

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 1492

(SENATE AUTHORS: BENSON, Abeler and Eaton)

DATE	D-PG	OFFICIAL STATUS
02/27/2017	793	Introduction and first reading
		Referred to Health and Human Services Finance and Policy
03/15/2017		Comm report: To pass as amended and re-refer to State Government Finance and Policy and Elections

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 a managed care organization

1.9 contract effective on or after January 1, 2019, the commissioner may utilize a competitive

1.10 price bidding program on a regional basis for nonelderly, nondisabled adults and children

1.11 enrolled in medical assistance and MinnesotaCare. The commissioner shall establish four

1.12 geographic regions in the state and shall implement competitive price bidding for the

1.13 geographic regions. The program must allow a minimum of three managed care organizations

1.14 to serve each metropolitan statistical area and may allow two plans to serve areas of the

1.15 state that are not part of a metropolitan statistical area. For purposes of this subdivision,

1.16 "managed care organization" means a demonstration provider as defined in subdivision 2,

1.17 paragraph (b).

1.18 (b) County board resolutions identifying managed care organization preferences must

1.19 be explicitly given scoring weight in the procurement process. The commissioner shall

1.20 specify in the request for proposals the scoring weight that will be given to county board

1.21 resolutions. County boards may identify priority areas for managed care organizations to

1.22 address in the proposals. The request for proposals must list these priority areas for each

1.23 county and specify the scoring weight that will be assigned to addressing priority areas.

2.1 (c) The request for proposals must specify whether a best and final offer will be requested
2.2 from managed care organizations. If a best and final offer is requested, each responding
2.3 managed care organization must be offered the opportunity to submit a best and final offer.

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

2.6 (e) After the managed care organizations are notified about the award determination,
2.7 but before contracts are signed, the commissioner shall provide each managed care
2.8 organization with its own scoring sheet and related information. The scoring sheet shall not
2.9 be made available to other managed care organizations until final contracts are signed.

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

2.21 (g) The commissioner shall contract for an independent evaluation of the competitive
2.22 price bidding process. The contractor must solicit recommendations from all parties
2.23 participating in the competitive price bidding process for service delivery in calendar year
2.24 2019 on how the competitive price bidding process may be improved for service delivery
2.25 in calendar year 2020 and annually thereafter. The contractor must also annually evaluate
2.26 the performance of managed care organizations selected to deliver services. The annual
2.27 evaluation must evaluate, for service delivery in the previous calendar year, beginning with
2.28 calendar year 2019, various measures of managed care organization quality of care, customer
2.29 service, provider access, and cultural competency and must include risk-adjusted quality
2.30 scores for each managed care organization. The commissioner shall make evaluation results
2.31 available to the public on the department's Web site.