrative law judge constitutes the  
2.21 final decision regarding the selection of managed care organizations to serve a county or  
2.22 counties. A party aggrieved by the administrative law judge's decision may seek judicial  
2.23 review of the decision as provided in chapter 14.

2.24 (g) The commissioner shall contract for an independent evaluation of the competitive  
2.25 price bidding process. The contractor must solicit recommendations from all parties  
2.26 participating in the competitive price bidding process for service delivery in calendar year  
2.27 2019 on how the competitive price bidding process may be improved for service delivery  
2.28 in calendar year 2020 and annually thereafter. The commissioner shall make evaluation  
2.29 results available to the public on the department's Web site.