

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-SEVENTH LEGISLATURE**

**S.F. No. 1933**

(SENATE AUTHORS: HANN, Hoffman, Hall, Nienow and Thompson)

DATE	D-PG	OFFICIAL STATUS
02/20/2012	3850	Introduction and first reading Referred to Health and Human Services
03/14/2012	4377	Comm report: To pass and re-referred to State Government Innovation and Veterans
03/15/2012	4502	Comm report: To pass
	4503	Second reading
04/18/2012	5940	Special Order
	5940	Third reading Passed
04/26/2012	6506	Returned from House with amendment
	6506	Senate concurred and repassed bill
	6506	Third reading Presentment date 04/26/12
04/30/2012	6764	Governor's action Veto Chapter 256 04/30/12
	6764	Veto message laid on table

1.1 A bill for an act  
1.2 relating to health care; creating a health care compact; proposing coding for new  
1.3 law as Minnesota Statutes, chapter 143.

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

1.5 Section 1. **[143.01] HEALTH CARE COMPACT.**

1.6 The Health Care Compact is entered into and enacted into law with all jurisdictions  
1.7 legally joining therein, in the form substantially as follows:

1.8 ARTICLE 1

1.9 DEFINITIONS

1.10 As used in this compact, unless the context clearly indicates otherwise:

1.11 (a) "Commission" means the Interstate Advisory Health Care Commission.

1.12 (b) "Effective date" means the date upon which this compact shall become effective  
1.13 for purposes of the operation of state and federal law in a member state, which shall  
1.14 be the later of:

1.15 (1) the date upon which this compact shall be adopted under the laws of the member  
1.16 state; and

1.17 (2) the date upon which this compact receives the consent of the United States  
1.18 Congress pursuant to Article 1, Section 10, of the United States Constitution, after at  
1.19 least two member states adopt this compact.

1.20 (c) "Health care" means care, services, supplies, or plans related to the health of an  
1.21 individual, and includes, but is not limited to:

1.22 (1) preventive, diagnostic, therapeutic, rehabilitative, maintenance, or palliative care  
1.23 and counseling, service, assessment, or procedure with respect to the physical or mental

2.1 condition or functional status of an individual or that affects the structure or function of  
2.2 the body;

2.3 (2) sale or dispensing of a drug, device, equipment, or other item in accordance  
2.4 with a prescription; and

2.5 (3) an individual or group plan that provides or pays the cost of care, services, or  
2.6 supplies related to the health of an individual, except any care, services, supplies, or plans  
2.7 provided by the United States Department of Defense and the United States Department of  
2.8 Veterans Affairs, or provided to Native Americans.

2.9 (d) "Member state" means a state that is signatory to this compact and has adopted it  
2.10 under the laws of that state.

2.11 (e) "Member state base funding level" means a number equal to the total federal  
2.12 spending on health care in the member state during federal fiscal year 2010. On or before  
2.13 the effective date, each member state shall determine the member state base funding level  
2.14 for its state, and that number shall be binding upon that member state. The preliminary  
2.15 estimate of member state base funding level for the state of Minnesota is \$13,348,000,000.

2.16 (f) "Member state current year funding level" means the member state base funding  
2.17 level multiplied by the member state current year population adjustment factor multiplied  
2.18 by the current year inflation adjustment factor.

2.19 (g) "Member state current year population adjustment factor" means the average  
2.20 population of the member state in the current year less the average population of the  
2.21 member state in federal fiscal year 2010, divided by the average population of the member  
2.22 state in federal fiscal year 2010, plus one. Average population in a member state shall be  
2.23 determined by the United States Census Bureau.

2.24 (h) "Current year inflation adjustment factor" means the total gross domestic product  
2.25 deflator in the current year divided by the total gross domestic product deflator in federal  
2.26 fiscal year 2010. Total gross domestic product deflator shall be determined by the Bureau  
2.27 of Economic Analysis of the United States Department of Commerce.

2.28 ARTICLE 2

2.29 PLEDGE

2.30 The member states shall take joint and separate action to secure the consent of  
2.31 the United States Congress to this compact in order to return the authority to regulate  
2.32 health care to the member states consistent with the goals and principles articulated in  
2.33 this compact. The member states shall improve health care policy within their respective  
2.34 jurisdictions and according to the judgment and discretion of each member state.

2.35 ARTICLE 3

2.36 LEGISLATIVE POWER

3.1 The legislatures of the member states have the primary responsibility to regulate  
3.2 health care in their respective states.

3.3 ARTICLE 4

3.4 STATE CONTROL

3.5 Each member state, within its state, may suspend by legislation the operation of all  
3.6 federal laws, rules, regulations, and orders regarding health care that are inconsistent  
3.7 with the laws and regulations adopted by the member state pursuant to this compact.  
3.8 Federal and state laws, rules, regulations, and orders regarding health care will remain  
3.9 in effect unless a member state expressly suspends them pursuant to its authority under  
3.10 this compact. For any federal law, rule, regulation, or order that remains in effect in  
3.11 a member state after the effective date, that member state shall be responsible for the  
3.12 associated funding obligations in its state.

3.13 ARTICLE 5

3.14 FUNDING

3.15 (a) For each federal fiscal year, each member state shall have the right to federal  
3.16 funds up to an amount equal to its member state current year funding level for that federal  
3.17 fiscal year, funded by the United States Congress as mandatory spending and not subject  
3.18 to annual appropriation, to support the exercise of member state authority under this  
3.19 compact. This funding shall not be conditional on any action of or regulation, policy, law,  
3.20 or rule being adopted by the member state.

3.21 (b) By the start of each federal fiscal year, the United States Congress shall  
3.22 establish an initial member state current year funding level for each member state, based  
3.23 upon reasonable estimates. The final member state current year funding level shall be  
3.24 calculated, and funding shall be reconciled by the United States Congress, based upon  
3.25 information provided by each member state and audited by the United States Government  
3.26 Accountability Office.

3.27 ARTICLE 6

3.28 INTERSTATE ADVISORY HEALTH CARE COMMISSION

3.29 (a) The Interstate Advisory Health Care Commission is established. The commission  
3.30 consists of members appointed by each member state through a process to be determined  
3.31 by each member state. A member state may not appoint more than two members to the  
3.32 commission and may withdraw membership from the commission at any time. Each  
3.33 commission member is entitled to one vote. The commission shall not act unless a  
3.34 majority of the members are present, and no action shall be binding unless approved by a  
3.35 majority of the commission's total membership.

4.1 (b) The commission may elect from among its membership a chairperson. The  
4.2 commission may adopt and publish bylaws and policies that are not inconsistent with this  
4.3 compact. The commission shall meet at least once a year, and may meet more frequently.

4.4 (c) The commission may study issues of health care regulation that are of particular  
4.5 concern to the member states. The commission may make nonbinding recommendations  
4.6 to the member states. The legislatures of the member states may consider these  
4.7 recommendations in determining the appropriate health care policies in their respective  
4.8 states.

4.9 (d) The commission shall collect information and data to assist the member states in  
4.10 their regulation of health care, including assessing the performance of various state health  
4.11 care programs and compiling information on the prices of health care. The commission  
4.12 shall make this information and data available to the legislatures of the member states.  
4.13 Notwithstanding any other provision in this compact, no member state shall disclose to the  
4.14 commission the health information of any individual, nor shall the commission disclose  
4.15 the health information of any individual.

4.16 (e) The commission shall be funded by the member states as agreed to by the  
4.17 member states. The commission shall have the responsibilities and duties as may be  
4.18 conferred upon it by subsequent action of the respective legislatures of the member states  
4.19 in accordance with the terms of this compact.

4.20 (f) The commission shall not take any action within a member state that contravenes  
4.21 any state law of that member state.

#### 4.22 ARTICLE 7

#### 4.23 CONGRESSIONAL CONSENT

4.24 This compact shall be effective on its adoption by at least two member states and  
4.25 consent of the United States Congress. This compact shall be effective unless the United  
4.26 States Congress, in consenting to this compact, alters the fundamental purposes of this  
4.27 compact, which are:

4.28 (1) to secure the right of the member states to regulate health care in their respective  
4.29 states pursuant to this compact and to suspend the operation of any conflicting federal  
4.30 laws, rules, regulations, and orders within their states; and

4.31 (2) to secure federal funding for member states that choose to invoke their authority  
4.32 under this compact, as prescribed by article 5.

#### 4.33 ARTICLE 8

#### 4.34 AMENDMENTS

4.35 The member states, by unanimous agreement, may amend this compact from  
4.36 time to time without the prior consent or approval of the United States Congress, and

5.1 any amendment shall be effective unless, within one year, the United States Congress  
5.2 disapproves that amendment. Any state may join this compact after the date on which  
5.3 the United States Congress consents to the compact by adoption into law under its state  
5.4 constitution.

5.5 ARTICLE 9

5.6 INTENT

5.7 Nothing in this compact is intended to establish a framework for a health insurance  
5.8 exchange.

5.9 ARTICLE 10

5.10 WITHDRAWAL; DISSOLUTION

5.11 Any member state may withdraw from this compact by adopting a law to that  
5.12 effect, but no such withdrawal shall take effect until six months after the governor of the  
5.13 withdrawing member state has given notice of the withdrawal to the other member states.  
5.14 A withdrawing state shall be liable for any obligations that it may have incurred prior to  
5.15 the date on which its withdrawal becomes effective. This compact shall be dissolved upon  
5.16 the withdrawal of all but one of the member states.