

1.1 A bill for an act

1.2 relating to health; modifying the definition of an essential community provider;  
1.3 amending Minnesota Statutes 2008, section 62Q.19, subdivisions 1, 2a, 5b.

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

1.5 Section 1. Minnesota Statutes 2008, section 62Q.19, subdivision 1, is amended to read:

1.6 Subdivision 1. **Designation.** (a) The commissioner shall designate essential  
1.7 community providers. The criteria for essential community provider designation shall be  
1.8 the following:

1.9 (1) a demonstrated ability to integrate applicable supportive and stabilizing services  
1.10 with medical care, social services, or services provided in lieu of medical, social, or  
1.11 institutional care for uninsured persons, underserved populations, and high-risk and  
1.12 special needs populations, ~~underserved, and other special needs populations~~; and

1.13 (2) a commitment to serve low-income and underserved populations by meeting the  
1.14 following requirements:

1.15 (i) has nonprofit status in accordance with chapter 317A;

1.16 (ii) has tax exempt status in accordance with the Internal Revenue Service Code,  
1.17 section 501(c)(3);

1.18 (iii) charges for services on a sliding fee schedule based on current poverty income  
1.19 guidelines; and

1.20 (iv) does not restrict access or services because of a client's financial limitation;

1.21 (3) status as a local government unit as defined in section 62D.02, subdivision 11, a  
1.22 hospital district created or reorganized under sections 447.31 to 447.37, an Indian tribal  
1.23 government, an Indian health service unit, or a community health board as defined in  
1.24 chapter 145A;

**S.F. No. 3238, as introduced - 86th Legislative Session (2009-2010) [10-6061]**

2.1 (4) a former state hospital that specializes in the treatment of cerebral palsy, spina  
2.2 bifida, epilepsy, closed head injuries, specialized orthopedic problems, and other disabling  
2.3 conditions; or

2.4 (5) a sole community hospital. For these rural hospitals, the essential community  
2.5 provider designation applies to all health services provided, including both inpatient and  
2.6 outpatient services. For purposes of this section, "sole community hospital" means a  
2.7 rural hospital that:

2.8 (i) is eligible to be classified as a sole community hospital according to Code  
2.9 of Federal Regulations, title 42, section 412.92, or is located in a community with a  
2.10 population of less than 5,000 and located more than 25 miles from a like hospital currently  
2.11 providing acute short-term services;

2.12 (ii) has experienced net operating income losses in two of the previous three  
2.13 most recent consecutive hospital fiscal years for which audited financial information is  
2.14 available; and

2.15 (iii) consists of 40 or fewer licensed beds.

2.16 (b) Prior to designation, the commissioner shall publish the names of all applicants  
2.17 in the State Register. The public shall have 30 days from the date of publication to submit  
2.18 written comments to the commissioner on the application. No designation shall be made  
2.19 by the commissioner until the 30-day period has expired.

2.20 (c) The commissioner may designate an eligible provider as an essential community  
2.21 provider for all the services offered by that provider or for specific services designated by  
2.22 the commissioner.

2.23 (d) For the purpose of this subdivision, supportive and stabilizing services include at  
2.24 a minimum, transportation, child care, cultural, and linguistic services where appropriate.

2.25 Sec. 2. Minnesota Statutes 2008, section 62Q.19, subdivision 2a, is amended to read:

2.26 Subd. 2a. **Definition of health plan company.** For purposes of this section, "health  
2.27 plan company" has the meaning given in section 62Q.01, subdivision 4, and includes a  
2.28 private or governmental entity that arranges for providers or networks of providers to  
2.29 provide services to enrollees covered by the health plan company. Health plan company  
2.30 does not include a health plan company as defined in section 62Q.01 with fewer than  
2.31 50,000 enrollees, all of whose enrollees are covered under medical assistance, general  
2.32 assistance medical care, or MinnesotaCare.

2.33 Sec. 3. Minnesota Statutes 2008, section 62Q.19, subdivision 5b, is amended to read:

3.1           Subd. 5b. **Enforcement.** For any violation of this section or any rule applicable  
3.2 to an essential community provider, the commissioner may order appropriate changes in  
3.3 the essential community provider's operations, suspend, modify, or revoke an essential  
3.4 community provider designation. For any violation of this section or any essential  
3.5 community provider rule applicable to a health plan company, the commissioner may  
3.6 order the health plan company to implement changes to assure its compliance and to  
3.7 compensate the essential community provider for expenses and damages caused by the  
3.8 health plan company's noncompliance. The commissioner may also use the enforcement  
3.9 authority specified in section 62D.17.