

State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1631

03/09/2015 Authored by Schultz, Loeffler and Liebling

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act  
1.2 relating to health care; creating a task force to review and evaluate the licensure  
1.3 structure of health plan companies and other entities; appropriating money.

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

1.5 Section 1. **HEALTH CARE REGULATORY REVIEW TASK FORCE.**

1.6 Subdivision 1. **General.** (a) A task force is convened to review and assess the state  
1.7 regulatory and oversight structure for health plan companies and other related entities,  
1.8 including, but not limited to, indemnity carriers licensed under Minnesota Statutes, chapter  
1.9 60A; nonprofit health service plan corporations licensed under Minnesota Statutes, chapter  
1.10 62C; health plan maintenance organizations licensed under Minnesota Statutes, chapter  
1.11 62D; community integrated service networks licensed under Minnesota Statutes, chapter  
1.12 62N; health care cooperatives organized under Minnesota Statutes, chapter 62R; and  
1.13 county-based purchasing plans authorized under Minnesota Statutes, section 256B.692.

1.14 (b) The task force shall also review and assess the regulatory standards and  
1.15 requirements for each of these entities under Minnesota Statutes, chapters 62A, 62J,  
1.16 62K, 62L, 62M, and 62Q.

1.17 Subd. 2. **Membership.** (a) The task force shall consist of 22 members appointed  
1.18 as follows:

1.19 (1) two members of the senate, one appointed by the majority leader, and one  
1.20 appointed by the minority leader;

1.21 (2) two members of the house of representatives, one appointed by the speaker of the  
1.22 house, and one appointed by the minority leader;

1.23 (3) four members representing consumers appointed by the governor;

(4) four members representing the health insurance industry, including two members appointed by the Minnesota Council of Health Plans, one member appointed by the Insurance Federation of Minnesota, and one member representing county-based purchasing plans appointed by the governor;

(5) four members representing health care providers, including one member appointed by the Minnesota Hospital Association, one member appointed by the Minnesota Medical Association, and two members appointed by the governor to represent providers other than hospitals and physicians;

(6) one member representing employers appointed by the Minnesota Chamber of Commerce;

(7) one member representing the labor unions and appointed by the governor; and

(8) the commissioners of commerce, health, human services, and management and budget, or their designees.

(b) Appointments must be made by August 1, 2015. The senate member appointed by the majority leader of the senate shall convene the first meeting of the task force no later than September 15, 2015. Members of the task force shall elect a chair at the first meeting.

(c) Minnesota Statutes, section 15.059, shall apply to the task force and to all task force member appointments, except for the members who are commissioners.

Subd. 3. **Staff.** The Legislative Coordinating Commission shall provide staff and administrative services for the task force. The task force may request technical support from the commissioners of health, human services, commerce, and management and budget. The task force may enter into contracts with nonprofit private entities to provide evaluation and analysis as needed.

Subd. 4. **Duties.** (a) The task force shall conduct a review and an assessment of the current state regulatory and oversight structures for indemnity carriers, health maintenance organizations, nonprofit health service plan corporations, preferred provider organizations, county-based purchasers, health care cooperatives, accountable care organizations, integrated health partnerships, health care delivery systems authorized under Minnesota Statutes, section 256B.0755, and other related entities. The review and assessment shall be conducted in terms of maximizing administrative efficiency and regulatory simplification and streamlining the regulatory process while maintaining quality health outcomes, regulatory stability, and price stability.

(b) As part of this review, the task force shall examine the various types of operational licenses for health plan companies and the differences in the statutory and regulatory requirements for each license, including, but not limited to, licensure requirements involving financial solvency, tax liabilities, rate review, data and quality reporting, claims

3.1 payment practices, utilization management, provider contracts, network adequacy,  
3.2 geographic accessibility, actuarial value, consumer protections, and quality assurance.

3.3 (c) As part of the evaluation of the different operational structures, the task force  
3.4 shall consider the following:

3.5 (1) whether there is justification in maintaining different licensure requirements  
3.6 when health plan companies are becoming more operationally similar and there is an  
3.7 increasing degree of uniformity required under both state and federal laws;

3.8 (2) whether the different licensure requirements create the likelihood of different  
3.9 standards being applied to different health plan companies or other entities that  
3.10 are operationally similar, but are regulated under different licensure and regulatory  
3.11 requirements, thereby creating an uneven and arguably unfair competitive marketplace; and

3.12 (3) whether the current regulatory structure allows for the state to have sufficient  
3.13 oversight of new operational health care delivery models and payment systems that have  
3.14 been created or may be created in the future including, but not limited to, accountable  
3.15 care organizations, integrated health partnerships, or other health care delivery systems  
3.16 and, if not, whether the legislature should create a review process in order to ensure  
3.17 regulatory oversight.

3.18 (d) The task force shall also review the statutory provisions in Minnesota Statutes,  
3.19 chapters 62A, 62C, 62D, 62L, 62M, and 62Q for redundant and unnecessary provisions  
3.20 and make recommendations on whether a recodification of these chapters would create a  
3.21 more uniform regulatory scheme in terms of market stability, efficiency, and simplification.

3.22 Subd. 5. **Report.** The task force shall submit a report to the chairs and ranking  
3.23 minority members of the legislative committees with jurisdiction over commerce  
3.24 and health and human services of the results of the review and assessment and any  
3.25 recommendations, including draft legislation by February 15, 2016.

3.26 **Sec. 2. APPROPRIATION.**

3.27 \$..... is appropriated for fiscal year 2016 from the general fund to the Legislative  
3.28 Coordinating Commission for administrative services to the Health Care Regulatory  
3.29 Review Task Force for any necessary technical support from state agencies, or for  
3.30 contracts to provide evaluation or analysis services as deemed necessary by the task force.