

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 1812

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DATE	D-PG	OFFICIAL STATUS
03/16/2015	907	Introduction and first reading Referred to State and Local Government

A bill for an act  
relating to state government; creating a three-year price transparency pilot project  
in certain areas of the state within the state employee group insurance program;  
appropriating money.

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

Section 1. **PRICE TRANSPARENCY PILOT PROGRAM.**

(a) The commissioner of management and budget shall establish a three-year pilot project to reward value-based pricing for certain diagnostic and surgical procedures within the state employee group insurance program (SEGIP). The goal of the pilot project is to reward value-based pricing decisions by publishing the prices of certain diagnostic and surgical procedures, permitting enrollees to choose among providers, and sharing with the enrollees any savings generated by the enrollee's choice of providers.

(b) For purposes of implementing the pilot project, the commissioner shall designate at least one and no more than three geographical areas in the state where a substantial percentage of SEGIP enrollees reside and there is more than one provider in the area that performs the specific procedure. The SEGIP enrollees residing in the designated area or areas may participate in the pilot project beginning January 1, 2016. Enrollee participation in the project is voluntary.

(c) By October 1, 2015, the commissioner shall designate between 20 and 50 diagnostic or surgical procedures that are commonly utilized by SEGIP enrollees. By November 1, 2015, and each November 1 for the next three years, health plan companies that contract with the state to provide services for SEGIP enrollees shall provide the commissioner with the contracted price for the following calendar year, by provider, for each designated procedure. The commissioner shall post the prices on its Web site and

2.1 shall designate one price per procedure as the benchmark price using a mean or other  
2.2 method of comparing prices.

2.3 (d) An enrollee participating in the project may choose the provider to perform the  
2.4 designated procedure. If the enrollee selects a provider that performs the designated  
2.5 procedure at a price below the benchmark price for that procedure, the enrollee shall  
2.6 receive from the state 50 percent of the difference between the price of the procedure by  
2.7 the selected provider and the benchmark price.

2.8 (e) On or before March 1, 2017, March 1, 2018, and March 1, 2019, the  
2.9 commissioner shall submit an annual report to the legislature on the implementation of  
2.10 the pilot project, including the participation level in the project, the amounts paid to  
2.11 enrollees, and the cost-savings to both the enrollees and the state resulting from the price  
2.12 transparency pilot project for the previous calendar year.

2.13 Sec. 2. **APPROPRIATION.**

2.14 \$..... is appropriated in fiscal year 2016 from the general fund to the commissioner  
2.15 of management and budget to implement the price transparency pilot program. This is  
2.16 a onetime appropriation.