

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 811

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DATE	D-PG	OFFICIAL STATUS
03/14/2011	505	Introduction and first reading Referred to State Government Innovation and Veterans

1.1 A bill for an act
1.2 relating to state government; requiring the commissioner of management and
1.3 budget to issue a request for proposals and enter into a contract for dependent
1.4 audit verification for state employee health plans.

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

1.6 Section 1. **STATE EMPLOYEE GROUP INSURANCE PLAN DEPENDENT**
1.7 **ELIGIBILITY VERIFICATION AUDIT SERVICES.**

1.8 Subdivision 1. **Request for proposals.** By, 2011, the commissioner of
1.9 management and budget shall issue a request for proposals for a contract to provide
1.10 dependent eligibility verification audit services for state-paid hospital, medical, and dental
1.11 benefits provided to state employees and their dependents. The request for proposals
1.12 must require that the vendor will:

1.13 (1) conduct a document-model dependent eligibility verification audit of all plans
1.14 offered under Minnesota Statutes, sections 43A.22 to 43A.31;

1.15 (2) identify ineligible dependents covered by the plans and report those findings to
1.16 the commissioner and third-party administrators of the state's employee health plans, as
1.17 directed by the commissioner; and

1.18 (3) implement a process for ongoing eligibility verification following the conclusion
1.19 of the dependent eligibility verification audit required by this section.

1.20 Subd. 2. **Additional vendor criteria.** The request for proposals required by
1.21 subdivision 1 must require the vendor to provide the following minimum capabilities and
1.22 experience in performing the services described in subdivision 1:

1.23 (1) a rules-based platform employing auto-adjudication for making objective
1.24 eligibility determinations;

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2.1 (2) assigned eligibility advocates to assist employees through the verification
2.2 process;

2.3 (3) a formal claims and appeals process; and

2.4 (4) experience in the performance of dependent eligibility verification audits for
2.5 other states.

2.6 Subd. 3. **Contract required.** By, 2011, the commissioner must enter into
2.7 a contract for the services specified in subdivision 1. The contract must incorporate a
2.8 performance-based vendor financing option that compensates the vendor based on the
2.9 amount of savings generated by the work performed under the contract.