

Sec. 7. DEPARTMENT OF TRANSPORTATION.

\$439.52 is appropriated from the general fund to the commissioner of transportation for payment to Joann Danelski of Superior, Wisconsin, in full and final payment of her claim against the state for damage to her car caused by unique circumstances related to actions of an unknown driver who knocked severely deteriorated curbing into the roadway of a highway entrance ramp in Duluth, Minnesota. This appropriation is available until June 30, 2002.

Sec. 8. MURRAY COUNTY.

Murray county may reimburse Howard Van Roekel of Chandler, Minnesota, for property taxes mistakenly overpaid from 1985 through 1995 because of failure to grant homestead classification to all of Mr. Van Roekel's property.

Sec. 9. WILLIS LAKE.

Willis Lake in Waseca county is hereby designated as a wildlife management lake to be managed by the department of natural resources under Minnesota Statutes, section 97A.101, pursuant to the lake management plan prepared by the division of wildlife on April 16, 2001, and pursuant to an agreement with the department of natural resources in resolution of the Charles Born and Waseca county claims in section 4.

Presented to the governor May 21, 2001

Signed by the governor May 24, 2001, 1:58 p.m.

CHAPTER 170—H.F.No. 1155

An act relating to insurance; requiring health plan companies to provide certain information when requested by the commissioner; requiring an affirmative provider consent to participate in a network under a category of coverage; requiring disclosure of changes in a provider's contract; establishing a moratorium on managed care automobile insurance plans; defining health benefit plan for certain purposes; establishing a task force on small business health insurance; repealing the requirement for an action plan; removing a penalty; amending Minnesota Statutes 2000, sections 62D.08, subdivision 5; 62N.25, subdivision 7; 62Q.19, subdivision 1; 62Q.74, subdivisions 2, 3; 256B.692, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 2000, section 62Q.07.

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

Section 1. Minnesota Statutes 2000, section 62D.08, subdivision 5, is amended to read:

Subd. 5. CHANGES IN PARTICIPATING ENTITIES; PENALTY. Every health maintenance organization shall inform the commissioner of any change in the information described in section 62D.03, subdivision 4, clause (e), including any change in address, any modification of the duration of any contract or agreement, and any addition to the list of participating entities, within ten working days of the notification of the change. Any cancellation or discontinuance of any contract or

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agreement listed in section 62D.03, subdivision 4, clause (e), or listed subsequently in accordance with this subdivision, shall be reported to the commissioner 120 days before the effective date. When the health maintenance organization terminates a provider for cause, death, disability, or loss of license, the health maintenance organization must notify the commissioner within ~~three~~ ten working days of the date the health maintenance organization sends out or receives the notice of cancellation, discontinuance, or termination. Any health maintenance organization which fails to notify the commissioner within the time periods prescribed in this subdivision shall be subject to the levy of a fine up to \$200 per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner of the cancellation or discontinuance. Any fine levied under this subdivision is subject to the contested case and judicial review provisions of chapter 14. The levy of a fine does not preclude the commissioner from using other penalties described in sections 62D.15 to 62D.17.

Sec. 2. Minnesota Statutes 2000, section 62N.25, subdivision 7, is amended to read:

Subd. 7. **EXEMPTIONS FROM EXISTING REQUIREMENTS.** Community integrated service networks are exempt from the following requirements applicable to health maintenance organizations:

- (1) conducting focused studies under Minnesota Rules, part 4685.1125;
- (2) preparing and filing, as a condition of licensure, a written quality assurance plan, and annually filing such a plan and a work plan, under Minnesota Rules, parts 4685.1110 and 4685.1130;
- (3) maintaining statistics under Minnesota Rules, part 4685.1200;
- (4) filing provider contract forms under sections 62D.03, subdivision 4, and 62D.08, subdivision 1; and
- (5) ~~reporting any changes in the address of a network provider or length of a provider contract or additions to the provider network to the commissioner within ten days under section 62D.08, subdivision 5. Community networks must report such information to the commissioner on a quarterly basis. Community networks that fail to make the required quarterly filing are subject to the penalties set forth in section 62D.08, subdivision 5; and~~
- (6) preparing and filing, as a condition of licensure, a marketing plan, and annually filing a marketing plan, under sections 62D.03, subdivision 4, paragraph (I), and 62D.08, subdivision 1.

Sec. 3. Minnesota Statutes 2000, section 62Q.19, subdivision 1, is amended to read:

Subdivision 1. **DESIGNATION.** The commissioner shall designate essential community providers. The criteria for essential community provider designation shall be the following:

- (1) a demonstrated ability to integrate applicable supportive and stabilizing services with medical care for uninsured persons and high-risk and special needs

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populations as defined in section 62Q.07, subdivision 2, paragraph (e), underserved, and other special needs populations; and

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

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

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

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

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

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

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

(5) a rural hospital that has qualified for a sole community hospital financial assistance grant in the past three years under section 144.1484, subdivision 1. For these rural hospitals, the essential community provider designation applies to all health services provided, including both inpatient and outpatient services.

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

The commissioner may designate an eligible provider as an essential community provider for all the services offered by that provider or for specific services designated by the commissioner.

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

Sec. 4. Minnesota Statutes 2000, section 62Q.74, subdivision 2, is amended to read:

Subd. 2. **PROVIDER CONSENT REQUIRED.** (a) No network organization shall require a health care provider to participate in a network under a category of coverage that differs from the category or categories of coverage to which the existing contract between the network organization and the provider applies, without the affirmative consent of the provider obtained under subdivision 3.

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(b) This section does not apply to situations in which the network organization wishes the provider to participate in a new or different plan or other arrangement within a category of coverage that is already provided for in an existing contract between the network organization and the provider.

(c) Compliance with this section may not be waived in a contract or otherwise.

Sec. 5. Minnesota Statutes 2000, section 62Q.74, subdivision 3, is amended to read:

Subd. 3. **CONSENT PROCEDURE.** (a) The network organization, if it wishes to apply an existing contract with a provider to a different category of coverage, shall first notify the provider in writing. The written notice must include at least the following:

(1) the network organization's name, address, and telephone number, and the name of the specific network, if it differs from that of the network organization;

(2) a description of the proposed new category of coverage;

(3) the names of all payers expected by the network organization to use the network for the new category of coverage;

(4) the approximate number of current enrollees of the network organization in that category of coverage within the provider's geographical area;

(5) a disclosure of all contract terms of the proposed new category of coverage, including the discount or reduced fees, care guidelines, utilization review criteria, prior authorization process, and dispute resolution process;

(6) a form for the provider's convenience in accepting or declining participation in the proposed new category of coverage, provided that the provider need not use that form in responding; and

(7) a statement informing the provider of the provisions of paragraph (b).

(b) ~~If the provider does not decline participation within 30 days after the postmark date of the notice, the provider is deemed to have accepted the proposed new category of coverage. Unless the provider has affirmatively agreed to participate within 60 days after the postmark date of the notice, the provider is deemed to have not accepted the proposed new category of coverage.~~

Sec. 6. [62Q.745] **PROVIDER CONTRACT AMENDMENT DISCLOSURE.**

(a) Any amendment or change in the terms of an existing contract between a network organization and a health care provider must be disclosed to the provider.

(b) Any amendment or change in the contract that alters the financial reimbursement or alters the written contractual policies and procedures governing the relationship between the provider and the network organization must be disclosed to the provider before the amendment or change is deemed to be in effect.

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(c) For purposes of this section, “network organization” and “health care provider” or “provider” have the meanings given in section 62Q.74.

Sec. 7. [62Q.746] ACCESS TO CERTAIN INFORMATION REGARDING PROVIDERS.

Upon request of the commissioner, a health plan company licensed under chapters 62C and 62D, must provide the following information:

(1) a detailed description of the health plan company’s methods and procedures, standards, qualifications, criteria, and credentialing requirements for designating the providers who are eligible to participate in the health plan company’s provider network, including any limitations on the numbers of providers to be included in the network;

(2) the number of full-time equivalent physicians, by specialty, nonphysician providers, and allied health providers used to provide services; and

(3) summary data that is broken down by type of provider, reflecting actual utilization of network and non-network practitioners and allied professionals by enrollees of the health plan company.

Sec. 8. Minnesota Statutes 2000, section 256B.692, subdivision 2, is amended to read:

Subd. 2. DUTIES OF THE COMMISSIONER OF HEALTH. (a) Notwithstanding chapters 62D and 62N, a county that elects to purchase medical assistance and general assistance medical care in return for a fixed sum without regard to the frequency or extent of services furnished to any particular enrollee is not required to obtain a certificate of authority under chapter 62D or 62N. The county board of commissioners is the governing body of a county-based purchasing program. In a multicounty arrangement, the governing body is a joint powers board established under section 471.59.

(b) A county that elects to purchase medical assistance and general assistance medical care services under this section must satisfy the commissioner of health that the requirements for assurance of consumer protection, provider protection, and fiscal solvency of chapter 62D, applicable to health maintenance organizations, or chapter 62N, applicable to community integrated service networks, will be met.

(c) A county must also assure the commissioner of health that the requirements of sections 62J.041; 62J.48; 62J.71 to 62J.73; 62M.01 to 62M.16; all applicable provisions of chapter 62Q, including sections 62Q.07; 62Q.075; 62Q.1055; 62Q.106; 62Q.12; 62Q.135; 62Q.14; 62Q.145; 62Q.19; 62Q.23, paragraph (c); 62Q.43; 62Q.47; 62Q.50; 62Q.52 to 62Q.56; 62Q.58; 62Q.64; 62Q.68 to 62Q.72; and 72A.201 will be met.

(d) All enforcement and rulemaking powers available under chapters 62D, 62J, 62M, 62N, and 62Q are hereby granted to the commissioner of health with respect to counties that purchase medical assistance and general assistance medical care services under this section.

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(e) The commissioner, in consultation with county government, shall develop administrative and financial reporting requirements for county-based purchasing programs relating to sections 62D.041, 62D.042, 62D.045, 62D.08, 62N.28, 62N.29, and 62N.31, and other sections as necessary, that are specific to county administrative, accounting, and reporting systems and consistent with other statutory requirements of counties.

Sec. 9. TASK FORCE ON SMALL BUSINESS HEALTH INSURANCE.

(a) The task force on small business health insurance shall study Minnesota's health coverage market available to small businesses and make recommendations for solutions that could make group health coverage more accessible and affordable for small businesses. The task force shall recommend any legislative changes needed to permit those solutions.

(b) The task force shall report its recommendations in writing to the legislature, in compliance with Minnesota Statutes, section 3.195, no later than December 15, 2001.

(c) The commissioners of commerce and health shall provide any necessary assistance to the task force.

(d) The task force consists of the following members:

(1) three members of the senate, including at least one member of the minority, appointed by the subcommittee on committees of the senate committee on rules and administration;

(2) three members of the house, including at least one member of the minority, appointed by the speaker of the house;

(3) four persons representing small business owners, three appointed by the Minnesota chamber of commerce and one appointed by the national federation of independent business;

(4) two persons appointed by the Minnesota council of health plans;

(5) one person appointed by the insurance federation of Minnesota;

(6) one insurance agent, appointed by the Minnesota association of health underwriters;

(7) the commissioner of commerce or the commissioner's designee; and

(8) four consumers appointed by the commissioner, two of whom must reside outside the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

(e) The task force shall not provide compensation or expense reimbursement to its members.

(f) The task force expires on June 30, 2002.

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Sec. 10. MORATORIUM.

Subdivision 1. MORATORIUM ON NEW MANAGED CARE AUTOMOBILE INSURANCE PLANS. No automobile insurance company licensed under Minnesota Statutes, chapter 60A, and authorized to provide automobile no-fault coverage or any health plan company as defined under Minnesota Statutes, section 62Q.01, subdivision 4, may enter into any contracts that provide, or that have the effect of providing, managed care services to no-fault claimants between January 1, 2001, and June 30, 2002. For the purposes of this section, "managed care services" is defined as any program of medical services that uses health care providers managed, owned, employed by, or under contract with a health plan company. This subdivision may not be construed to impact the legality of the use of managed care services for no-fault benefits.

Subd. 2. EXISTING MANAGED CARE CONTRACTS. Any health plan company or automobile insurer that is party to a contract subject to the moratorium set forth in subdivision 1, in existence prior to the moratorium created on January 1, 2001, must comply with the following provisions during the moratorium created under this act:

- (1) no such contract shall be extended to any additional insurers; and
- (2) if a provider has declined to participate in a category of coverage, the network organization must permit the provider the opportunity to participate in that category of coverage on a biennial basis.

Subd. 3. SUNSET. This section is repealed effective June 30, 2002.

Sec. 11. REPEALER.

Minnesota Statutes 2000, section 62Q.07, is repealed.

Sec. 12. EFFECTIVE DATE.

Sections 1, 2, 3, 8, 9, 10, and 11 are effective the day following final enactment.

Presented to the governor May 21, 2001

Signed by the governor May 24, 2001, 1:56 p.m.

CHAPTER 171—H.F.No. 1407

An act relating to health; extending certain enforcement authority related to the provision of funeral goods and services; modifying provisions for public health collaboration plans; modifying rural hospital programs eligibility; repealing professional boxing regulation; amending Minnesota Statutes 2000, sections 62Q.075; 144.147, subdivision 1; 144.148, subdivision 1; 144.1483; 149A.01, by adding a subdivision; 149A.02, subdivision 14, by adding a subdivision; 149A.11; 149A.62; 149A.71, subdivision 4; 149A.97, subdivision 8; repealing Minnesota Statutes 2000, section 144.994; Laws 2000, chapter 488, article 2, section 26.

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

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