

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 3418

(SENATE AUTHORS: BENSON and Dahms)

DATE
02/20/2020

D-PG
4848

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 health care; modifying the evaluation process for mandated health
1.3 benefit proposals; amending Minnesota Statutes 2018, sections 62J.03, subdivision
1.4 4; 62J.26, subdivisions 1, 2, 3, 4, 5, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2018, section 62J.03, subdivision 4, is amended to read:

1.7 Subd. 4. **Commissioner.** "Commissioner" means the commissioner of health, unless
1.8 another commissioner is specified.

1.9 Sec. 2. Minnesota Statutes 2018, section 62J.26, subdivision 1, is amended to read:

1.10 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
1.11 meanings given unless the context otherwise requires:

1.12 (1) "commissioner" means the commissioner of commerce;

1.13 (2) "enrollee" has the meaning given in section 62Q.01, subdivision 2b;

1.14 ~~(2)~~ (3) "health plan" means a health plan as defined in section 62A.011, subdivision 3,
1.15 but includes coverage listed in clauses (7) and (10) of that definition;

1.16 ~~(3)~~ (4) "mandated health benefit proposal" or "proposal" means a proposal that would
1.17 statutorily require a health plan company to do the following:

1.18 (i) provide coverage or increase the amount of coverage for the treatment of a particular
1.19 disease, condition, or other health care need;

2.1 (ii) provide coverage or increase the amount of coverage of a particular type of health
 2.2 care treatment or service or of equipment, supplies, or drugs used in connection with a health
 2.3 care treatment or service; ~~or~~

2.4 (iii) provide coverage for care delivered by a specific type of provider;

2.5 (iv) require a particular benefit design or impose conditions on cost-sharing for:

2.6 (A) the treatment of a particular disease, condition, or other health care need;

2.7 (B) a particular type of health care treatment or service; or

2.8 (C) the provision of medical equipment, supplies, or a prescription drug used in
 2.9 connection with treating a particular disease, condition, or other health care need; or

2.10 (v) impose limits or conditions on a contract between a health plan company and a health
 2.11 care provider.

2.12 "Mandated health benefit proposal" does not include health benefit proposals amending
 2.13 the scope of practice of a licensed health care professional.

2.14 Sec. 3. Minnesota Statutes 2018, section 62J.26, subdivision 2, is amended to read:

2.15 Subd. 2. **Evaluation process and content.** (a) The commissioner, in consultation with
 2.16 the commissioners of health and management and budget, must evaluate all mandated health
 2.17 benefit proposals as provided under subdivision 3.

2.18 (b) The purpose of the evaluation is to provide the legislature with a complete and timely
 2.19 analysis of all ramifications of any mandated health benefit proposal. The evaluation must
 2.20 include, in addition to other relevant information, the following to the extent applicable:

2.21 (1) scientific and medical information on the ~~proposed health benefit~~ mandated health
 2.22 benefit proposal, on the potential for harm or benefit to the patient, and on the comparative
 2.23 benefit or harm from alternative forms of treatment, and must include the results of at least
 2.24 one professionally accepted and controlled trial comparing the medical consequences of
 2.25 the proposed therapy, alternative therapy, and no therapy;

2.26 (2) public health, economic, and fiscal impacts of the ~~proposed mandate~~ mandated health
 2.27 benefit proposal on persons receiving health services in Minnesota, on the relative
 2.28 cost-effectiveness of the ~~benefit proposal~~, and on the health care system in general;

2.29 (3) the extent to which the treatment, service, equipment, or drug is generally utilized
 2.30 by a significant portion of the population;

3.1 (4) the extent to which insurance coverage for the ~~proposed mandated benefit~~ mandated
 3.2 health benefit proposal is already generally available;

3.3 (5) the extent to which the mandated health benefit proposal, by payer category, would
 3.4 apply to the benefits offered to the payer's enrollees;

3.5 ~~(5) (6)~~ (6) the extent to which the ~~mandated coverage~~ mandated health benefit proposal will
 3.6 increase or decrease the cost of the treatment, service, equipment, or drug; and

3.7 (7) the extent to which the mandated health benefit proposal may increase administrative
 3.8 costs to the health plan company and enrollee premiums; and

3.9 (8) if the proposal applies to a qualified health plan as defined in section 62A.011,
 3.10 subdivision 7, the cost to the state to defray the cost of the mandated health benefit proposal
 3.11 using commercial market reimbursement rates in accordance with Code of Federal
 3.12 Regulations, title 45, section 155.70.

3.13 ~~(6) (c)~~ (c) The commissioner ~~may~~ shall consider actuarial analysis done by health ~~insurers~~
 3.14 plan companies and any other proponent or opponent of the mandated health benefit proposal
 3.15 in determining the cost of the ~~proposed mandated benefit~~ proposal.

3.16 ~~(e)~~ (d) The commissioner must summarize the nature and quality of available information
 3.17 on these issues, and, if possible, must provide preliminary information to the public. The
 3.18 commissioner may conduct research on these issues or may determine that existing research
 3.19 is sufficient to meet the informational needs of the legislature. The commissioner may seek
 3.20 the assistance and advice of researchers, community leaders, or other persons or organizations
 3.21 with relevant expertise.

3.22 Sec. 4. Minnesota Statutes 2018, section 62J.26, subdivision 3, is amended to read:

3.23 Subd. 3. **Requests Requirements for evaluation.** (a) ~~Whenever a legislative measure~~
 3.24 ~~containing a mandated health benefit proposal is introduced as a bill or offered as an~~
 3.25 ~~amendment to a bill, or is likely to be introduced as a bill or offered as an amendment, a~~
 3.26 No later than August 1 of the year preceding the legislative session in which a legislator is
 3.27 planning on introducing a bill or an amendment containing a mandated health benefit
 3.28 proposal, the prospective author must notify the chair of one of the standing legislative
 3.29 committees that have jurisdiction over the subject matter of the proposal. Once notification
 3.30 is received, the chair of any standing legislative committee that has jurisdiction over the
 3.31 subject matter of the proposal may request that must notify the commissioner ~~complete~~ that
 3.32 an evaluation of the a mandated health benefit proposal ~~under this section, to~~ is required to

4.1 be completed in accordance with this section in order to inform any committee of floor the
 4.2 legislature before any action is taken on the proposal by either house of the legislature.

4.3 (b) The commissioner must conduct an evaluation described in subdivision 2 of each
 4.4 mandated health benefit proposal for which an evaluation is ~~requested~~ required under
 4.5 paragraph (a), ~~unless the commissioner determines under paragraph (c) or subdivision 4~~
 4.6 ~~that priorities and resources do not permit its evaluation.~~

4.7 (c) If ~~requests for the~~ evaluation of multiple proposals are received required, the
 4.8 commissioner must consult with the chairs of the standing legislative committees having
 4.9 jurisdiction over the subject matter of the mandated health benefit proposals to prioritize
 4.10 the ~~requests~~ evaluations and establish a reporting date for each proposal to be evaluated.
 4.11 ~~The commissioner is not required to direct an unreasonable quantity of the commissioner's~~
 4.12 ~~resources to these evaluations.~~

4.13 Sec. 5. Minnesota Statutes 2018, section 62J.26, is amended by adding a subdivision to
 4.14 read:

4.15 Subd. 3a. **Applicability.** (a) No mandated health benefit proposal may receive a hearing
 4.16 or be voted on by either house or by a standing legislative committee before the commissioner
 4.17 completes and delivers the evaluation specified in this section.

4.18 (b) If all the requirements of this section are satisfied and the mandated health benefit
 4.19 proposal is enacted into law, the effective date of the mandated health benefit shall be the
 4.20 first day of the plan year following final enactment.

4.21 Sec. 6. Minnesota Statutes 2018, section 62J.26, subdivision 4, is amended to read:

4.22 Subd. 4. **Sources of funding.** (a) The commissioner ~~need~~ shall not use any funds for
 4.23 purposes of this section other than as provided in this subdivision or as specified in an
 4.24 appropriation.

4.25 (b) The commissioner may seek and accept funding from sources other than the state to
 4.26 pay for evaluations under this section to supplement or replace state appropriations. Any
 4.27 money received under this paragraph must be deposited in the state treasury, credited to a
 4.28 separate account for this purpose in the special revenue fund, and is appropriated to the
 4.29 commissioner for purposes of this section.

4.30 (c) If ~~a request for~~ an evaluation is required under this section ~~has been made~~, the
 4.31 commissioner may use for purposes of the evaluation:

- 5.1 (1) any funds appropriated to the commissioner specifically for purposes of this section;
5.2 or
- 5.3 (2) funds available under paragraph (b), if use of the funds for evaluation of that mandated
5.4 health benefit proposal is consistent with any restrictions imposed by the source of the funds.
- 5.5 (d) The commissioner must ensure that the source of the funding has no influence on
5.6 the process or outcome of the evaluation.

5.7 Sec. 7. Minnesota Statutes 2018, section 62J.26, subdivision 5, is amended to read:

5.8 Subd. 5. **Report to legislature.** The commissioner must submit a written report on the
5.9 evaluation to the ~~legislature~~ author of the proposal and to the chairs and ranking minority
5.10 members of the legislative committees with jurisdiction over health insurance policy and
5.11 finance no later than 180 days after the request. ~~The report must be submitted in compliance~~
5.12 ~~with sections 3.195 and 3.197~~ commissioner receives notification from a chair as required
5.13 under subdivision 3.