State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2241

02/13/2012 Authored by Laine, Abeler, Davids, Thissen, Liebling and others
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

A bill for an act

relating to health; requiring certain changes in managed care plan financial reporting; requiring an annual independent third-party audit; amending Minnesota Statutes 2011 Supplement, section 256B.69, subdivision 9c.

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

Section 1. Minnesota Statutes 2011 Supplement, section 256B.69, subdivision 9c, is amended to read:

Subd. 9c. **Managed care financial reporting.** (a) The commissioner shall collect detailed data regarding financials, provider payments, provider rate methodologies, and other data as determined by the commissioner and managed care and county-based purchasing plans that are required to be submitted under this section. The commissioner, in consultation with the commissioners of health and commerce, and in consultation with managed care plans and county-based purchasing plans, shall set uniform criteria, definitions, and standards for the data to be submitted, and shall require managed care and county-based purchasing plans to comply with these criteria, definitions, and standards when submitting data under this section. In carrying out the responsibilities of this subdivision, the commissioner shall ensure that the data collection is implemented in an integrated and coordinated manner that avoids unnecessary duplication of effort. To the extent possible, the commissioner shall use existing data sources and streamline data collection in order to reduce public and private sector administrative costs. Nothing in this subdivision shall allow release of information that is nonpublic data pursuant to section 13.02.

(b) Each managed care and county-based purchasing plan must annually provide to the commissioner the following information on state public programs, in the form

and manner specified by the commissioner, according to guidelines developed by the commissioner in consultation with managed care plans and county-based purchasing plans under contract:

(1) administrative expenses by category and subcategory consistent with administrative expense reporting to other state and federal regulatory agencies, by program;

(2) revenues by program, including investment income;

(3) nonadministrative service payments, provider payments, and reimbursement rates by provider type or service category, by program, paid by the managed care plan under this section or the county-based purchasing plan under section 256B.692 to providers and vendors for administrative services under contract with the plan, including but not limited to:

(i) individual-level provider payment and reimbursement rate data;

(ii) provider reimbursement rate methodologies by provider type, by program, including a description of alternative payment arrangements and payments outside the claims process;

(iii) data on implementation of legislatively mandated provider rate changes; and

(iv) individual-level provider payment and reimbursement rate data and plan-specific provider reimbursement rate methodologies by provider type, by program, including alternative payment arrangements and payments outside the claims process, provided to the commissioner under this subdivision are nonpublic data as defined in section 13.02;

(4) data on the amount of reinsurance or transfer of risk by program; and

(5) contribution to reserve, by program.

(c) In the event a report is published or released based on data provided under this subdivision, the commissioner shall provide the report to managed care plans and county-based purchasing plans 30 days prior to the publication or release of the report. Managed care plans and county-based purchasing plans shall have 30 days to review the report and provide comment to the commissioner.

(d) The commissioner shall require, in the request for bids and the resulting contracts for coverage to be provided under this section, that each managed care and county-based purchasing plan submit to and fully cooperate with an annual independent third-party financial audit of the information required under paragraph (b). For purposes of this paragraph, "independent third party" means that the audit must be conducted by a firm that performs audits only for governmental entities and does not provide or receive, and has not provided or received, payment for actuarial, auditing, accounting, or other services provided by the firm, or by any affiliate of the firm, to a managed care

or county-based purchasing plan, or to any affiliate of either, that is awarded a contract with the commissioner under this section.

(e) The commissioner shall not contract, for purposes of this section, with a firm that provides consulting or other services to a participating managed care or county-based purchasing plan, regardless of whether the consulting services are related to health care provided under this section.

(f) A managed care plan or county-based purchasing plan that provides services under this section shall provide complete real-time encounter and claims data at the granular or source level regarding those services to the commissioner and shall, upon request of the commissioner, promptly provide the commissioner and the independent third-party auditing firm with auditable proof that the encounters and claims are occurring as reported.

(g) Contracts awarded under this section to a managed care or county-based purchasing plan must provide that the commissioner and the contracted auditor shall have unlimited access to any and all data required to complete the audit and that this access shall be enforceable in a court of competent jurisdiction through the process of injunctive or other appropriate relief.

(h) No actuary or actuarial firm providing actuarial services to the commissioner in connection with this subdivision shall provide services to any managed care or county-based purchasing plan participating in this subdivision during the term of the actuary's work for the commissioner under this subdivision.

(i) The actuary or actuarial firm referenced in paragraph (h) shall certify and attest to the rates paid to managed care plans and county-based purchasing plans under this section, and the certification and attestation must be auditable.

(j) The independent third-party audit shall include a determination of compliance with the federal Medicaid rate certification process.

(k) The commissioner's contract with the independent third-party auditing firm shall be designed and administered so as to render the independent third-party audit eligible for a federal subsidy if available for that purpose.

(l) Upon completion of the audit, and its receipt by the commissioner, the commissioner shall provide copies of the audit report to the legislative auditor, the attorney general, and the chairs of the health finance committees of the legislature.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to contracts, and the contracting process, for contracts that are effective January 1, 2013, and thereafter.