

**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	1473a	Comm report: To pass as amended and re-refer to State Government Finance and Policy and Elections
03/20/2017		Comm report: To pass as amended and re-refer to Health and Human Services Finance and Policy

- 1.1 A bill for an act
- 1.2 relating to human services; establishing legislative commission on managed care;
- 1.3 requiring a report.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. **LEGISLATIVE COMMISSION ON MANAGED CARE.**
- 1.6 **Subdivision 1. Establishment.** (a) A legislative commission is created to study and
- 1.7 make recommendations to the legislature on issues relating to the competitive bidding
- 1.8 program and procurement process for the medical assistance and MinnesotaCare contracts
- 1.9 with managed care organizations for nonelderly, nondisabled adults and children enrollees.
- 1.10 (b) For purposes of this section, "managed care organization" means a demonstration
- 1.11 provider as defined under Minnesota Statutes, section 256B.69, subdivision 2.
- 1.12 **Subd. 2. Membership.** (a) The commission consists of:
- 1.13 (1) four members of the senate, two members appointed by the senate majority leader
- 1.14 and two members appointed by the senate minority leader;
- 1.15 (2) four members of the house of representatives, two members appointed by the speaker
- 1.16 of the house and two members appointed by the minority leader; and
- 1.17 (3) the commissioner of human services or the commissioner's designee.
- 1.18 (b) The ranking senator from the majority party appointed to the commission shall
- 1.19 convene the first meeting no later than September 1, 2017.
- 1.20 (c) The commission shall elect a chair among its members at the first meeting.

2.1 Subd. 3. Staff. The commissioner of human services shall provide staff and administrative  
2.2 and research services, as needed, to the commission.

2.3 Subd. 4. Duties. (a) The commission shall study, review, and make recommendations  
2.4 on the competitive bidding process for the managed care contracts that provide services to  
2.5 the nonelderly, nondisabled adults and children enrolled in medical assistance and  
2.6 MinnesotaCare. When reviewing the competitive bidding process, the commission shall  
2.7 consider and make recommendations on the following:

2.8 (1) the number of geographic regions to be established for competitive bidding and each  
2.9 procurement cycle and the criteria to be used in determining the minimum number of  
2.10 managed care organizations to serve each region or statistical area;

2.11 (2) the specifications of the request for proposals, including whether managed care  
2.12 organizations must address in their proposals priority areas identified by counties;

2.13 (3) the criteria to be used to determine whether managed care organizations will be  
2.14 requested to provide a best and final offer;

2.15 (4) the evaluation process that the commissioner must consider when evaluating each  
2.16 proposal, including the scoring weight to be given when there is a county board resolution  
2.17 identifying a managed care organization preference, and whether consideration shall be  
2.18 given to network adequacy for such services as dental, mental health, and primary care;

2.19 (5) the notification process to inform managed care organizations about the award  
2.20 determinations, but before the contracts are signed;

2.21 (6) process for appealing the commissioner's decision on the selection of a managed  
2.22 care plan or county-based purchasing plan in a county or counties; and

2.23 (7) whether an independent evaluation of the competitive bidding process is necessary,  
2.24 and if so, what the evaluation should entail.

2.25 (b) The commissioner shall consider the frequency of the procurement process in terms  
2.26 of how often the commissioner should conduct the procurement of managed care contracts  
2.27 and whether procurement should be conducted on a statewide basis or at staggered times  
2.28 for a limited number of counties within a specified region.

2.29 (c) The commission shall review proposed legislation that incorporates new federal  
2.30 regulations into managed care statutes, including the recodification of the managed care  
2.31 requirements in Minnesota Statutes, sections 256B.69 and 256B.692.

3.1 (d) The commission shall study, review, and make recommendations on a process that  
3.2 meets federal regulations for ensuring that provider rate increases passed by the legislature  
3.3 and incorporated into the capitated rates paid to managed care organizations are recognized  
3.4 in the rates paid by the managed care organizations to the providers while still providing  
3.5 managed care organizations the flexibility in negotiating rates paid to their provider networks.

3.6 (e) The commission shall consult with interested stakeholders and may solicit public  
3.7 testimony, as deemed necessary.

3.8 Subd. 5. **Report.** (a) The commission shall report its recommendations to the chairs and  
3.9 ranking minority members of the legislative committees with jurisdiction over health and  
3.10 human services policy and finance by February 15, 2018.

3.11 (b) The commission shall provide preliminary recommendations to the commissioner  
3.12 of human services to be used by the commissioner if the commissioner decides to conduct  
3.13 a procurement for managed care contracts for the 2019 contract year.

3.14 Subd. 6. **Expiration.** This section expires June 30, 2018.