

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 2178

(SENATE AUTHORS: ABELER and Marty)

DATE
03/20/2017

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OFFICIAL STATUS
Introduction and first reading
Referred to Health and Human Services Finance and Policy

1.1 A bill for an act
1.2 relating to human services; modifying financial audit requirements for managed
1.3 care plans and county-based purchasing plans; amending Minnesota Statutes 2016,
1.4 section 256B.69, subdivision 9e.

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

1.6 Section 1. Minnesota Statutes 2016, section 256B.69, subdivision 9e, is amended to read:

1.7 Subd. 9e. **Financial audits.** (a) The legislative auditor shall ~~conduct or~~ contract with
1.8 vendors to conduct independent third-party financial audits of the information required to
1.9 be provided by managed care plans and county-based purchasing plans under subdivision
1.10 9c, paragraph (b). The audits by the vendors shall be conducted as vendor resources permit
1.11 and in accordance with generally accepted government auditing standards issued by the
1.12 United States Government Accountability Office. The contract with the vendors shall be
1.13 designed and administered so as to render the independent third-party audits eligible for a
1.14 federal subsidy, if available. The contract shall require the audits to include a determination
1.15 of compliance with the federal Medicaid rate certification process.

1.16 (b) For purposes of this subdivision, "independent third-party" means a vendor that is
1.17 independent in accordance with government auditing standards issued by the United States
1.18 Government Accountability Office.