

3.39

**ARTICLE 1**

3.40

**HEALTH CARE**

3.41 Section 1. Minnesota Statutes 2022, section 256.01, is amended by adding a subdivision  
 3.42 to read:

3.43 **Subd. 43. Education on contraceptive options.** The commissioner shall require hospitals  
 3.44 and primary care providers serving medical assistance and MinnesotaCare enrollees to  
 3.45 develop and implement protocols to provide enrollees, when appropriate, with comprehensive  
 3.46 and scientifically accurate information on the full range of contraceptive options, in a  
 3.47 medically ethical, culturally competent, and noncoercive manner. The information provided  
 3.48 must be designed to assist enrollees in identifying the contraceptive method that best meets  
 4.1 their needs and the needs of their families. The protocol must specify the enrollee categories  
 4.2 to which this requirement will be applied, the process to be used, and the information and  
 4.3 resources to be provided. Hospitals and providers must make this protocol available to the  
 4.4 commissioner upon request.

4.5 Sec. 2. Minnesota Statutes 2022, subdivision 1, is amended to read:

4.6 Subdivision 1. **Qualifying overpayment.** Any overpayment for assistance granted under  
 4.7 chapter 119B; the MFIP program formerly codified under sections 256.031 to 256.0361;  
 4.8 and the AFDC program formerly codified under sections 256.72 to 256.871; for assistance  
 4.9 granted under chapters 256B for state funded medical assistance 119B, 256D, 256I, 256J,  
 4.10 and 256K, and 256L; for assistance granted pursuant to section 256.045, subdivision 10,  
 4.11 for state-funded medical assistance and state-funded MinnesotaCare under chapters 256B  
 4.12 and 256L; and for assistance granted under the Supplemental Nutrition Assistance Program  
 4.13 (SNAP), except agency error claims, become a judgment by operation of law 90 days after  
 4.14 the notice of overpayment is personally served upon the recipient in a manner that is sufficient  
 4.15 under rule 4.03(a) of the Rules of Civil Procedure for district courts, or by certified mail,  
 4.16 return receipt requested. This judgment shall be entitled to full faith and credit in this and  
 4.17 any other state.

4.18 **EFFECTIVE DATE.** This section is effective July 1, 2023.

4.19 Sec. 3. Minnesota Statutes 2022, section 256.9655, is amended by adding a subdivision  
 4.20 to read:

4.21 **Subd. 3. Prompt payment required.** (a) In paying claims under medical assistance, the  
 4.22 commissioner shall comply with Code of Federal Regulations, title 42, section 447.45.

3.13

**ARTICLE 1**

3.14

**DEPARTMENT OF HUMAN SERVICES HEALTH CARE**

UES2995-2, ARTICLE 1, SECTION 1, HAS BEEN MOVED OUT TO MATCH  
 S2995-3, ARTICLE 2, SECTION 3.

UES2995-2, ARTICLE 1, SECTION 2, HAS BEEN MOVED OUT TO MATCH  
 S2995-3, ARTICLE 2, SECTION 8.

6.17 Sec. 3. Minnesota Statutes 2022, section 256.01, is amended by adding a subdivision to  
 6.18 read:

6.19 **Subd. 43. Education on contraceptive options.** The commissioner shall require hospitals  
 6.20 and primary care providers serving medical assistance and MinnesotaCare enrollees to  
 6.21 develop and implement protocols to provide enrollees, when appropriate, with comprehensive  
 6.22 and scientifically accurate information on the full range of contraceptive options, in a  
 6.23 medically ethical, culturally competent, and noncoercive manner. The information provided  
 6.24 must be designed to assist enrollees in identifying the contraceptive method that best meets  
 6.25 the enrollees' needs and the needs of the enrollees' families. The protocol must specify the  
 6.26 enrollee categories to which this requirement will be applied, the process to be used, and  
 6.27 the information and resources to be provided. Hospitals and providers must make this  
 6.28 protocol available to the commissioner upon request.

6.29 Sec. 4. Minnesota Statutes 2022, subdivision 1, is amended to read:

6.30 Subdivision 1. **Qualifying overpayment.** Any overpayment for assistance granted under  
 6.31 chapter 119B; the MFIP program formerly codified under sections 256.031 to 256.0361;  
 6.32 and the AFDC program formerly codified under sections 256.72 to 256.871; for assistance  
 6.33 granted under chapters 256B for state funded medical assistance 119B, 256D, 256I, 256J,  
 7.1 and 256K, and 256L; for assistance granted pursuant to section 256.045, subdivision 10,  
 7.2 for state-funded medical assistance and state-funded MinnesotaCare under chapters 256B  
 7.3 and 256L; and for assistance granted under the Supplemental Nutrition Assistance Program  
 7.4 (SNAP), except agency error claims, become a judgment by operation of law 90 days after  
 7.5 the notice of overpayment is personally served upon the recipient in a manner that is sufficient  
 7.6 under rule 4.03(a) of the Rules of Civil Procedure for district courts, or by certified mail,  
 7.7 return receipt requested. This judgment shall be entitled to full faith and credit in this and  
 7.8 any other state.

7.9 **EFFECTIVE DATE.** This section is effective July 1, 2023.

4.23       (b) If the commissioner does not pay or deny a clean claim within the period provided  
4.24       in paragraph (a), the commissioner must pay interest on the claim for the period beginning  
4.25       on the day after the required payment date specified in paragraph (a) and ending on the date  
4.26       on which the commissioner makes the payment or denies the claim.

4.27       (c) The rate of interest paid by the commissioner under this subdivision shall be 1.5  
4.28       percent per month or any part of a month.

4.29       **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.1       Sec. 4. Minnesota Statutes 2022, section 256.969, subdivision 2b, is amended to read:

5.2       Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November  
5.3       1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according  
5.4       to the following:

5.5       (1) critical access hospitals as defined by Medicare shall be paid using a cost-based  
5.6       methodology;

5.7       (2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology  
5.8       under subdivision 25;

5.9       (3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation  
5.10       distinct parts as defined by Medicare shall be paid according to the methodology under  
5.11       subdivision 12; and

5.12       (4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

5.13       (b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not  
5.14       be rebased, except that a Minnesota long-term hospital shall be rebased effective January  
5.15       1, 2011, based on its most recent Medicare cost report ending on or before September 1,  
5.16       2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on  
5.17       December 31, 2010. For rate setting periods after November 1, 2014, in which the base  
5.18       years are updated, a Minnesota long-term hospital's base year shall remain within the same  
5.19       period as other hospitals.

5.20       (c) Effective for discharges occurring on and after November 1, 2014, payment rates  
5.21       for hospital inpatient services provided by hospitals located in Minnesota or the local trade  
5.22       area, except for the hospitals paid under the methodologies described in paragraph (a),  
5.23       clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a  
5.24       manner similar to Medicare. The base year or years for the rates effective November 1,  
5.25       2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral,  
5.26       ensuring that the total aggregate payments under the rebased system are equal to the total  
5.27       aggregate payments that were made for the same number and types of services in the base  
5.28       year. Separate budget neutrality calculations shall be determined for payments made to  
5.29       critical access hospitals and payments made to hospitals paid under the DRG system. Only  
5.30       the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being

7.10       Sec. 5. Minnesota Statutes 2022, section 256.969, subdivision 2b, is amended to read:

7.11       Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November  
7.12       1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according  
7.13       to the following:

7.14       (1) critical access hospitals as defined by Medicare shall be paid using a cost-based  
7.15       methodology;

7.16       (2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology  
7.17       under subdivision 25;

7.18       (3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation  
7.19       distinct parts as defined by Medicare shall be paid according to the methodology under  
7.20       subdivision 12; and

7.21       (4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

7.22       (b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not  
7.23       be rebased, except that a Minnesota long-term hospital shall be rebased effective January  
7.24       1, 2011, based on its most recent Medicare cost report ending on or before September 1,  
7.25       2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on  
7.26       December 31, 2010. For rate setting periods after November 1, 2014, in which the base  
7.27       years are updated, a Minnesota long-term hospital's base year shall remain within the same  
7.28       period as other hospitals.

7.29       (c) Effective for discharges occurring on and after November 1, 2014, payment rates  
7.30       for hospital inpatient services provided by hospitals located in Minnesota or the local trade  
7.31       area, except for the hospitals paid under the methodologies described in paragraph (a),  
7.32       clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a  
7.33       manner similar to Medicare. The base year or years for the rates effective November 1,  
8.1       2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral,  
8.2       ensuring that the total aggregate payments under the rebased system are equal to the total  
8.3       aggregate payments that were made for the same number and types of services in the base  
8.4       year. Separate budget neutrality calculations shall be determined for payments made to  
8.5       critical access hospitals and payments made to hospitals paid under the DRG system. Only  
8.6       the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being

5.31 rebased during the entire base period shall be incorporated into the budget neutrality  
5.32 calculation.

6.1 (d) For discharges occurring on or after November 1, 2014, through the next rebasing  
6.2 that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph  
6.3 (a), clause (4), shall include adjustments to the projected rates that result in no greater than  
6.4 a five percent increase or decrease from the base year payments for any hospital. Any  
6.5 adjustments to the rates made by the commissioner under this paragraph and paragraph (e)  
6.6 shall maintain budget neutrality as described in paragraph (c).

6.7 (e) For discharges occurring on or after November 1, 2014, the commissioner may make  
6.8 additional adjustments to the rebased rates, and when evaluating whether additional  
6.9 adjustments should be made, the commissioner shall consider the impact of the rates on the  
6.10 following:

6.11 (1) pediatric services;  
6.12 (2) behavioral health services;  
6.13 (3) trauma services as defined by the National Uniform Billing Committee;  
6.14 (4) transplant services;  
6.15 (5) obstetric services, newborn services, and behavioral health services provided by  
6.16 hospitals outside the seven-county metropolitan area;  
6.17 (6) outlier admissions;  
6.18 (7) low-volume providers; and  
6.19 (8) services provided by small rural hospitals that are not critical access hospitals.

6.20 (f) Hospital payment rates established under paragraph (c) must incorporate the following:  
6.21 (1) for hospitals paid under the DRG methodology, the base year payment rate per  
6.22 admission is standardized by the applicable Medicare wage index and adjusted by the  
6.23 hospital's disproportionate population adjustment;

6.24 (2) for critical access hospitals, payment rates for discharges between November 1, 2014,  
6.25 and June 30, 2015, shall be set to the same rate of payment that applied for discharges on  
6.26 October 31, 2014;

6.27 (3) the cost and charge data used to establish hospital payment rates must only reflect  
6.28 inpatient services covered by medical assistance; and

6.29 (4) in determining hospital payment rates for discharges occurring on or after the rate  
6.30 year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per  
6.31 discharge shall be based on the cost-finding methods and allowable costs of the Medicare  
7.1 program in effect during the base year or years. In determining hospital payment rates for  
7.2 discharges in subsequent base years, the per discharge rates shall be based on the cost-finding

8.7 rebased during the entire base period shall be incorporated into the budget neutrality  
8.8 calculation.

8.9 (d) For discharges occurring on or after November 1, 2014, through the next rebasing  
8.10 that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph  
8.11 (a), clause (4), shall include adjustments to the projected rates that result in no greater than  
8.12 a five percent increase or decrease from the base year payments for any hospital. Any  
8.13 adjustments to the rates made by the commissioner under this paragraph and paragraph (e)  
8.14 shall maintain budget neutrality as described in paragraph (c).

8.15 (e) For discharges occurring on or after November 1, 2014, the commissioner may make  
8.16 additional adjustments to the rebased rates, and when evaluating whether additional  
8.17 adjustments should be made, the commissioner shall consider the impact of the rates on the  
8.18 following:

8.19 (1) pediatric services;  
8.20 (2) behavioral health services;  
8.21 (3) trauma services as defined by the National Uniform Billing Committee;  
8.22 (4) transplant services;  
8.23 (5) obstetric services, newborn services, and behavioral health services provided by  
8.24 hospitals outside the seven-county metropolitan area;  
8.25 (6) outlier admissions;  
8.26 (7) low-volume providers; and  
8.27 (8) services provided by small rural hospitals that are not critical access hospitals.  
8.28 (f) Hospital payment rates established under paragraph (c) must incorporate the following:  
8.29 (1) for hospitals paid under the DRG methodology, the base year payment rate per  
8.30 admission is standardized by the applicable Medicare wage index and adjusted by the  
8.31 hospital's disproportionate population adjustment;

9.1 (2) for critical access hospitals, payment rates for discharges between November 1, 2014,  
9.2 and June 30, 2015, shall be set to the same rate of payment that applied for discharges on  
9.3 October 31, 2014;

9.4 (3) the cost and charge data used to establish hospital payment rates must only reflect  
9.5 inpatient services covered by medical assistance; and

9.6 (4) in determining hospital payment rates for discharges occurring on or after the rate  
9.7 year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per  
9.8 discharge shall be based on the cost-finding methods and allowable costs of the Medicare  
9.9 program in effect during the base year or years. In determining hospital payment rates for  
9.10 discharges in subsequent base years, the per discharge rates shall be based on the cost-finding

7.3 methods and allowable costs of the Medicare program in effect during the base year or  
7.4 years.

7.5 (g) The commissioner shall validate the rates effective November 1, 2014, by applying  
7.6 the rates established under paragraph (c), and any adjustments made to the rates under  
7.7 paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the  
7.8 total aggregate payments for the same number and types of services under the rebased rates  
7.9 are equal to the total aggregate payments made during calendar year 2013.

7.10 (h) Effective for discharges occurring on or after July 1, 2017, and every two years  
7.11 thereafter, payment rates under this section shall be rebased to reflect only those changes  
7.12 in hospital costs between the existing base year or years and the next base year or years. In  
7.13 any year that inpatient claims volume falls below the threshold required to ensure a  
7.14 statistically valid sample of claims, the commissioner may combine claims data from two  
7.15 consecutive years to serve as the base year. Years in which inpatient claims volume is  
7.16 reduced or altered due to a pandemic or other public health emergency shall not be used as  
7.17 a base year or part of a base year if the base year includes more than one year. Changes in  
7.18 costs between base years shall be measured using the lower of the hospital cost index defined  
7.19 in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per  
7.20 claim. The commissioner shall establish the base year for each rebasing period considering  
7.21 the most recent year or years for which filed Medicare cost reports are available. The  
7.22 estimated change in the average payment per hospital discharge resulting from a scheduled  
7.23 rebasing must be calculated and made available to the legislature by January 15 of each  
7.24 year in which rebasing is scheduled to occur, and must include by hospital the differential  
7.25 in payment rates compared to the individual hospital's costs.

7.26 (i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates  
7.27 for critical access hospitals located in Minnesota or the local trade area shall be determined  
7.28 using a new cost-based methodology. The commissioner shall establish within the  
7.29 methodology tiers of payment designed to promote efficiency and cost-effectiveness.  
7.30 Payment rates for hospitals under this paragraph shall be set at a level that does not exceed  
7.31 the total cost for critical access hospitals as reflected in base year cost reports. Until the  
7.32 next rebasing that occurs, the new methodology shall result in no greater than a five percent  
7.33 decrease from the base year payments for any hospital, except a hospital that had payments  
7.34 that were greater than 100 percent of the hospital's costs in the base year shall have their  
7.35 rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and  
8.1 after July 1, 2016, covered under this paragraph shall be increased by the inflation factor  
8.2 in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not  
8.3 be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the  
8.4 following criteria:

8.5 (1) hospitals that had payments at or below 80 percent of their costs in the base year  
8.6 shall have a rate set that equals 85 percent of their base year costs;

9.11 methods and allowable costs of the Medicare program in effect during the base year or  
9.12 years.

9.13 (g) The commissioner shall validate the rates effective November 1, 2014, by applying  
9.14 the rates established under paragraph (c), and any adjustments made to the rates under  
9.15 paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the  
9.16 total aggregate payments for the same number and types of services under the rebased rates  
9.17 are equal to the total aggregate payments made during calendar year 2013.

9.18 (h) Effective for discharges occurring on or after July 1, 2017, and every two years  
9.19 thereafter, payment rates under this section shall be rebased to reflect only those changes  
9.20 in hospital costs between the existing base year or years and the next base year or years. In  
9.21 any year that inpatient claims volume falls below the threshold required to ensure a  
9.22 statistically valid sample of claims, the commissioner may combine claims data from two  
9.23 consecutive years to serve as the base year. Years in which inpatient claims volume is  
9.24 reduced or altered due to a pandemic or other public health emergency shall not be used as  
9.25 a base year or part of a base year if the base year includes more than one year. Changes in  
9.26 costs between base years shall be measured using the lower of the hospital cost index defined  
9.27 in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per  
9.28 claim. The commissioner shall establish the base year for each rebasing period considering  
9.29 the most recent year or years for which filed Medicare cost reports are available, except  
9.30 that the base years for the rebasing effective July 1, 2023, are calendar years 2018 and 2019.  
9.31 The estimated change in the average payment per hospital discharge resulting from a  
9.32 scheduled rebasing must be calculated and made available to the legislature by January 15  
9.33 of each year in which rebasing is scheduled to occur, and must include by hospital the  
9.34 differential in payment rates compared to the individual hospital's costs.

10.1 (i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates  
10.2 for critical access hospitals located in Minnesota or the local trade area shall be determined  
10.3 using a new cost-based methodology. The commissioner shall establish within the  
10.4 methodology tiers of payment designed to promote efficiency and cost-effectiveness.  
10.5 Payment rates for hospitals under this paragraph shall be set at a level that does not exceed  
10.6 the total cost for critical access hospitals as reflected in base year cost reports. Until the  
10.7 next rebasing that occurs, the new methodology shall result in no greater than a five percent  
10.8 decrease from the base year payments for any hospital, except a hospital that had payments  
10.9 that were greater than 100 percent of the hospital's costs in the base year shall have their  
10.10 rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and  
10.11 after July 1, 2016, covered under this paragraph shall be increased by the inflation factor  
10.12 in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not  
10.13 be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the  
10.14 following criteria:

10.15 (1) hospitals that had payments at or below 80 percent of their costs in the base year  
10.16 shall have a rate set that equals 85 percent of their base year costs;

8.7       (2) hospitals that had payments that were above 80 percent, up to and including 90  
 8.8       percent of their costs in the base year shall have a rate set that equals 95 percent of their  
 8.9       base year costs; and

8.10      (3) hospitals that had payments that were above 90 percent of their costs in the base year  
 8.11       shall have a rate set that equals 100 percent of their base year costs.

8.12      (j) Effective for discharges occurring on or after July 1, 2023, payment rates under this  
 8.13       section must be rebased to reflect those changes in hospital costs between the existing base  
 8.14       year or years and one year prior to the rate year. In any year that inpatient claims volume  
 8.15       falls below the threshold required to ensure a statistically valid sample of claims, the  
 8.16       commissioner may combine claims data from two consecutive years to serve as the base  
 8.17       year. Years in which inpatient claims volume is reduced or altered due to a pandemic or  
 8.18       other public health emergency must not be used as a base year or part of a base year if the  
 8.19       base year includes more than one year. Changes in costs between the base year or years and  
 8.20       one year prior to the rate year must be measured using the hospital cost index defined in  
 8.21       subdivision 1, paragraph (a). The commissioner must establish the base year for each rebasing  
 8.22       period considering the most recent year or years for which filed Medicare cost reports are  
 8.23       available. The estimated change in the average payment per hospital discharge resulting  
 8.24       from a scheduled rebasing must be calculated and made available to the legislature by  
 8.25       January 15 of each year in which rebasing is scheduled to occur, and must include the  
 8.26       differential in payment rates compared to the individual hospital's costs by hospital.

8.27      (k) Effective for discharges occurring on or after July 1, 2023, inpatient payment rates  
 8.28       for critical access hospitals located in Minnesota or the local trade area must be a rate equal  
 8.29       to 100 percent of their base year costs inflated to the year prior to the rate year using the  
 8.30       hospital cost index defined in subdivision 1, paragraph (a).

8.31      (l) The commissioner may refine the payment tiers and criteria for critical access hospitals  
 8.32       to coincide with the next rebasing under paragraph (h). The factors used to develop the new  
 8.33       methodology may include, but are not limited to:

9.1        (1) the ratio between the hospital's costs for treating medical assistance patients and the  
 9.2        hospital's charges to the medical assistance program;

9.3        (2) the ratio between the hospital's costs for treating medical assistance patients and the  
 9.4        hospital's payments received from the medical assistance program for the care of medical  
 9.5        assistance patients;

9.6        (3) the ratio between the hospital's charges to the medical assistance program and the  
 9.7        hospital's payments received from the medical assistance program for the care of medical  
 9.8        assistance patients;

9.9        (4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

9.10      (5) the proportion of that hospital's costs that are administrative and trends in  
 9.11        administrative costs; and

10.17     (2) hospitals that had payments that were above 80 percent, up to and including 90  
 10.18     percent of their costs in the base year shall have a rate set that equals 95 percent of their  
 10.19     base year costs; and

10.20     (3) hospitals that had payments that were above 90 percent of their costs in the base year  
 10.21       shall have a rate set that equals 100 percent of their base year costs.

10.22     (j) The commissioner may refine the payment tiers and criteria for critical access hospitals  
 10.23       to coincide with the next rebasing under paragraph (h). The factors used to develop the new  
 10.24       methodology may include, but are not limited to:

10.25     (1) the ratio between the hospital's costs for treating medical assistance patients and the  
 10.26       hospital's charges to the medical assistance program;

10.27     (2) the ratio between the hospital's costs for treating medical assistance patients and the  
 10.28       hospital's payments received from the medical assistance program for the care of medical  
 10.29       assistance patients;

10.30     (3) the ratio between the hospital's charges to the medical assistance program and the  
 10.31       hospital's payments received from the medical assistance program for the care of medical  
 10.32       assistance patients;

10.33     (4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

11.1     (5) the proportion of that hospital's costs that are administrative and trends in  
 11.2        administrative costs; and

9.12 (6) geographic location.

9.13 Sec. 5. Minnesota Statutes 2022, section 256.969, subdivision 9, is amended to read:

9.14 Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For admissions  
9.15 occurring on or after July 1, 1993, the medical assistance disproportionate population  
9.16 adjustment shall comply with federal law and shall be paid to a hospital, excluding regional  
9.17 treatment centers and facilities of the federal Indian Health Service, with a medical assistance  
9.18 inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined  
9.19 as follows:

9.20 (1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic  
9.21 mean for all hospitals excluding regional treatment centers and facilities of the federal Indian  
9.22 Health Service but less than or equal to one standard deviation above the mean, the  
9.23 adjustment must be determined by multiplying the total of the operating and property  
9.24 payment rates by the difference between the hospital's actual medical assistance inpatient  
9.25 utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers  
9.26 and facilities of the federal Indian Health Service; and

9.27 (2) for a hospital with a medical assistance inpatient utilization rate above one standard  
9.28 deviation above the mean, the adjustment must be determined by multiplying the adjustment  
9.29 that would be determined under clause (1) for that hospital by 1.1. The commissioner shall  
9.30 report annually on the number of hospitals likely to receive the adjustment authorized by  
9.31 this paragraph. The commissioner shall specifically report on the adjustments received by  
9.32 public hospitals and public hospital corporations located in cities of the first class.

10.1 (b) Certified public expenditures made by Hennepin County Medical Center shall be  
10.2 considered Medicaid disproportionate share hospital payments. Hennepin County and  
10.3 Hennepin County Medical Center shall report by June 15, 2007, on payments made beginning  
10.4 July 1, 2005, or another date specified by the commissioner, that may qualify for  
10.5 reimbursement under federal law. Based on these reports, the commissioner shall apply for  
10.6 federal matching funds.

10.7 (c) Upon federal approval of the related state plan amendment, paragraph (b) is effective  
10.8 retroactively from July 1, 2005, or the earliest effective date approved by the Centers for  
10.9 Medicare and Medicaid Services.

11.3 (6) geographic location.

11.4 **EFFECTIVE DATE.** This section is effective July 1, 2023.

S2995-3, ARTICLE 1, SECTION 5, MATCHES BOTH UES2995-2, ARTICLE 1, SECTION 6, AND ARTICLE 2, SECTION 11. UES2995-2, ARTICLE 2, SECTION 11, WAS MOVED IN FROM THE ARTICLE 2 SIDE-BY-SIDE TO THE ARTICLE 1 SIDE-BY-SIDE AND APPEARS IMMEDIATELY AFTER UES2995-2, ARTICLE 1, SECTION 6

11.5 Sec. 6. Minnesota Statutes 2022, section 256.969, subdivision 9, is amended to read:

11.6 Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For admissions  
11.7 occurring on or after July 1, 1993, the medical assistance disproportionate population  
11.8 adjustment shall comply with federal law and shall be paid to a hospital, excluding regional  
11.9 treatment centers and facilities of the federal Indian Health Service, with a medical assistance  
11.10 inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined  
11.11 as follows:

11.12 (1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic  
11.13 mean for all hospitals excluding regional treatment centers and facilities of the federal Indian  
11.14 Health Service but less than or equal to one standard deviation above the mean, the  
11.15 adjustment must be determined by multiplying the total of the operating and property  
11.16 payment rates by the difference between the hospital's actual medical assistance inpatient  
11.17 utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers  
11.18 and facilities of the federal Indian Health Service; and

11.19 (2) for a hospital with a medical assistance inpatient utilization rate above one standard  
11.20 deviation above the mean, the adjustment must be determined by multiplying the adjustment  
11.21 that would be determined under clause (1) for that hospital by 1.1. The commissioner shall  
11.22 report annually on the number of hospitals likely to receive the adjustment authorized by  
11.23 this paragraph. The commissioner shall specifically report on the adjustments received by  
11.24 public hospitals and public hospital corporations located in cities of the first class.

11.25 (b) Certified public expenditures made by Hennepin County Medical Center shall be  
11.26 considered Medicaid disproportionate share hospital payments. Hennepin County and  
11.27 Hennepin County Medical Center shall report by June 15, 2007, on payments made beginning  
11.28 July 1, 2005, or another date specified by the commissioner, that may qualify for  
11.29 reimbursement under federal law. Based on these reports, the commissioner shall apply for  
11.30 federal matching funds.

11.31 (c) Upon federal approval of the related state plan amendment, paragraph (b) is effective  
11.32 retroactively from July 1, 2005, or the earliest effective date approved by the Centers for  
11.33 Medicare and Medicaid Services.

10.10 (d) Effective July 1, 2015, disproportionate share hospital (DSH) payments shall be paid  
10.11 in accordance with a new methodology using 2012 as the base year. Annual payments made  
10.12 under this paragraph shall equal the total amount of payments made for 2012. A licensed  
10.13 children's hospital shall receive only a single DSH factor for children's hospitals. Other  
10.14 DSH factors may be combined to arrive at a single factor for each hospital that is eligible  
10.15 for DSH payments. The new methodology shall make payments only to hospitals located  
10.16 in Minnesota and include the following factors:

10.17 (1) a licensed children's hospital with at least 1,000 fee-for-service discharges in the  
10.18 base year shall receive a factor of 0.868. A licensed children's hospital with less than 1,000  
10.19 fee-for-service discharges in the base year shall receive a factor of 0.7880;

10.20 (2) a hospital that has in effect for the initial rate year a contract with the commissioner  
10.21 to provide extended psychiatric inpatient services under section 256.9693 shall receive a  
10.22 factor of 0.0160;

10.23 (3) a hospital that has received medical assistance payment for at least 20 transplant  
10.24 services in the base year shall receive a factor of 0.0435;

10.25 (4) a hospital that has a medical assistance utilization rate in the base year between 20  
10.26 percent up to one standard deviation above the statewide mean utilization rate shall receive  
10.27 a factor of 0.0468;

10.28 (5) a hospital that has a medical assistance utilization rate in the base year that is at least  
10.29 one standard deviation above the statewide mean utilization rate but is less than two and  
10.30 one-half standard deviations above the mean shall receive a factor of 0.2300; and

10.31 (6) a hospital that is a level one trauma center and that has a medical assistance utilization  
10.32 rate in the base year that is at least two and ~~one-half one-quarter~~ standard deviations above  
10.33 the statewide mean utilization rate shall receive a factor of 0.3711.

11.1 (e) For the purposes of determining eligibility for the disproportionate share hospital  
11.2 factors in paragraph (d), clauses (1) to (6), the medical assistance utilization rate and  
11.3 discharge thresholds shall be measured using only one year when a two-year base period  
11.4 is used.

11.5 (f) Any payments or portion of payments made to a hospital under this subdivision that  
11.6 are subsequently returned to the commissioner because the payments are found to exceed  
11.7 the hospital-specific DSH limit for that hospital shall be redistributed, proportionate to the  
11.8 number of fee-for-service discharges, to other DSH-eligible non-children's hospitals that  
11.9 have a medical assistance utilization rate that is at least one standard deviation above the  
11.10 mean.

11.11 (g) An additional payment adjustment shall be established by the commissioner under  
11.12 this subdivision for a hospital that provides high levels of administering high-cost drugs to

12.1 (d) Effective July 1, 2015, disproportionate share hospital (DSH) payments shall be paid  
12.2 in accordance with a new methodology using 2012 as the base year. Annual payments made  
12.3 under this paragraph shall equal the total amount of payments made for 2012. A licensed  
12.4 children's hospital shall receive only a single DSH factor for children's hospitals. Other  
12.5 DSH factors may be combined to arrive at a single factor for each hospital that is eligible  
12.6 for DSH payments. The new methodology shall make payments only to hospitals located  
12.7 in Minnesota and include the following factors:

12.8 (1) a licensed children's hospital with at least 1,000 fee-for-service discharges in the  
12.9 base year shall receive a factor of 0.868. A licensed children's hospital with less than 1,000  
12.10 fee-for-service discharges in the base year shall receive a factor of 0.7880;

12.11 (2) a hospital that has in effect for the initial rate year a contract with the commissioner  
12.12 to provide extended psychiatric inpatient services under section 256.9693 shall receive a  
12.13 factor of 0.0160;

12.14 (3) a hospital that has received medical assistance payment for at least 20 transplant  
12.15 services in the base year shall receive a factor of 0.0435;

12.16 (4) a hospital that has a medical assistance utilization rate in the base year between 20  
12.17 percent up to one standard deviation above the statewide mean utilization rate shall receive  
12.18 a factor of 0.0468;

12.19 (5) a hospital that has a medical assistance utilization rate in the base year that is at least  
12.20 one standard deviation above the statewide mean utilization rate but is less than two and  
12.21 one-half standard deviations above the mean shall receive a factor of 0.2300; and

12.22 (6) a hospital that is a level one trauma center and that has a medical assistance utilization  
12.23 rate in the base year that is at least two and ~~one-half one-quarter~~ standard deviations above  
12.24 the statewide mean utilization rate shall receive a factor of 0.3711.

12.25 (e) For the purposes of determining eligibility for the disproportionate share hospital  
12.26 factors in paragraph (d), clauses (1) to (6), the medical assistance utilization rate and  
12.27 discharge thresholds shall be measured using only one year when a two-year base period  
12.28 is used.

12.29 (f) Any payments or portion of payments made to a hospital under this subdivision that  
12.30 are subsequently returned to the commissioner because the payments are found to exceed  
12.31 the hospital-specific DSH limit for that hospital shall be redistributed, proportionate to the  
12.32 number of fee-for-service discharges, to other DSH-eligible non-children's hospitals that  
13.1 have a medical assistance utilization rate that is at least one standard deviation above the  
13.2 mean.

13.3 (g) An additional payment adjustment shall be established by the commissioner under  
13.4 this subdivision for a hospital that provides high levels of administering high-cost drugs to

11.13 enrollees in fee-for-service medical assistance. The commissioner shall consider factors  
 11.14 including fee-for-service medical assistance utilization rates and payments made for drugs  
 11.15 purchased through the 340B drug purchasing program and administered to fee-for-service  
 11.16 enrollees. If any part of this adjustment exceeds a hospital's hospital-specific disproportionate  
 11.17 share hospital limit, or if the hospital qualifies for the alternative payment rate described in  
 11.18 subdivision 2e, the commissioner shall make a payment to the hospital that equals the  
 11.19 nonfederal share of the amount that exceeds the limit. The total nonfederal share of the  
 11.20 amount of the payment adjustment under this paragraph shall not exceed \$1,500,000  
 11.21 \$10,000,000. The department shall calculate the aggregate difference in payments for  
 11.22 outpatient pharmacy claims for members enrolled with medical assistance prepaid health  
 11.23 plans reimbursed at the 340B rate as compared to the non-340B rate, as defined in section  
 11.24 256B.0625. The department shall report the results to the chairs and ranking minority  
 11.25 members of the legislative committees with jurisdiction over medical assistance hospital  
 11.26 reimbursement no later than January 1 for the previous fiscal year.

11.27 **EFFECTIVE DATE.** This section is effective January 1, 2026, or the January 1  
 11.28 following certification of the modernized pharmacy claims processing system, whichever  
 11.29 is later. The commissioner of human services shall notify the revisor of statutes when  
 11.30 certification of the modernized pharmacy claims processing system occurs.

13.5 enrollees in fee-for-service medical assistance. The commissioner shall consider factors  
 13.6 including fee-for-service medical assistance utilization rates and payments made for drugs  
 13.7 purchased through the 340B drug purchasing program and administered to fee-for-service  
 13.8 enrollees. If any part of this adjustment exceeds a hospital's hospital-specific disproportionate  
 13.9 share hospital limit, the commissioner shall make a payment to the hospital that equals the  
 13.10 nonfederal share of the amount that exceeds the limit. The total nonfederal share of the  
 13.11 amount of the payment adjustment under this paragraph shall not exceed \$1,500,000.

71.22 Sec. 11. Minnesota Statutes 2022, section 256.969, subdivision 9, is amended to read:

71.23 Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For admissions  
 71.24 occurring on or after July 1, 1993, the medical assistance disproportionate population  
 71.25 adjustment shall comply with federal law and shall be paid to a hospital, excluding regional  
 71.26 treatment centers and facilities of the federal Indian Health Service, with a medical assistance  
 71.27 inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined  
 71.28 as follows:

71.29 (1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic  
 71.30 mean for all hospitals excluding regional treatment centers and facilities of the federal Indian  
 71.31 Health Service but less than or equal to one standard deviation above the mean, the  
 71.32 adjustment must be determined by multiplying the total of the operating and property  
 72.1 payment rates by the difference between the hospital's actual medical assistance inpatient  
 72.2 utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers  
 72.3 and facilities of the federal Indian Health Service; and

72.4 (2) for a hospital with a medical assistance inpatient utilization rate above one standard  
 72.5 deviation above the mean, the adjustment must be determined by multiplying the adjustment  
 72.6 that would be determined under clause (1) for that hospital by 1.1. The commissioner shall  
 72.7 report annually on the number of hospitals likely to receive the adjustment authorized by  
 72.8 this paragraph. The commissioner shall specifically report on the adjustments received by  
 72.9 public hospitals and public hospital corporations located in cities of the first class.

72.10 (b) Certified public expenditures made by Hennepin County Medical Center shall be  
 72.11 considered Medicaid disproportionate share hospital payments. Hennepin County and  
 72.12 Hennepin County Medical Center shall report by June 15, 2007, on payments made beginning  
 72.13 July 1, 2005, or another date specified by the commissioner, that may qualify for  
 72.14 reimbursement under federal law. Based on these reports, the commissioner shall apply for  
 72.15 federal matching funds.

72.16 (c) Upon federal approval of the related state plan amendment, paragraph (b) is effective  
 72.17 retroactively from July 1, 2005, or the earliest effective date approved by the Centers for  
 72.18 Medicare and Medicaid Services.

72.19 (d) Effective July 1, 2015, disproportionate share hospital (DSH) payments shall be paid  
72.20 in accordance with a new methodology using 2012 as the base year. Annual payments made  
72.21 under this paragraph shall equal the total amount of payments made for 2012. A licensed  
72.22 children's hospital shall receive only a single DSH factor for children's hospitals. Other  
72.23 DSH factors may be combined to arrive at a single factor for each hospital that is eligible  
72.24 for DSH payments. The new methodology shall make payments only to hospitals located  
72.25 in Minnesota and include the following factors:

72.26 (1) a licensed children's hospital with at least 1,000 fee-for-service discharges in the  
72.27 base year shall receive a factor of 0.868. A licensed children's hospital with less than 1,000  
72.28 fee-for-service discharges in the base year shall receive a factor of 0.7880;

72.29 (2) a hospital that has in effect for the initial rate year a contract with the commissioner  
72.30 to provide extended psychiatric inpatient services under section 256.9693 shall receive a  
72.31 factor of 0.0160;

72.32 (3) a hospital that has received medical assistance payment for at least 20 transplant  
72.33 services in the base year shall receive a factor of 0.0435;

73.1 (4) a hospital that has a medical assistance utilization rate in the base year between 20  
73.2 percent up to one standard deviation above the statewide mean utilization rate shall receive  
73.3 a factor of 0.0468;

73.4 (5) a hospital that has a medical assistance utilization rate in the base year that is at least  
73.5 one standard deviation above the statewide mean utilization rate but is less than two and  
73.6 one-half standard deviations above the mean shall receive a factor of 0.2300; and

73.7 (6) a hospital that is a level one trauma center and that has a medical assistance utilization  
73.8 rate in the base year that is at least two and one-half standard deviations above the statewide  
73.9 mean utilization rate shall receive a factor of 0.3711.

73.10 (e) For the purposes of determining eligibility for the disproportionate share hospital  
73.11 factors in paragraph (d), clauses (1) to (6), the medical assistance utilization rate and  
73.12 discharge thresholds shall be measured using only one year when a two-year base period  
73.13 is used.

73.14 (f) Any payments or portion of payments made to a hospital under this subdivision that  
73.15 are subsequently returned to the commissioner because the payments are found to exceed  
73.16 the hospital-specific DSH limit for that hospital shall be redistributed, proportionate to the  
73.17 number of fee-for-service discharges, to other DSH-eligible non-children's hospitals that  
73.18 have a medical assistance utilization rate that is at least one standard deviation above the  
73.19 mean.

73.20 (g) An additional payment adjustment shall be established by the commissioner under  
73.21 this subdivision for a hospital that provides high levels of administering high-cost drugs to

11.31 Sec. 6. Minnesota Statutes 2022, section 256.969, subdivision 25, is amended to read:

11.32 Subd. 25. **Long-term hospital rates.** (a) Long-term hospitals shall be paid on a per diem  
11.33 basis.

12.1 (b) For admissions occurring on or after April 1, 1995, a long-term hospital as designated  
12.2 by Medicare that does not have admissions in the base year shall have inpatient rates  
12.3 established at the average of other hospitals with the same designation. For subsequent  
12.4 rate-setting periods in which base years are updated, the hospital's base year shall be the  
12.5 first Medicare cost report filed with the long-term hospital designation and shall remain in  
12.6 effect until it falls within the same period as other hospitals.

12.7 (c) For admissions occurring on or after July 1, 2023, long-term hospitals must be paid  
12.8 the higher of a per diem amount computed using the methodology described in subdivision  
12.9 2b, paragraph (i), or the per diem rate as of July 1, 2021.

12.10 **EFFECTIVE DATE.** This section is effective July 1, 2023.

12.11 Sec. 7. Minnesota Statutes 2022, section 256.969, is amended by adding a subdivision to  
12.12 read:

12.13 Subd. 31. **Long-acting reversible contraceptives.** (a) The commissioner must provide  
12.14 separate reimbursement to hospitals for long-acting reversible contraceptives provided  
12.15 immediately postpartum in the inpatient hospital setting. This payment must be in addition

73.22 enrollees in fee-for-service medical assistance. The commissioner shall consider factors  
73.23 including fee-for-service medical assistance utilization rates and payments made for drugs  
73.24 purchased through the 340B drug purchasing program and administered to fee-for-service  
73.25 enrollees. If any part of this adjustment exceeds a hospital's hospital-specific disproportionate  
73.26 share hospital limit, or if the hospital qualifies for the alternative payment rate described in  
73.27 subdivision 2e, the commissioner shall make a payment to the hospital that equals the  
73.28 nonfederal share of the amount that exceeds the limit. The total nonfederal share of the  
73.29 amount of the payment adjustment under this paragraph shall not exceed \$1,500,000  
73.30 \$10,000,000. The commissioner shall calculate the aggregate difference in payments for  
73.31 outpatient pharmacy claims for medical assistance enrollees receiving services from a  
73.32 managed care or county-based purchasing plan, when reimbursed at the 340B rate as  
73.33 compared to the non-340B rate, as specified in section 256B.0625, subdivision 13e. By  
73.34 February 1, 2026, the commissioner shall report the results of this calculation for the prior  
74.1 fiscal year to the chairs and ranking members of the legislative committees with jurisdiction  
74.2 over health care finance and policy.

74.3 **EFFECTIVE DATE.** This section is effective January 1, 2026, or the January 1  
74.4 following certification of the modernized pharmacy claims processing system, whichever  
74.5 is later. The commissioner of human services shall notify the revisor of statutes when  
74.6 certification of the modernized pharmacy claims processing system occurs.

13.12 Sec. 7. Minnesota Statutes 2022, section 256.969, subdivision 25, is amended to read:

13.13 Subd. 25. **Long-term hospital rates.** (a) Long-term hospitals shall be paid on a per diem  
13.14 basis.

13.15 (b) For admissions occurring on or after April 1, 1995, a long-term hospital as designated  
13.16 by Medicare that does not have admissions in the base year shall have inpatient rates  
13.17 established at the average of other hospitals with the same designation. For subsequent  
13.18 rate-setting periods in which base years are updated, the hospital's base year shall be the  
13.19 first Medicare cost report filed with the long-term hospital designation and shall remain in  
13.20 effect until it falls within the same period as other hospitals.

13.21 (c) For admissions occurring on or after July 1, 2023, long-term hospitals must be paid  
13.22 the higher of a per diem amount computed using the methodology described in subdivision  
13.23 2b, paragraph (i), or the per diem rate as of July 1, 2021.

13.24 **EFFECTIVE DATE.** This section is effective July 1, 2023.

13.25 Sec. 8. Minnesota Statutes 2022, section 256.969, is amended by adding a subdivision to  
13.26 read:

13.27 Subd. 31. **Long-acting reversible contraceptives.** (a) The commissioner must provide  
13.28 separate reimbursement to hospitals for long-acting reversible contraceptives provided  
13.29 immediately postpartum in the inpatient hospital setting. This payment must be in addition

12.16 to the diagnostic-related group reimbursement for labor and delivery and shall be made  
12.17 consistent with section 256B.0625, subdivision 13e, paragraph (e).

12.18 (b) The commissioner must require managed care and county-based purchasing plans  
12.19 to comply with this subdivision when providing services to medical assistance enrollees.

12.20 **EFFECTIVE DATE.** This section is effective January 1, 2024.

13.30 to the diagnostic-related group reimbursement for labor and delivery and shall be made  
13.31 consistent with section 256B.0625, subdivision 13e, paragraph (e).

14.1 (b) The commissioner must require managed care and county-based purchasing plans  
14.2 to comply with this subdivision when providing services to medical assistance enrollees.

14.3 **EFFECTIVE DATE.** This section is effective January 1, 2024.

14.4 Sec. 9. Minnesota Statutes 2022, section 256B.04, subdivision 14, is amended to read:

14.5 Subd. 14. Competitive bidding. (a) When determined to be effective, economical, and  
14.6 feasible, the commissioner may utilize volume purchase through competitive bidding and  
14.7 negotiation under the provisions of chapter 16C, to provide items under the medical assistance  
14.8 program including but not limited to the following:

14.9 (1) eyeglasses;

14.10 (2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation  
14.11 on a short-term basis, until the vendor can obtain the necessary supply from the contract  
14.12 dealer;

14.13 (3) hearing aids and supplies;

14.14 (4) durable medical equipment, including but not limited to:

14.15 (i) hospital beds;

14.16 (ii) commodes;

14.17 (iii) glide-about chairs;

14.18 (iv) patient lift apparatus;

14.19 (v) wheelchairs and accessories;

14.20 (vi) oxygen administration equipment;

14.21 (vii) respiratory therapy equipment;

14.22 (viii) electronic diagnostic, therapeutic and life-support systems; and

14.23 (ix) allergen-reducing products as described in section 256B.0625, subdivision 67,

14.24 paragraph (c) or (d);

14.25 (5) nonemergency medical transportation level of need determinations, disbursement of  
14.26 public transportation passes and tokens, and volunteer and recipient mileage and parking  
14.27 reimbursements; and

14.28 (6) drugs; and

14.29 (7) quitline services as described in section 256B.0625, subdivision 68, paragraph (c).

12.21 Sec. 8. Minnesota Statutes 2022, section 256B.055, subdivision 17, is amended to read:

12.22 Subd. 17. **Adults who were in foster care at the age of 18.** (a) Medical assistance may be paid for a person under 26 years of age who was in foster care under the commissioner's responsibility on the date of attaining 18 years of age, and who was enrolled in medical assistance under the state plan or a waiver of the plan while in foster care, in accordance with section 2004 of the Affordable Care Act.

12.27 (b) Beginning July 1, 2023, medical assistance may be paid for a person under 26 years of age who was in foster care on the date of attaining 18 years of age and enrolled in another state's Medicaid program while in foster care in accordance with the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act of 2018. Public Law 115-271, section 1002.

12.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

13.1 Sec. 9. Minnesota Statutes 2022, section 256B.0625, subdivision 9, is amended to read:

13.2 Subd. 9. **Dental services.** (a) Medical assistance covers medically necessary dental services.

13.4 (b) Medical assistance dental coverage for nonpregnant adults is limited to the following services:

13.6 (1) comprehensive exams, limited to once every five years;  
 13.7 (2) periodic exams, limited to one per year;  
 13.8 (3) limited exams;  
 13.9 (4) bitewing x-rays, limited to one per year;  
 13.10 (5) periapical x-rays;  
 13.11 (6) panoramic x-rays, limited to one every five years except (1) when medically necessary for the diagnosis and follow up of oral and maxillofacial pathology and trauma or (2) once

15.1 (b) Rate changes and recipient cost-sharing under this chapter and chapter 256L do not affect contract payments under this subdivision unless specifically identified.

15.3 (c) The commissioner may not utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C for special transportation services or incontinence products and related supplies.

15.6 **EFFECTIVE DATE.** This section is effective January 1, 2024.

15.7 Sec. 10. Minnesota Statutes 2022, section 256B.055, subdivision 17, is amended to read:

15.8 Subd. 17. **Adults who were in foster care at the age of 18.** (a) Medical assistance may be paid for a person under 26 years of age who was in foster care under the commissioner's responsibility on the date of attaining 18 years of age, and who was enrolled in medical assistance under the state plan or a waiver of the plan while in foster care, in accordance with section 2004 of the Affordable Care Act.

15.13 (b) Beginning July 1, 2023, medical assistance may be paid for a person under 26 years of age who was in foster care on the date of attaining 18 years of age and enrolled in another state's Medicaid program while in foster care in accordance with the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act of 2018. Public Law 115-271, section 1002.

15.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

15.19 Sec. 11. Minnesota Statutes 2022, section 256B.0625, subdivision 3a, is amended to read:

15.20 Subd. 3a. **Sex reassignment surgery Gender-affirming services.** Sex reassignment surgery is not covered. Medical assistance covers gender-affirming services.

15.22 Sec. 12. Minnesota Statutes 2022, section 256B.0625, subdivision 9, is amended to read:

15.23 Subd. 9. **Dental services.** (a) Medical assistance covers medically necessary dental services.

15.25 (b) Medical assistance dental coverage for nonpregnant adults is limited to the following services:

15.27 (1) comprehensive exams, limited to once every five years;  
 15.28 (2) periodic exams, limited to one per year;  
 15.29 (3) limited exams;  
 15.30 (4) bitewing x-rays, limited to one per year;  
 16.1 (5) periapical x-rays;  
 16.2 (6) panoramic x-rays, limited to one every five years except (1) when medically necessary for the diagnosis and follow up of oral and maxillofacial pathology and trauma or (2) once

13.13 ~~every two years for patients who cannot cooperate for intraoral film due to a developmental~~  
13.14 ~~disability or medical condition that does not allow for intraoral film placement;~~

13.15 (7) prophylaxis, limited to one per year;

13.16 (8) application of fluoride varnish, limited to one per year;

13.17 (9) posterior fillings, all at the amalgam rate;

13.18 (10) anterior fillings;

13.19 (11) endodontics, limited to root canals on the anterior and premolars only;

13.20 (12) removable prostheses, each dental arch limited to one every six years;

13.21 (13) oral surgery, limited to extractions, biopsies, and incision and drainage of abscesses;

13.22 (14) palliative treatment and sedative fillings for relief of pain;

13.23 (15) full-mouth debridement, limited to one every five years; and

13.24 (16) nonsurgical treatment for periodontal disease, including scaling and root planing

13.25 ~~once every two years for each quadrant, and routine periodontal maintenance procedures.~~

13.26 (e) In addition to the services specified in paragraph (b), medical assistance covers the

13.27 following services for adults, if provided in an outpatient hospital setting or freestanding

13.28 ambulatory surgical center as part of outpatient dental surgery.

13.29 (1) periodontics, limited to periodontal scaling and root planing once every two years;

14.1 (2) general anesthesia; and

14.2 (3) full-mouth survey once every five years.

14.3 (d) Medical assistance covers medically necessary dental services for children and

14.4 pregnant women. (b) The following guidelines apply to dental services:

14.5 (1) posterior fillings are paid at the amalgam rate;

14.6 (2) application of sealants are covered once every five years per permanent molar ~~for~~

14.7 ~~children only; and~~

14.8 (3) application of fluoride varnish is covered once every six months; and

14.9 (4) orthodontia is eligible for coverage for children only.

14.10 (e) ~~(c)~~ In addition to the services specified in paragraphs (b) and (e), medical

14.11 assistance covers the following services ~~for adults~~:

14.12 (1) house calls or extended care facility calls for on-site delivery of covered services;

14.13 (2) behavioral management when additional staff time is required to accommodate

14.14 behavioral challenges and sedation is not used;

16.4 ~~every two years for patients who cannot cooperate for intraoral film due to a developmental~~  
16.5 ~~disability or medical condition that does not allow for intraoral film placement;~~

16.6 (7) prophylaxis, limited to one per year;

16.7 (8) application of fluoride varnish, limited to one per year;

16.8 (9) posterior fillings, all at the amalgam rate;

16.9 (10) anterior fillings;

16.10 (11) endodontics, limited to root canals on the anterior and premolars only;

16.11 (12) removable prostheses, each dental arch limited to one every six years;

16.12 (13) oral surgery, limited to extractions, biopsies, and incision and drainage of abscesses;

16.13 (14) palliative treatment and sedative fillings for relief of pain;

16.14 (15) full-mouth debridement, limited to one every five years; and

16.15 (16) nonsurgical treatment for periodontal disease, including scaling and root planing

16.16 ~~once every two years for each quadrant, and routine periodontal maintenance procedures.~~

16.17 (e) In addition to the services specified in paragraph (b), medical assistance covers the

16.18 following services for adults, if provided in an outpatient hospital setting or freestanding

16.19 ambulatory surgical center as part of outpatient dental surgery.

16.20 (1) periodontics, limited to periodontal scaling and root planing once every two years;

16.21 (2) general anesthesia; and

16.22 (3) full-mouth survey once every five years.

16.23 (d) Medical assistance covers medically necessary dental services for children and

16.24 pregnant women. The following guidelines apply:

16.25 (1) posterior fillings are paid at the amalgam rate;

16.26 (2) application of sealants are covered once every five years per permanent molar ~~for~~

16.27 ~~children only;~~

16.28 (3) application of fluoride varnish is covered once every six months; and

16.29 (4) orthodontia is eligible for coverage for children only.

17.1 (e) ~~(b)~~ In addition to the services specified in paragraphs (b) and (e) (a),

17.2 medical assistance covers the following services ~~for adults~~:

17.3 (1) house calls or extended care facility calls for on-site delivery of covered services;

17.4 (2) behavioral management when additional staff time is required to accommodate

17.5 behavioral challenges and sedation is not used;

14.15 (3) oral or IV sedation, if the covered dental service cannot be performed safely without  
14.16 it or would otherwise require the service to be performed under general anesthesia in a  
14.17 hospital or surgical center; and

14.18 (4) prophylaxis, in accordance with an appropriate individualized treatment plan, but  
14.19 no more than four times per year.

14.20 ~~(d)~~ The commissioner shall not require prior authorization for the services included  
14.21 in paragraph ~~(e)~~(e), clauses (1) to (3), and shall prohibit managed care and county-based  
14.22 purchasing plans from requiring prior authorization for the services included in paragraph  
14.23 ~~(e)~~(e), clauses (1) to (3), when provided under sections 256B.69, 256B.692, and 256L.12.

14.24 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
14.25 whichever is later. The commissioner of human services shall notify the revisor of statutes  
14.26 when federal approval is obtained.

14.27 Sec. 10. Minnesota Statutes 2022, section 256B.0625, subdivision 13, is amended to read:

14.28 Subd. 13. **Drugs.** (a) Medical assistance covers drugs, except for fertility drugs when  
14.29 specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed  
14.30 by a licensed pharmacist, by a physician enrolled in the medical assistance program as a  
14.31 dispensing physician, or by a physician, a physician assistant, or an advanced practice  
15.1 registered nurse employed by or under contract with a community health board as defined  
15.2 in section 145A.02, subdivision 5, for the purposes of communicable disease control.

15.3 (b) The dispensed quantity of a prescription drug must not exceed a 34-day supply;  
15.4 unless authorized by the commissioner or as provided in paragraph (h) or the drug appears  
15.5 on the 90-day supply list published by the commissioner. The 90-day supply list shall be  
15.6 published by the commissioner on the department's website. The commissioner may add  
15.7 to, delete from, and otherwise modify the 90-day supply list after providing public notice  
15.8 and the opportunity for a 15-day public comment period. The 90-day supply list may include  
15.9 cost-effective generic drugs and shall not include controlled substances.

15.10 (c) For the purpose of this subdivision and subdivision 13d, an "active pharmaceutical  
15.11 ingredient" is defined as a substance that is represented for use in a drug and when used in  
15.12 the manufacturing, processing, or packaging of a drug becomes an active ingredient of the  
15.13 drug product. An "excipient" is defined as an inert substance used as a diluent or vehicle  
15.14 for a drug. The commissioner shall establish a list of active pharmaceutical ingredients and  
15.15 excipients which are included in the medical assistance formulary. Medical assistance covers  
15.16 selected active pharmaceutical ingredients and excipients used in compounded prescriptions  
15.17 when the compounded combination is specifically approved by the commissioner or when  
15.18 a commercially available product:

15.19 (1) is not a therapeutic option for the patient;

15.20 (2) does not exist in the same combination of active ingredients in the same strengths  
15.21 as the compounded prescription; and

17.6 (3) oral or IV sedation, if the covered dental service cannot be performed safely without  
17.7 it or would otherwise require the service to be performed under general anesthesia in a  
17.8 hospital or surgical center; and

17.9 (4) prophylaxis, in accordance with an appropriate individualized treatment plan, but  
17.10 no more than four times per year.

17.11 ~~(c)~~ The commissioner shall not require prior authorization for the services included  
17.12 in paragraph ~~(e)~~(b), clauses (1) to (3), and shall prohibit managed care and county-based  
17.13 purchasing plans from requiring prior authorization for the services included in paragraph  
17.14 ~~(e)~~(b), clauses (1) to (3), when provided under sections 256B.69, 256B.692, and 256L.12.

17.15 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
17.16 whichever is later.

15.22 (3) cannot be used in place of the active pharmaceutical ingredient in the compounded  
15.23 prescription.

15.24 (d) Medical assistance covers the following over-the-counter drugs when prescribed by  
15.25 a licensed practitioner or by a licensed pharmacist who meets standards established by the  
15.26 commissioner, in consultation with the board of pharmacy: antacids, acetaminophen, family  
15.27 planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults  
15.28 with documented vitamin deficiencies, vitamins for children under the age of seven and  
15.29 pregnant or nursing women, and any other over-the-counter drug identified by the  
15.30 commissioner, in consultation with the Formulary Committee, as necessary, appropriate,  
15.31 and cost-effective for the treatment of certain specified chronic diseases, conditions, or  
15.32 disorders, and this determination shall not be subject to the requirements of chapter 14. A  
15.33 pharmacist may prescribe over-the-counter medications as provided under this paragraph  
15.34 for purposes of receiving reimbursement under Medicaid. When prescribing over-the-counter  
16.1 drugs under this paragraph, licensed pharmacists must consult with the recipient to determine  
16.2 necessity, provide drug counseling, review drug therapy for potential adverse interactions,  
16.3 and make referrals as needed to other health care professionals.

16.4 (e) Effective January 1, 2006, medical assistance shall not cover drugs that are coverable  
16.5 under Medicare Part D as defined in the Medicare Prescription Drug, Improvement, and  
16.6 Modernization Act of 2003, Public Law 108-173, section 1860D-2(e), for individuals eligible  
16.7 for drug coverage as defined in the Medicare Prescription Drug, Improvement, and  
16.8 Modernization Act of 2003, Public Law 108-173, section 1860D-1(a)(3)(A). For these  
16.9 individuals, medical assistance may cover drugs from the drug classes listed in United States  
16.10 Code, title 42, section 1396r-8(d)(2), subject to this subdivision and subdivisions 13a to  
16.11 13g, except that drugs listed in United States Code, title 42, section 1396r-8(d)(2)(E), shall  
16.12 not be covered.

16.13 (f) Medical assistance covers drugs acquired through the federal 340B Drug Pricing  
16.14 Program and dispensed by 340B covered entities and ambulatory pharmacies under common  
16.15 ownership of the 340B covered entity. Medical assistance does not cover drugs acquired  
16.16 through the federal 340B Drug Pricing Program and dispensed by 340B contract pharmacies.

16.17 (g) Notwithstanding paragraph (a), medical assistance covers self-administered hormonal  
16.18 contraceptives prescribed and dispensed by a licensed pharmacist in accordance with section  
16.19 151.37, subdivision 14; nicotine replacement medications prescribed and dispensed by a  
16.20 licensed pharmacist in accordance with section 151.37, subdivision 15; and opiate antagonists  
16.21 used for the treatment of an acute opiate overdose prescribed and dispensed by a licensed  
16.22 pharmacist in accordance with section 151.37, subdivision 16.

16.23 (h) Medical assistance coverage for a prescription contraceptive must provide a 12-month  
16.24 supply for any prescription contraceptive if a 12-month supply is prescribed by the  
16.25 prescribing health care provider. The prescribing health care provider must determine the  
16.26 appropriate duration for which to prescribe the prescription contraceptives, up to 12 months.  
16.27 For purposes of this paragraph, "prescription contraceptive" means any drug or device that  
16.28 requires a prescription and is approved by the Food and Drug Administration to prevent

16.29 pregnancy. Prescription contraceptive does not include an emergency contraceptive drug  
 16.30 approved to prevent pregnancy when administered after sexual contact. For purposes of this  
 16.31 paragraph, "health plan" has the meaning provided in section 62Q.01, subdivision 3.

16.32 **EFFECTIVE DATE.** This section applies to medical assistance and MinnesotaCare  
 16.33 coverage effective January 1, 2024.

17.1 Sec. 11. Minnesota Statutes 2022, section 256B.0625, subdivision 13c, is amended to  
 17.2 read:

17.3 **Subd. 13c. Formulary Committee.** The commissioner, after receiving recommendations  
 17.4 from professional medical associations and professional pharmacy associations, and consumer  
 17.5 groups shall designate a Formulary Committee to carry out duties as described in subdivisions  
 17.6 13 to 13g. The Formulary Committee shall be comprised of ~~four~~ at least five licensed  
 17.7 physicians actively engaged in the practice of medicine in Minnesota, one of whom ~~must~~  
 17.8 ~~be actively engaged in the treatment of persons with mental illness~~ is an actively practicing  
 17.9 ~~psychiatrist~~, one of whom specializes in the diagnosis and treatment of rare diseases, one  
 17.10 of whom specializes in pediatrics, and one of whom actively treats persons with disabilities;  
 17.11 at least three licensed pharmacists actively engaged in the practice of pharmacy in Minnesota,  
 17.12 one of whom practices outside the metropolitan counties listed in section 473.121, subdivision  
 17.13 4, one of whom practices in the metropolitan counties listed in section 473.121, subdivision  
 17.14 4, and one of whom is a practicing hospital pharmacist; ~~and one~~ at least four consumer  
 17.15 ~~representative~~ representatives, all of whom must have a personal or professional connection  
 17.16 to medical assistance; and one ~~representative~~ representative designated by the Minnesota Rare Disease  
 17.17 Advisory Council established under section 256.4835; the remainder to be made up of health  
 17.18 care professionals who are licensed in their field and have recognized knowledge in the  
 17.19 clinically appropriate prescribing, dispensing, and monitoring of covered outpatient drugs.  
 17.20 Members of the Formulary Committee shall not be employed by the Department of Human  
 17.21 Services, but the committee shall be staffed by an employee of the department who shall  
 17.22 serve as an ex officio, nonvoting member of the committee. The department's medical  
 17.23 director shall also serve as an ex officio, nonvoting member for the committee. Committee  
 17.24 members shall serve three-year terms and may be reappointed once by the commissioner.  
 17.25 ~~The committee members shall vote on a chair from among their membership. The chair~~  
 17.26 ~~shall preside over all committee meetings.~~ The Formulary Committee shall meet at least  
 17.27 ~~twice~~ four ~~times~~ per year. The commissioner may require more frequent Formulary  
 17.28 Committee meetings as needed. An honorarium of \$100 per meeting and reimbursement  
 17.29 for mileage shall be paid to each committee member in attendance. ~~The Formulary Committee~~  
 17.30 ~~is subject to the Open Meeting Law under chapter 13D.~~ The Formulary Committee ~~expires~~  
 17.31 ~~June 30, 2023~~ 2027.

17.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

17.17 Sec. 13. Minnesota Statutes 2022, section 256B.0625, subdivision 13c, is amended to  
 17.18 read:

17.19 **Subd. 13c. Formulary Committee.** The commissioner, after receiving recommendations  
 17.20 from professional medical associations and professional pharmacy associations, and consumer  
 17.21 groups shall designate a Formulary Committee to carry out duties as described in subdivisions  
 17.22 13 to 13g. The Formulary Committee shall be comprised of ~~four~~ at least five licensed  
 17.23 physicians actively engaged in the practice of medicine in Minnesota, one of whom ~~must~~  
 17.24 ~~be actively engaged in the treatment of persons with mental illness~~ is an actively practicing  
 17.25 ~~psychiatrist~~, one of whom specializes in the diagnosis and treatment of rare diseases, one  
 17.26 of whom specializes in pediatrics, and one of whom actively treats persons with disabilities;  
 17.27 at least three licensed pharmacists actively engaged in the practice of pharmacy in Minnesota,  
 17.28 one of whom practices outside the metropolitan counties listed in section 473.121, subdivision  
 17.29 4, one of whom practices in the metropolitan counties listed in section 473.121, subdivision  
 17.30 4, and one of whom is a practicing hospital pharmacist; ~~and one~~ at least four consumer  
 17.31 ~~representative~~ representatives, all of whom must have a personal or professional connection  
 17.32 to medical assistance; and one ~~representative~~ representative designated by the Minnesota Rare Disease  
 17.33 Advisory Council established under section 256.4835; the remainder to be made up of health  
 18.1 care professionals who are licensed in their field and have recognized knowledge in the  
 18.2 clinically appropriate prescribing, dispensing, and monitoring of covered outpatient drugs.  
 18.3 Members of the Formulary Committee shall not be employed by the Department of Human  
 18.4 Services, but the committee shall be staffed by an employee of the department who shall  
 18.5 serve as an ex officio, nonvoting member of the committee. The department's medical  
 18.6 director shall also serve as an ex officio, nonvoting member for the committee. Committee  
 18.7 members shall serve three-year terms and may be reappointed by the commissioner. The  
 18.8 Formulary Committee shall meet at least ~~twice~~ once per year. The commissioner may require  
 18.9 more frequent Formulary Committee meetings as needed. An honorarium of \$100 per  
 18.10 meeting and reimbursement for mileage shall be paid to each committee member in  
 18.11 attendance. ~~Notwithstanding section 15.059, subdivision 6, the Formulary Committee expires~~  
 18.12 ~~June 30, 2023~~ does not expire.

18.13     Sec. 14. Minnesota Statutes 2022, section 256B.0625, subdivision 13e, is amended to  
18.14     read:

18.15     Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall  
18.16     be the lower of the ingredient costs of the drugs plus the professional dispensing fee; or the  
18.17     usual and customary price charged to the public. The usual and customary price means the  
18.18     lowest price charged by the provider to a patient who pays for the prescription by cash,  
18.19     check, or charge account and includes prices the pharmacy charges to a patient enrolled in  
18.20     a prescription savings club or prescription discount club administered by the pharmacy or  
18.21     pharmacy chain. The amount of payment basis must be reduced to reflect all discount  
18.22     amounts applied to the charge by any third-party provider/insurer agreement or contract for  
18.23     submitted charges to medical assistance programs. The net submitted charge may not be  
18.24     greater than the patient liability for the service. The professional dispensing fee shall be  
18.25     \$10.77 for prescriptions filled with legend drugs meeting the definition of "covered outpatient  
18.26     drugs" according to United States Code, title 42, section 1396r-8(k)(2). The dispensing fee  
18.27     for intravenous solutions that must be compounded by the pharmacist shall be \$10.77 per  
18.28     claim. The professional dispensing fee for prescriptions filled with over-the-counter drugs  
18.29     meeting the definition of covered outpatient drugs shall be \$10.77 for dispensed quantities  
18.30     equal to or greater than the number of units contained in the manufacturer's original package.  
18.31     The professional dispensing fee shall be prorated based on the percentage of the package  
18.32     dispensed when the pharmacy dispenses a quantity less than the number of units contained  
18.33     in the manufacturer's original package. The pharmacy dispensing fee for prescribed  
18.34     over-the-counter drugs not meeting the definition of covered outpatient drugs shall be \$3.65  
18.35     for quantities equal to or greater than the number of units contained in the manufacturer's  
19.1     original package and shall be prorated based on the percentage of the package dispensed  
19.2     when the pharmacy dispenses a quantity less than the number of units contained in the  
19.3     manufacturer's original package. The National Average Drug Acquisition Cost (NADAC)  
19.4     shall be used to determine the ingredient cost of a drug. For drugs for which a NADAC is  
19.5     not reported, the commissioner shall estimate the ingredient cost at the wholesale acquisition  
19.6     cost minus two percent. The ingredient cost of a drug for a provider participating in the  
19.7     federal 340B Drug Pricing Program shall be either the 340B Drug Pricing Program ceiling  
19.8     price established by the Health Resources and Services Administration or NADAC,  
19.9     whichever is lower. Wholesale acquisition cost is defined as the manufacturer's list price  
19.10     for a drug or biological to wholesalers or direct purchasers in the United States, not including  
19.11     prompt pay or other discounts, rebates, or reductions in price, for the most recent month for  
19.12     which information is available, as reported in wholesale price guides or other publications  
19.13     of drug or biological pricing data. The maximum allowable cost of a multisource drug may  
19.14     be set by the commissioner and it shall be comparable to the actual acquisition cost of the  
19.15     drug product and no higher than the NADAC of the generic product. Establishment of the  
19.16     amount of payment for drugs shall not be subject to the requirements of the Administrative  
19.17     Procedure Act.

19.18     (b) Pharmacies dispensing prescriptions to residents of long-term care facilities using  
19.19     an automated drug distribution system meeting the requirements of section 151.58, or a

19.20 packaging system meeting the packaging standards set forth in Minnesota Rules, part 19.21 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ 19.22 retrospective billing for prescription drugs dispensed to long-term care facility residents. A 19.23 retrospectively billing pharmacy must submit a claim only for the quantity of medication 19.24 used by the enrolled recipient during the defined billing period. A retrospectively billing 19.25 pharmacy must use a billing period not less than one calendar month or 30 days.

19.26 (c) A pharmacy provider using packaging that meets the standards set forth in Minnesota 19.27 Rules, part 6800.2700, is required to credit the department for the actual acquisition cost 19.28 of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective 19.29 billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that 19.30 is less than a 30-day supply.

19.31 (d) If a pharmacy dispenses a multisource drug, the ingredient cost shall be the NADAC 19.32 of the generic product or the maximum allowable cost established by the commissioner 19.33 unless prior authorization for the brand name product has been granted according to the 19.34 criteria established by the Drug Formulary Committee as required by subdivision 13f, 20.1 paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in 20.2 a manner consistent with section 151.21, subdivision 2.

20.3 (e) The basis for determining the amount of payment for drugs administered in an 20.4 outpatient setting shall be the lower of the usual and customary cost submitted by the 20.5 provider, 106 percent of the average sales price as determined by the United States 20.6 Department of Health and Human Services pursuant to title XVIII, section 1847a of the 20.7 federal Social Security Act, the specialty pharmacy rate, or the maximum allowable cost 20.8 set by the commissioner. If average sales price is unavailable, the amount of payment must 20.9 be lower of the usual and customary cost submitted by the provider, the wholesale acquisition 20.10 cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. 20.11 The commissioner shall discount the payment rate for drugs obtained through the federal 20.12 340B Drug Pricing Program by 28.6 percent. The payment for drugs administered in an 20.13 outpatient setting shall be made to the administering facility or practitioner. A retail or 20.14 specialty pharmacy dispensing a drug for administration in an outpatient setting is not 20.15 eligible for direct reimbursement.

20.16 (f) The commissioner may establish maximum allowable cost rates for specialty pharmacy 20.17 products that are lower than the ingredient cost formulas specified in paragraph (a). The 20.18 commissioner may require individuals enrolled in the health care programs administered 20.19 by the department to obtain specialty pharmacy products from providers with whom the 20.20 commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are 20.21 defined as those used by a small number of recipients or recipients with complex and chronic 20.22 diseases that require expensive and challenging drug regimens. Examples of these conditions 20.23 include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, 20.24 growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of 20.25 cancer. Specialty pharmaceutical products include injectable and infusion therapies, 20.26 biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies that

20.27 require complex care. The commissioner shall consult with the Formulary Committee to  
20.28 develop a list of specialty pharmacy products subject to maximum allowable cost  
20.29 reimbursement. In consulting with the Formulary Committee in developing this list, the  
20.30 commissioner shall take into consideration the population served by specialty pharmacy  
20.31 products, the current delivery system and standard of care in the state, and access to care  
20.32 issues. The commissioner shall have the discretion to adjust the maximum allowable cost  
20.33 to prevent access to care issues.

20.34 (g) Home infusion therapy services provided by home infusion therapy pharmacies must  
20.35 be paid at rates according to subdivision 8d.

21.1 (h) The commissioner shall contract with a vendor to conduct a cost of dispensing survey  
21.2 for all pharmacies that are physically located in the state of Minnesota that dispense outpatient  
21.3 drugs under medical assistance. The commissioner shall ensure that the vendor has prior  
21.4 experience in conducting cost of dispensing surveys. Each pharmacy enrolled with the  
21.5 department to dispense outpatient prescription drugs to fee-for-service members must  
21.6 respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under  
21.7 section 256B.064 for failure to respond. The commissioner shall require the vendor to  
21.8 measure a single statewide cost of dispensing for specialty prescription drugs and a single  
21.9 statewide cost of dispensing for nonspecialty prescription drugs for all responding pharmacies  
21.10 to measure the mean, mean weighted by total prescription volume, mean weighted by  
21.11 medical assistance prescription volume, median, median weighted by total prescription  
21.12 volume, and median weighted by total medical assistance prescription volume. The  
21.13 commissioner shall post a copy of the final cost of dispensing survey report on the  
21.14 department's website. The initial survey must be completed no later than January 1, 2021,  
21.15 and repeated every three years. The commissioner shall provide a summary of the results  
21.16 of each cost of dispensing survey and provide recommendations for any changes to the  
21.17 dispensing fee to the chairs and ranking members of the legislative committees with  
21.18 jurisdiction over medical assistance pharmacy reimbursement. Notwithstanding section  
21.19 256.01, subdivision 42, this paragraph does not expire.

21.20 (i) The commissioner shall increase the ingredient cost reimbursement calculated in  
21.21 paragraphs (a) and (f) by 1.8 percent for prescription and nonprescription drugs subject to  
21.22 the wholesale drug distributor tax under section 295.52.

21.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

18.1 Sec. 12. Minnesota Statutes 2022, section 256B.0625, subdivision 13f, is amended to read:

18.2 Subd. 13f. **Prior authorization.** (a) The Formulary Committee shall review and  
18.3 recommend drugs which require prior authorization. The Formulary Committee shall  
18.4 establish general criteria to be used for the prior authorization of brand-name drugs for  
18.5 which generically equivalent drugs are available, but the committee is not required to review  
18.6 each brand-name drug for which a generically equivalent drug is available.

18.7 (b) Prior authorization may be required by the commissioner before certain formulary  
18.8 drugs are eligible for payment. The Formulary Committee may recommend drugs for prior  
18.9 authorization directly to the commissioner. The commissioner may also request that the  
18.10 Formulary Committee review a drug for prior authorization. Before the commissioner may  
18.11 require prior authorization for a drug:

18.12 (1) the commissioner must provide information to the Formulary Committee on the  
18.13 impact that placing the drug on prior authorization may have on the quality of patient care  
18.14 and on program costs, information regarding whether the drug is subject to clinical abuse  
18.15 or misuse, and relevant data from the state Medicaid program if such data is available;

18.16 (2) the Formulary Committee must review the drug, taking into account medical and  
18.17 clinical data and the information provided by the commissioner; and

18.18 (3) the Formulary Committee must hold a public forum and receive public comment for  
18.19 an additional 15 days.

18.20 The commissioner must provide a 15-day notice period before implementing the prior  
18.21 authorization.

18.22 (c) Except as provided in subdivision 13j, prior authorization shall not be required or  
18.23 utilized for any atypical antipsychotic drug prescribed for the treatment of mental illness  
18.24 if:

18.25 (1) there is no generically equivalent drug available; and

18.26 (2) the drug was initially prescribed for the recipient prior to July 1, 2003; or

18.27 (3) the drug is part of the recipient's current course of treatment.

18.28 This paragraph applies to any multistate preferred drug list or supplemental drug rebate  
18.29 program established or administered by the commissioner. Prior authorization shall  
18.30 automatically be granted for 60 days for brand name drugs prescribed for treatment of mental  
18.31 illness within 60 days of when a generically equivalent drug becomes available, provided  
19.1 that the brand name drug was part of the recipient's course of treatment at the time the  
19.2 generically equivalent drug became available.

19.3 (d) Prior authorization shall not be required or utilized for:

19.4 (1) any liquid form of a medication for a patient who utilizes tube feedings of any kind,  
19.5 even if such patient has or had any paid claims for pills; and

19.6 (2) liquid methadone. If more than one version of liquid methadone is available, the  
19.7 commissioner shall select the version of liquid methadone that does not require prior  
19.8 authorization.

19.9 This paragraph applies to any multistate preferred drug list or supplemental drug rebate  
19.10 program established or administered by the commissioner.

19.11 (e) The commissioner may require prior authorization for brand name drugs whenever  
19.12 a generically equivalent product is available, even if the prescriber specifically indicates  
19.13 "dispense as written-brand necessary" on the prescription as required by section 151.21,  
19.14 subdivision 2.

19.15 (e) Notwithstanding this subdivision, the commissioner may automatically require  
19.16 prior authorization, for a period not to exceed 180 days, for any drug that is approved by  
19.17 the United States Food and Drug Administration on or after July 1, 2005. The 180-day  
19.18 period begins no later than the first day that a drug is available for shipment to pharmacies  
19.19 within the state. The Formulary Committee shall recommend to the commissioner general  
19.20 criteria to be used for the prior authorization of the drugs, but the committee is not required  
19.21 to review each individual drug. In order to continue prior authorizations for a drug after the  
19.22 180-day period has expired, the commissioner must follow the provisions of this subdivision.

19.23 (f) Prior authorization under this subdivision shall comply with section 62Q.184.

19.24 (g) Any step therapy protocol requirements established by the commissioner must  
19.25 comply with section 62Q.1841.

19.26 Sec. 13. Minnesota Statutes 2022, section 256B.0625, subdivision 13g, is amended to  
19.27 read:

19.28 Subd. 13g. **Preferred drug list.** (a) The commissioner shall adopt and implement a  
19.29 preferred drug list by January 1, 2004. The commissioner may enter into a contract with a  
19.30 vendor for the purpose of participating in a preferred drug list and supplemental rebate  
19.31 program. The terms of the contract with the vendor must be publicly disclosed on the website  
19.32 of the Department of Human Services. The commissioner shall ensure that any contract  
20.1 meets all federal requirements and maximizes federal financial participation. The  
20.2 commissioner shall publish the preferred drug list annually in the State Register and shall  
20.3 maintain an accurate and up-to-date list on the agency website. The commissioner shall  
20.4 implement and maintain an accurate archive of previous versions of the preferred drug list,  
20.5 and make this archive available to the public on the website of the Department of Human  
20.6 Services beginning January 1, 2024.

20.7 (b) The commissioner may add to, delete from, and otherwise modify the preferred drug  
20.8 list, after consulting with the Formulary Committee and, appropriate medical specialists  
20.9 and, appropriate patient advocacy groups, and the Minnesota Rare Disease Advisory  
20.10 Council; providing public notice and the opportunity for public comment; and complying  
20.11 with the requirements of paragraph (f).

20.12 (c) The commissioner shall adopt and administer the preferred drug list as part of the  
20.13 administration of the supplemental drug rebate program. Reimbursement for prescription  
20.14 drugs not on the preferred drug list may be subject to prior authorization.

20.15 (d) For purposes of this subdivision, the following definitions apply:

20.16 (1) "appropriate medical specialist" means a medical professional who prescribes the  
20.17 relevant class of drug as part of their subspecialty;

20.18 (2) "patient advocacy group" means a nonprofit organization as described in United  
20.19 States Code, title 26, section 501(c)(3), that is exempt from income tax under United States  
20.20 Code, title 26, section 501(a), or a public entity that supports persons with the disease state  
20.21 treated by the therapeutic class of the preferred drug list being updated; and

20.22 (3) "preferred drug list" means a list of prescription drugs within designated therapeutic  
20.23 classes selected by the commissioner, for which prior authorization based on the identity  
20.24 of the drug or class is not required.

20.25 (e) The commissioner shall seek any federal waivers or approvals necessary to implement  
20.26 this subdivision. The commissioner shall maintain a public list of applicable patient advocacy  
20.27 groups.

20.28 (f) Notwithstanding paragraph (b), Before the commissioner may delete a drug from the  
20.29 preferred drug list or modify the inclusion of a drug on the preferred drug list, the  
20.30 commissioner shall consider any implications that the deletion or modification may have  
20.31 on state public health policies or initiatives and any impact that the deletion or modification  
20.32 may have on increasing health disparities in the state. Prior to deleting a drug or modifying  
20.33 the inclusion of a drug, the commissioner shall also conduct a public hearing. The  
21.1 commissioner shall provide adequate notice to the public and the commissioner of health  
21.2 prior to the hearing that specifies the drug that the commissioner is proposing to delete or  
21.3 modify, and shall disclose any public medical or clinical analysis that the commissioner  
21.4 has relied on in proposing the deletion or modification, and evidence that the commissioner  
21.5 has evaluated the impact of the proposed deletion or modification on public health and  
21.6 health disparities. Notwithstanding section 331A.05, a public notice of a Formulary  
21.7 Committee meeting must be published at least 30 days in advance of the meeting. The list  
21.8 of drugs to be discussed at the meeting must be announced at least 30 days before the meeting  
21.9 and must include the name and class of drug, the proposed action, and the proposed prior  
21.10 authorization requirements, if applicable.

21.24 Sec. 15. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision  
21.25 to read:

21.26 Subd. 13k. **Value-based purchasing arrangements.** (a) The commissioner may enter  
21.27 into a value-based purchasing arrangement under medical assistance or MinnesotaCare, by  
21.28 written arrangement with a drug manufacturer based on agreed-upon metrics. The  
21.29 commissioner may contract with a vendor to implement and administer the value-based  
21.30 purchasing arrangement. A value-based purchasing arrangement may include but is not  
21.31 limited to rebates, discounts, price reductions, risk sharing, reimbursements, guarantees,  
21.32 shared savings payments, withhold, or bonuses. A value-based purchasing arrangement

21.33 must provide at least the same value or discount in the aggregate as would claiming the  
21.34 mandatory federal drug rebate under the Federal Social Security Act, section 1927.

22.1 (b) Nothing in this section shall be interpreted as requiring a drug manufacturer or the  
22.2 commissioner to enter into an arrangement as described in paragraph (a).

22.3 (c) Nothing in this section shall be interpreted as altering or modifying medical assistance  
22.4 coverage requirements under the federal Social Security Act, section 1927.

22.5 (d) If the commissioner determines that a state plan amendment is necessary for  
22.6 implementation before implementing a value-based purchasing arrangement, the  
22.7 commissioner shall request the amendment and may delay implementing this provision  
22.8 until the amendment is approved.

22.9 **EFFECTIVE DATE.** This section is effective July 1, 2023.

22.10 Sec. 16. Minnesota Statutes 2022, section 256B.0625, subdivision 16, is amended to read:

22.11 Subd. 16. **Abortion services.** Medical assistance covers abortion services, but only if  
22.12 one of the following conditions is met: determined to be medically necessary by the treating  
22.13 provider and delivered in accordance with all applicable Minnesota laws.

22.14 (a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written  
22.15 statement of two physicians indicating the abortion is medically necessary to prevent the  
22.16 death of the mother, and (2) the patient has given her consent to the abortion in writing  
22.17 unless the patient is physically or legally incapable of providing informed consent to the  
22.18 procedure, in which case consent will be given as otherwise provided by law;

22.19 (b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342,  
22.20 subdivision 1, clauses (a), (b), (e)(i) and (ii), and (e), and subdivision 1a, clauses (a), (b),  
22.21 (e)(i) and (ii), and (d), and the incident is reported within 48 hours after the incident occurs  
22.22 to a valid law enforcement agency for investigation, unless the victim is physically unable  
22.23 to report the criminal sexual conduct, in which case the report shall be made within 48 hours  
22.24 after the victim becomes physically able to report the criminal sexual conduct; or

22.25 (e) The pregnancy is the result of incest, but only if the incident and relative are reported  
22.26 to a valid law enforcement agency for investigation prior to the abortion.

22.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

22.28 Sec. 17. Minnesota Statutes 2022, section 256B.0625, subdivision 22, is amended to read:

22.29 Subd. 22. **Hospice care.** Medical assistance covers hospice care services under Public  
22.30 Law 99-272, section 9505, to the extent authorized by rule, except that a recipient age 21  
22.31 or under who elects to receive hospice services does not waive coverage for services that  
23.1 are related to the treatment of the condition for which a diagnosis of terminal illness has

21.11 Sec. 14. Minnesota Statutes 2022, section 256B.0625, subdivision 28b, is amended to  
21.12 read:

21.13 Subd. 28b. **Doula services.** Medical assistance covers doula services provided by a  
21.14 certified doula as defined in section 148.995, subdivision 2, of the mother's choice. For  
21.15 purposes of this section, "doula services" means childbirth education and support services,  
21.16 including emotional and physical support provided during pregnancy, labor, birth, and  
21.17 postpartum. The commissioner shall enroll doula agencies and individual treating doula  
21.18 to provide direct reimbursement.

21.19 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
21.20 whichever is later. The commissioner of human services shall notify the revisor of statutes  
21.21 when federal approval is obtained.

23.2 been made. Hospice respite and end-of-life care under subdivision 22a are not hospice care  
23.3 services under this subdivision.

23.4 **EFFECTIVE DATE.** This section is effective January 1, 2024.

23.5 Sec. 18. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision  
23.6 to read:

23.7 Subd. 22a. **Residential hospice facility; hospice respite and end-of-life care for**  
23.8 **children.** (a) Medical assistance covers hospice respite and end-of-life care if the care is  
23.9 for recipients age 21 or under who elect to receive hospice care delivered in a facility that  
23.10 is licensed under sections 144A.75 to 144A.755 and that is a residential hospice facility  
23.11 under section 144A.75, subdivision 13, paragraph (a). Hospice care services under  
23.12 subdivision 22 are not hospice respite or end-of-life care under this subdivision.

23.13 (b) The payment rates for coverage under this subdivision must be 100 percent of the  
23.14 Medicare rate for continuous home care hospice services as published in the Centers for  
23.15 Medicare and Medicaid Services annual final rule updating payments and policies for hospice  
23.16 care. The commissioner must seek to obtain federal financial participation for payment for  
23.17 hospice respite and end-of-life care under this subdivision. Payment must be made using  
23.18 state-only money, if federal financial participation is not obtained. Payment for hospice  
23.19 respite and end-of-life care must be paid to the residential hospice facility and are not  
23.20 included in any limit or cap amount applicable to hospice services payments to the elected  
23.21 hospice services provider.

23.22 (c) Certification of the residential hospice facility by the federal Medicare program must  
23.23 not be a requirement of medical assistance payment for hospice respite and end-of-life care  
23.24 under this subdivision.

23.25 **EFFECTIVE DATE.** This section is effective January 1, 2024.

23.26 Sec. 19. Minnesota Statutes 2022, section 256B.0625, subdivision 28b, is amended to  
23.27 read:

23.28 Subd. 28b. **Doula services.** Medical assistance covers doula services provided by a  
23.29 certified doula as defined in section 148.995, subdivision 2, of the mother's choice. For  
23.30 purposes of this section, "doula services" means childbirth education and support services,  
23.31 including emotional and physical support provided during pregnancy, labor, birth, and  
24.1 postpartum. The commissioner shall enroll doula agencies and individual treating doula  
24.2 to provide direct reimbursement.

24.3 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
24.4 whichever is later. The commissioner of human services shall notify the revisor of statutes  
24.5 when federal approval is obtained.

21.22 Sec. 15. Minnesota Statutes 2022, section 256B.0625, subdivision 30, is amended to read:

21.23 Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic services, federally qualified health center services, nonprofit community health clinic services, and public health clinic services. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

21.29 (b) A federally qualified health center (FQHC) that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. An FQHC that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, an FQHC shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. FQHCs that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state.

22.7 (c) In order to continue cost-based payment under the medical assistance program according to paragraphs (a) and (b), an FQHC or rural health clinic must apply for designation as an essential community provider within six months of final adoption of rules by the Department of Health according to section 62Q.19, subdivision 7. For those FQHCs and rural health clinics that have applied for essential community provider status within the six-month time prescribed, medical assistance payments will continue to be made according to paragraphs (a) and (b) for the first three years after application. For FQHCs and rural health clinics that either do not apply within the time specified above or who have had essential community provider status for three years, medical assistance payments for health services provided by these entities shall be according to the same rates and conditions applicable to the same service provided by health care providers that are not FQHCs or rural health clinics.

22.19 (d) Effective July 1, 1999, the provisions of paragraph (c) requiring an FQHC or a rural health clinic to make application for an essential community provider designation in order to have cost-based payments made according to paragraphs (a) and (b) no longer apply.

22.22 (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

22.24 (f) Effective January 1, 2001, through December 31, 2020, each FQHC and rural health clinic may elect to be paid either under the prospective payment system established in United States Code, title 42, section 1396a(aa), or under an alternative payment methodology consistent with the requirements of United States Code, title 42, section 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The alternative payment

24.6 Sec. 20. Minnesota Statutes 2022, section 256B.0625, subdivision 30, is amended to read:

24.7 Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic services, federally qualified health center services, nonprofit community health clinic services, and public health clinic services. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

24.13 (b) A federally qualified health center (FQHC) that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. An FQHC that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, an FQHC shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. FQHCs that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state.

24.24 (c) In order to continue cost-based payment under the medical assistance program according to paragraphs (a) and (b), an FQHC or rural health clinic must apply for designation as an essential community provider within six months of final adoption of rules by the Department of Health according to section 62Q.19, subdivision 7. For those FQHCs and rural health clinics that have applied for essential community provider status within the six-month time prescribed, medical assistance payments will continue to be made according to paragraphs (a) and (b) for the first three years after application. For FQHCs and rural health clinics that either do not apply within the time specified above or who have had essential community provider status for three years, medical assistance payments for health services provided by these entities shall be according to the same rates and conditions applicable to the same service provided by health care providers that are not FQHCs or rural health clinics.

25.3 (d) Effective July 1, 1999, the provisions of paragraph (c) requiring an FQHC or a rural health clinic to make application for an essential community provider designation in order to have cost-based payments made according to paragraphs (a) and (b) no longer apply.

25.6 (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

25.8 (f) Effective January 1, 2001, through December 31, 2020, each FQHC and rural health clinic may elect to be paid either under the prospective payment system established in United States Code, title 42, section 1396a(aa), or under an alternative payment methodology consistent with the requirements of United States Code, title 42, section 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The alternative payment

22.29 methodology shall be 100 percent of cost as determined according to Medicare cost  
22.30 principles.

22.31 (g) Effective for services provided on or after January 1, 2021, all claims for payment  
22.32 of clinic services provided by FQHCs and rural health clinics shall be paid by the  
22.33 commissioner, according to an annual election by the FQHC or rural health clinic, under  
22.34 the current prospective payment system described in paragraph (f) or the alternative payment  
23.1 methodology described in paragraph (l), or, upon federal approval, for FQHCs that are also  
23.2 urban Indian organizations under Title V of the federal Indian Health Improvement Act, as  
23.3 provided under paragraph (k).

23.4 (h) For purposes of this section, "nonprofit community clinic" is a clinic that:

23.5 (1) has nonprofit status as specified in chapter 317A;  
23.6 (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);  
23.7 (3) is established to provide health services to low-income population groups, uninsured,  
23.8 high-risk and special needs populations, underserved and other special needs populations;  
23.9 (4) employs professional staff at least one-half of which are familiar with the cultural  
23.10 background of their clients;

23.11 (5) charges for services on a sliding fee scale designed to provide assistance to  
23.12 low-income clients based on current poverty income guidelines and family size; and

23.13 (6) does not restrict access or services because of a client's financial limitations or public  
23.14 assistance status and provides no-cost care as needed.

23.15 (i) Effective for services provided on or after January 1, 2015, all claims for payment  
23.16 of clinic services provided by FQHCs and rural health clinics shall be paid by the  
23.17 commissioner. the commissioner shall determine the most feasible method for paying claims  
23.18 from the following options:

23.19 (1) FQHCs and rural health clinics submit claims directly to the commissioner for  
23.20 payment, and the commissioner provides claims information for recipients enrolled in a  
23.21 managed care or county-based purchasing plan to the plan, on a regular basis; or

23.22 (2) FQHCs and rural health clinics submit claims for recipients enrolled in a managed  
23.23 care or county-based purchasing plan to the plan, and those claims are submitted by the  
23.24 plan to the commissioner for payment to the clinic.

23.25 (j) For clinic services provided prior to January 1, 2015, the commissioner shall calculate  
23.26 and pay monthly the proposed managed care supplemental payments to clinics, and clinics  
23.27 shall conduct a timely review of the payment calculation data in order to finalize all  
23.28 supplemental payments in accordance with federal law. Any issues arising from a clinic's  
23.29 review must be reported to the commissioner by January 1, 2017. Upon final agreement  
23.30 between the commissioner and a clinic on issues identified under this subdivision, and in

25.13 methodology shall be 100 percent of cost as determined according to Medicare cost  
25.14 principles.

25.15 (g) Effective for services provided on or after January 1, 2021, all claims for payment  
25.16 of clinic services provided by FQHCs and rural health clinics shall be paid by the  
25.17 commissioner, according to an annual election by the FQHC or rural health clinic, under  
25.18 the current prospective payment system described in paragraph (f) or the alternative payment  
25.19 methodology described in paragraph (l), or, upon federal approval, for FQHCs that are also  
25.20 urban Indian organizations under Title V of the federal Indian Health Improvement Act, as  
25.21 provided under paragraph (k).

25.22 (h) For purposes of this section, "nonprofit community clinic" is a clinic that:

25.23 (1) has nonprofit status as specified in chapter 317A;  
25.24 (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);  
25.25 (3) is established to provide health services to low-income population groups, uninsured,  
25.26 high-risk and special needs populations, underserved and other special needs populations;  
25.27 (4) employs professional staff at least one-half of which are familiar with the cultural  
25.28 background of their clients;

25.29 (5) charges for services on a sliding fee scale designed to provide assistance to  
25.30 low-income clients based on current poverty income guidelines and family size; and

25.31 (6) does not restrict access or services because of a client's financial limitations or public  
25.32 assistance status and provides no-cost care as needed.

26.1 (i) Effective for services provided on or after January 1, 2015, all claims for payment  
26.2 of clinic services provided by FQHCs and rural health clinics shall be paid by the  
26.3 commissioner. the commissioner shall determine the most feasible method for paying claims  
26.4 from the following options:

26.5 (1) FQHCs and rural health clinics submit claims directly to the commissioner for  
26.6 payment, and the commissioner provides claims information for recipients enrolled in a  
26.7 managed care or county-based purchasing plan to the plan, on a regular basis; or

26.8 (2) FQHCs and rural health clinics submit claims for recipients enrolled in a managed  
26.9 care or county-based purchasing plan to the plan, and those claims are submitted by the  
26.10 plan to the commissioner for payment to the clinic.

26.11 (j) For clinic services provided prior to January 1, 2015, the commissioner shall calculate  
26.12 and pay monthly the proposed managed care supplemental payments to clinics, and clinics  
26.13 shall conduct a timely review of the payment calculation data in order to finalize all  
26.14 supplemental payments in accordance with federal law. Any issues arising from a clinic's  
26.15 review must be reported to the commissioner by January 1, 2017. Upon final agreement  
26.16 between the commissioner and a clinic on issues identified under this subdivision, and in

23.31 accordance with United States Code, title 42, section 1396a(bb), no supplemental payments  
 23.32 for managed care plan or county-based purchasing plan claims for services provided prior  
 24.1 to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are  
 24.2 unable to resolve issues under this subdivision, the parties shall submit the dispute to the  
 24.3 arbitration process under section 14.57.

24.4 ~~(k) The commissioner shall seek a federal waiver, authorized under section 1115 of the  
 24.5 Social Security Act, to obtain federal financial participation at the 100 percent federal  
 24.6 matching percentage available to facilities of the Indian Health Service or tribal organization  
 24.7 in accordance with section 1905(b) of the Social Security Act for expenditures made to  
 24.8 organizations dually certified under Title V of the Indian Health Care Improvement Act,  
 24.9 Public Law 94-437, and as a federally qualified health center under paragraph (a) that  
 24.10 provides services to American Indian and Alaskan Native individuals eligible for services  
 24.11 under this subdivision.~~

24.12 ~~(k) The commissioner shall establish an encounter payment rate that is equivalent to the  
 24.13 all inclusive rate (AIR) payment established by the Indian Health Service and published in  
 24.14 the Federal Register. The encounter rate must be updated annually and must reflect the  
 24.15 changes in the AIR established by the Indian Health Service each calendar year. FQHCs  
 24.16 that are also urban Indian organizations under Title V of the federal Indian Health  
 24.17 Improvement Act may elect to be paid: (1) at the encounter rate established under this  
 24.18 paragraph; (2) under the alternative payment methodology described in paragraph (l); or  
 24.19 (3) under the federally required prospective payment system described in paragraph (f).  
 24.20 FQHCs that elect to be paid at the encounter rate established under this paragraph must  
 24.21 continue to meet all state and federal requirements related to FQHCs and urban Indian  
 24.22 organizations, and must maintain their statuses as FQHCs and urban Indian organizations.~~

24.23 ~~(l) All claims for payment of clinic services provided by FQHCs and rural health clinics,  
 24.24 that have elected to be paid under this paragraph, shall be paid by the commissioner according  
 24.25 to the following requirements:~~

24.26 ~~(1) the commissioner shall establish a single medical and single dental organization  
 24.27 encounter rate for each FQHC and rural health clinic when applicable;~~

24.28 ~~(2) each FQHC and rural health clinic is eligible for same day reimbursement of one  
 24.29 medical and one dental organization encounter rate if eligible medical and dental visits are  
 24.30 provided on the same day;~~

24.31 ~~(3) the commissioner shall reimburse FQHCs and rural health clinics, in accordance  
 24.32 with current applicable Medicare cost principles, their allowable costs, including direct  
 24.33 patient care costs and patient-related support services. Nonallowable costs include, but are  
 24.34 not limited to:~~

25.1 ~~(i) general social services and administrative costs;  
 25.2 (ii) retail pharmacy;~~

26.17 accordance with United States Code, title 42, section 1396a(bb), no supplemental payments  
 26.18 for managed care plan or county-based purchasing plan claims for services provided prior  
 26.19 to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are  
 26.20 unable to resolve issues under this subdivision, the parties shall submit the dispute to the  
 26.21 arbitration process under section 14.57.

26.22 ~~(k) The commissioner shall seek a federal waiver, authorized under section 1115 of the  
 26.23 Social Security Act, to obtain federal financial participation at the 100 percent federal  
 26.24 matching percentage available to facilities of the Indian Health Service or tribal organization  
 26.25 in accordance with section 1905(b) of the Social Security Act for expenditures made to  
 26.26 organizations dually certified under Title V of the Indian Health Care Improvement Act,  
 26.27 Public Law 94-437, and as a federally qualified health center under paragraph (a) that  
 26.28 provides services to American Indian and Alaskan Native individuals eligible for services  
 26.29 under this subdivision.~~

26.30 ~~(k) The commissioner shall establish an encounter payment rate that is equivalent to the  
 26.31 all inclusive rate (AIR) payment established by the Indian Health Service and published in  
 26.32 the Federal Register. The encounter rate must be updated annually and must reflect the  
 26.33 changes in the AIR established by the Indian Health Service each calendar year. FQHCs  
 26.34 that are also urban Indian organizations under Title V of the federal Indian Health  
 27.1 Improvement Act may elect to be paid: (1) at the encounter rate established under this  
 27.2 paragraph; (2) under the alternative payment methodology described in paragraph (l); or  
 27.3 (3) under the federally required prospective payment system described in paragraph (f).  
 27.4 FQHCs that elect to be paid at the encounter rate established under this paragraph must  
 27.5 continue to meet all state and federal requirements related to FQHCs and urban Indian  
 27.6 organizations and must maintain their statuses as FQHCs and urban Indian organizations.~~

27.7 ~~(l) All claims for payment of clinic services provided by FQHCs and rural health clinics,  
 27.8 that have elected to be paid under this paragraph, shall be paid by the commissioner according  
 27.9 to the following requirements:~~

27.10 ~~(1) the commissioner shall establish a single medical and single dental organization  
 27.11 encounter rate for each FQHC and rural health clinic when applicable;~~

27.12 ~~(2) each FQHC and rural health clinic is eligible for same day reimbursement of one  
 27.13 medical and one dental organization encounter rate if eligible medical and dental visits are  
 27.14 provided on the same day;~~

27.15 ~~(3) the commissioner shall reimburse FQHCs and rural health clinics, in accordance  
 27.16 with current applicable Medicare cost principles, their allowable costs, including direct  
 27.17 patient care costs and patient-related support services. Nonallowable costs include, but are  
 27.18 not limited to:~~

27.19 ~~(i) general social services and administrative costs;  
 27.20 (ii) retail pharmacy;~~

25.3 (iii) patient incentives, food, housing assistance, and utility assistance;  
25.4 (iv) external lab and x-ray;  
25.5 (v) navigation services;  
25.6 (vi) health care taxes;  
25.7 (vii) advertising, public relations, and marketing;  
25.8 (viii) office entertainment costs, food, alcohol, and gifts;  
25.9 (ix) contributions and donations;  
25.10 (x) bad debts or losses on awards or contracts;  
25.11 (xi) fines, penalties, damages, or other settlements;  
25.12 (xii) fundraising, investment management, and associated administrative costs;  
25.13 (xiii) research and associated administrative costs;  
25.14 (xiv) nonpaid workers;  
25.15 (xv) lobbying;  
25.16 (xvi) scholarships and student aid; and  
25.17 (xvii) nonmedical assistance covered services;  
25.18 (4) the commissioner shall review the list of nonallowable costs in the years between  
25.19 the rebasing process established in clause (5), in consultation with the Minnesota Association  
25.20 of Community Health Centers, FQHCs, and rural health clinics. The commissioner shall  
25.21 publish the list and any updates in the Minnesota health care programs provider manual;  
25.22 (5) the initial applicable base year organization encounter rates for FQHCs and rural  
25.23 health clinics shall be computed for services delivered on or after January 1, 2021, and:  
25.24 (i) must be determined using each FQHC's and rural health clinic's Medicare cost reports  
25.25 from 2017 and 2018;  
25.26 (ii) must be according to current applicable Medicare cost principles as applicable to  
25.27 FQHCs and rural health clinics without the application of productivity screens and upper  
25.28 payment limits or the Medicare prospective payment system FQHC aggregate mean upper  
25.29 payment limit;  
26.1 (iii) must be subsequently rebased every two years thereafter using the Medicare cost  
26.2 reports that are three and four years prior to the rebasing year. Years in which organizational  
26.3 cost or claims volume is reduced or altered due to a pandemic, disease, or other public health  
26.4 emergency shall not be used as part of a base year when the base year includes more than  
26.5 one year. The commissioner may use the Medicare cost reports of a year unaffected by a

27.21 (iii) patient incentives, food, housing assistance, and utility assistance;  
27.22 (iv) external lab and x-ray;  
27.23 (v) navigation services;  
27.24 (vi) health care taxes;  
27.25 (vii) advertising, public relations, and marketing;  
27.26 (viii) office entertainment costs, food, alcohol, and gifts;  
27.27 (ix) contributions and donations;  
27.28 (x) bad debts or losses on awards or contracts;  
27.29 (xi) fines, penalties, damages, or other settlements;  
27.30 (xii) fundraising, investment management, and associated administrative costs;  
28.1 (xiii) research and associated administrative costs;  
28.2 (xiv) nonpaid workers;  
28.3 (xv) lobbying;  
28.4 (xvi) scholarships and student aid; and  
28.5 (xvii) nonmedical assistance covered services;  
28.6 (4) the commissioner shall review the list of nonallowable costs in the years between  
28.7 the rebasing process established in clause (5), in consultation with the Minnesota Association  
28.8 of Community Health Centers, FQHCs, and rural health clinics. The commissioner shall  
28.9 publish the list and any updates in the Minnesota health care programs provider manual;  
28.10 (5) the initial applicable base year organization encounter rates for FQHCs and rural  
28.11 health clinics shall be computed for services delivered on or after January 1, 2021, and:  
28.12 (i) must be determined using each FQHC's and rural health clinic's Medicare cost reports  
28.13 from 2017 and 2018;  
28.14 (ii) must be according to current applicable Medicare cost principles as applicable to  
28.15 FQHCs and rural health clinics without the application of productivity screens and upper  
28.16 payment limits or the Medicare prospective payment system FQHC aggregate mean upper  
28.17 payment limit;  
28.18 (iii) must be subsequently rebased every two years thereafter using the Medicare cost  
28.19 reports that are three and four years prior to the rebasing year. Years in which organizational  
28.20 cost or claims volume is reduced or altered due to a pandemic, disease, or other public health  
28.21 emergency shall not be used as part of a base year when the base year includes more than  
28.22 one year. The commissioner may use the Medicare cost reports of a year unaffected by a

26.6 pandemic, disease, or other public health emergency, or previous two consecutive years,  
26.7 inflated to the base year as established under item (iv);  
26.8 (iv) must be inflated to the base year using the inflation factor described in clause (6);  
26.9 and  
26.10 (v) the commissioner must provide for a 60-day appeals process under section 14.57;  
26.11 (6) the commissioner shall annually inflate the applicable organization encounter rates  
26.12 for FQHCs and rural health clinics from the base year payment rate to the effective date by  
26.13 using the CMS FQHC Market Basket inflator established under United States Code, title  
26.14 42, section 1395m(o), less productivity;  
26.15 (7) FQHCs and rural health clinics that have elected the alternative payment methodology  
26.16 under this paragraph shall submit all necessary documentation required by the commissioner  
26.17 to compute the rebased organization encounter rates no later than six months following the  
26.18 date the applicable Medicare cost reports are due to the Centers for Medicare and Medicaid  
26.19 Services;  
26.20 (8) the commissioner shall reimburse FQHCs and rural health clinics an additional  
26.21 amount relative to their medical and dental organization encounter rates that is attributable  
26.22 to the tax required to be paid according to section 295.52, if applicable;  
26.23 (9) FQHCs and rural health clinics may submit change of scope requests to the  
26.24 commissioner if the change of scope would result in an increase or decrease of 2.5 percent  
26.25 or higher in the medical or dental organization encounter rate currently received by the  
26.26 FQHC or rural health clinic;  
26.27 (10) for FQHCs and rural health clinics seeking a change in scope with the commissioner  
26.28 under clause (9) that requires the approval of the scope change by the federal Health  
26.29 Resources Services Administration:  
26.30 (i) FQHCs and rural health clinics shall submit the change of scope request, including  
26.31 the start date of services, to the commissioner within seven business days of submission of  
26.32 the scope change to the federal Health Resources Services Administration;  
27.1 (ii) the commissioner shall establish the effective date of the payment change as the  
27.2 federal Health Resources Services Administration date of approval of the FQHC's or rural  
27.3 health clinic's scope change request, or the effective start date of services, whichever is  
27.4 later; and  
27.5 (iii) within 45 days of one year after the effective date established in item (ii), the  
27.6 commissioner shall conduct a retroactive review to determine if the actual costs established  
27.7 under clause (3) or encounters result in an increase or decrease of 2.5 percent or higher in  
27.8 the medical or dental organization encounter rate, and if this is the case, the commissioner  
27.9 shall revise the rate accordingly and shall adjust payments retrospectively to the effective  
27.10 date established in item (ii);

28.23 pandemic, disease, or other public health emergency, or previous two consecutive years,  
28.24 inflated to the base year as established under item (iv);  
28.25 (iv) must be inflated to the base year using the inflation factor described in clause (6);  
28.26 and  
28.27 (v) the commissioner must provide for a 60-day appeals process under section 14.57;  
28.28 (6) the commissioner shall annually inflate the applicable organization encounter rates  
28.29 for FQHCs and rural health clinics from the base year payment rate to the effective date by  
28.30 using the CMS FQHC Market Basket inflator established under United States Code, title  
28.31 42, section 1395m(o), less productivity;  
29.1 (7) FQHCs and rural health clinics that have elected the alternative payment methodology  
29.2 under this paragraph shall submit all necessary documentation required by the commissioner  
29.3 to compute the rebased organization encounter rates no later than six months following the  
29.4 date the applicable Medicare cost reports are due to the Centers for Medicare and Medicaid  
29.5 Services;  
29.6 (8) the commissioner shall reimburse FQHCs and rural health clinics an additional  
29.7 amount relative to their medical and dental organization encounter rates that is attributable  
29.8 to the tax required to be paid according to section 295.52, if applicable;  
29.9 (9) FQHCs and rural health clinics may submit change of scope requests to the  
29.10 commissioner if the change of scope would result in an increase or decrease of 2.5 percent  
29.11 or higher in the medical or dental organization encounter rate currently received by the  
29.12 FQHC or rural health clinic;  
29.13 (10) for FQHCs and rural health clinics seeking a change in scope with the commissioner  
29.14 under clause (9) that requires the approval of the scope change by the federal Health  
29.15 Resources Services Administration:  
29.16 (i) FQHCs and rural health clinics shall submit the change of scope request, including  
29.17 the start date of services, to the commissioner within seven business days of submission of  
29.18 the scope change to the federal Health Resources Services Administration;  
29.19 (ii) the commissioner shall establish the effective date of the payment change as the  
29.20 federal Health Resources Services Administration date of approval of the FQHC's or rural  
29.21 health clinic's scope change request, or the effective start date of services, whichever is  
29.22 later; and  
29.23 (iii) within 45 days of one year after the effective date established in item (ii), the  
29.24 commissioner shall conduct a retroactive review to determine if the actual costs established  
29.25 under clause (3) or encounters result in an increase or decrease of 2.5 percent or higher in  
29.26 the medical or dental organization encounter rate, and if this is the case, the commissioner  
29.27 shall revise the rate accordingly and shall adjust payments retrospectively to the effective  
29.28 date established in item (ii);

27.11 (11) for change of scope requests that do not require federal Health Resources Services  
 27.12 Administration approval, the FQHC and rural health clinic shall submit the request to the  
 27.13 commissioner before implementing the change, and the effective date of the change is the  
 27.14 date the commissioner received the FQHC's or rural health clinic's request, or the effective  
 27.15 start date of the service, whichever is later. The commissioner shall provide a response to  
 27.16 the FQHC's or rural health clinic's request within 45 days of submission and provide a final  
 27.17 approval within 120 days of submission. This timeline may be waived at the mutual  
 27.18 agreement of the commissioner and the FQHC or rural health clinic if more information is  
 27.19 needed to evaluate the request;

27.20 (12) the commissioner, when establishing organization encounter rates for new FQHCs  
 27.21 and rural health clinics, shall consider the patient caseload of existing FQHCs and rural  
 27.22 health clinics in a 60-mile radius for organizations established outside of the seven-county  
 27.23 metropolitan area, and in a 30-mile radius for organizations in the seven-county metropolitan  
 27.24 area. If this information is not available, the commissioner may use Medicare cost reports  
 27.25 or audited financial statements to establish base rates;

27.26 (13) the commissioner shall establish a quality measures workgroup that includes  
 27.27 representatives from the Minnesota Association of Community Health Centers, FQHCs,  
 27.28 and rural health clinics, to evaluate clinical and nonclinical measures; and

27.29 (14) the commissioner shall not disallow or reduce costs that are related to an FQHC's  
 27.30 or rural health clinic's participation in health care educational programs to the extent that  
 27.31 the costs are not accounted for in the alternative payment methodology encounter rate  
 27.32 established in this paragraph.

27.33 (m) Effective July 1, 2023, an enrolled Indian health service facility or a Tribal health  
 27.34 center operating under a 638 contract or compact may elect to also enroll as a Tribal FQHC.  
 28.1 Requirements that otherwise apply to an FQHC covered in this subdivision do not apply to  
 28.2 a Tribal FQHC enrolled under this paragraph, except that any requirements necessary to  
 28.3 comply with federal regulations do apply to a Tribal FQHC. The commissioner shall establish  
 28.4 an alternative payment method for a Tribal FQHC enrolled under this paragraph that uses  
 28.5 the same method and rates applicable to a Tribal facility or health center that does not enroll  
 28.6 as a Tribal FQHC.

28.7 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
 28.8 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 28.9 when federal approval is obtained.

28.10 Sec. 16. Minnesota Statutes 2022, section 256B.0625, subdivision 31, is amended to read:

28.11 **Subd. 31. Medical supplies and equipment.** (a) Medical assistance covers medical  
 28.12 supplies and equipment. Separate payment outside of the facility's payment rate shall be  
 28.13 made for wheelchairs and wheelchair accessories for recipients who are residents of  
 28.14 intermediate care facilities for the developmentally disabled. Reimbursement for wheelchairs  
 28.15 and wheelchair accessories for ICF/DD recipients shall be subject to the same conditions

29.29 (11) for change of scope requests that do not require federal Health Resources Services  
 29.30 Administration approval, the FQHC and rural health clinic shall submit the request to the  
 29.31 commissioner before implementing the change, and the effective date of the change is the  
 29.32 date the commissioner received the FQHC's or rural health clinic's request, or the effective  
 29.33 start date of the service, whichever is later. The commissioner shall provide a response to  
 29.34 the FQHC's or rural health clinic's request within 45 days of submission and provide a final  
 30.1 approval within 120 days of submission. This timeline may be waived at the mutual  
 30.2 agreement of the commissioner and the FQHC or rural health clinic if more information is  
 30.3 needed to evaluate the request;

30.4 (12) the commissioner, when establishing organization encounter rates for new FQHCs  
 30.5 and rural health clinics, shall consider the patient caseload of existing FQHCs and rural  
 30.6 health clinics in a 60-mile radius for organizations established outside of the seven-county  
 30.7 metropolitan area, and in a 30-mile radius for organizations in the seven-county metropolitan  
 30.8 area. If this information is not available, the commissioner may use Medicare cost reports  
 30.9 or audited financial statements to establish base rates;

30.10 (13) the commissioner shall establish a quality measures workgroup that includes  
 30.11 representatives from the Minnesota Association of Community Health Centers, FQHCs,  
 30.12 and rural health clinics, to evaluate clinical and nonclinical measures; and

30.13 (14) the commissioner shall not disallow or reduce costs that are related to an FQHC's  
 30.14 or rural health clinic's participation in health care educational programs to the extent that  
 30.15 the costs are not accounted for in the alternative payment methodology encounter rate  
 30.16 established in this paragraph.

30.17 (m) Effective July 1, 2023, an enrolled Indian health service facility or a Tribal health  
 30.18 center operating under a 638 contract or compact may elect to also enroll as a Tribal FQHC.  
 30.19 Requirements that otherwise apply to an FQHC covered in this subdivision do not apply to  
 30.20 a Tribal FQHC enrolled under this paragraph, except that any requirements necessary to  
 30.21 comply with federal regulations do apply to a Tribal FQHC. The commissioner shall establish  
 30.22 an alternative payment method for a Tribal FQHC enrolled under this paragraph that uses  
 30.23 the same method and rates applicable to a Tribal facility or health center that does not enroll  
 30.24 as a Tribal FQHC.

30.25 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
 30.26 whichever is later, except that paragraph (m) is effective July 1, 2023. The commissioner  
 30.27 of human services shall notify the revisor of statutes when federal approval is obtained.

30.28 Sec. 21. Minnesota Statutes 2022, section 256B.0625, subdivision 31, is amended to read:

30.29 **Subd. 31. Medical supplies and equipment.** (a) Medical assistance covers medical  
 30.30 supplies and equipment. Separate payment outside of the facility's payment rate shall be  
 30.31 made for wheelchairs and wheelchair accessories for recipients who are residents of  
 30.32 intermediate care facilities for the developmentally disabled. Reimbursement for wheelchairs  
 30.33 and wheelchair accessories for ICF/DD recipients shall be subject to the same conditions

28.16 and limitations as coverage for recipients who do not reside in institutions. A wheelchair  
28.17 purchased outside of the facility's payment rate is the property of the recipient.

28.18 (b) Vendors of durable medical equipment, prosthetics, orthotics, or medical supplies  
28.19 must enroll as a Medicare provider.

28.20 (c) When necessary to ensure access to durable medical equipment, prosthetics, orthotics,  
28.21 or medical supplies, the commissioner may exempt a vendor from the Medicare enrollment  
28.22 requirement if:

28.23 (1) the vendor supplies only one type of durable medical equipment, prosthetic, orthotic,  
28.24 or medical supply;

28.25 (2) the vendor serves ten or fewer medical assistance recipients per year;

28.26 (3) the commissioner finds that other vendors are not available to provide same or similar  
28.27 durable medical equipment, prosthetics, orthotics, or medical supplies; and

28.28 (4) the vendor complies with all screening requirements in this chapter and Code of  
28.29 Federal Regulations, title 42, part 455. The commissioner may also exempt a vendor from  
28.30 the Medicare enrollment requirement if the vendor is accredited by a Centers for Medicare  
28.31 and Medicaid Services approved national accreditation organization as complying with the  
28.32 Medicare program's supplier and quality standards and the vendor serves primarily pediatric  
28.33 patients.

29.1 (d) Durable medical equipment means a device or equipment that:

29.2 (1) can withstand repeated use;

29.3 (2) is generally not useful in the absence of an illness, injury, or disability; and

29.4 (3) is provided to correct or accommodate a physiological disorder or physical condition  
29.5 or is generally used primarily for a medical purpose.

29.6 (e) Electronic tablets may be considered durable medical equipment if the electronic  
29.7 tablet will be used as an augmentative and alternative communication system as defined  
29.8 under subdivision 31a, paragraph (a). To be covered by medical assistance, the device must  
29.9 be locked in order to prevent use not related to communication.

29.10 (f) Notwithstanding the requirement in paragraph (e) that an electronic tablet must be  
29.11 locked to prevent use not as an augmentative communication device, a recipient of waiver  
29.12 services may use an electronic tablet for a use not related to communication when the  
29.13 recipient has been authorized under the waiver to receive one or more additional applications  
29.14 that can be loaded onto the electronic tablet, such that allowing the additional use prevents  
29.15 the purchase of a separate electronic tablet with waiver funds.

29.16 (g) An order or prescription for medical supplies, equipment, or appliances must meet  
29.17 the requirements in Code of Federal Regulations, title 42, part 440.70.

31.1 and limitations as coverage for recipients who do not reside in institutions. A wheelchair  
31.2 purchased outside of the facility's payment rate is the property of the recipient.

31.3 (b) Vendors of durable medical equipment, prosthetics, orthotics, or medical supplies  
31.4 must enroll as a Medicare provider.

31.5 (c) When necessary to ensure access to durable medical equipment, prosthetics, orthotics,  
31.6 or medical supplies, the commissioner may exempt a vendor from the Medicare enrollment  
31.7 requirement if:

31.8 (1) the vendor supplies only one type of durable medical equipment, prosthetic, orthotic,  
31.9 or medical supply;

31.10 (2) the vendor serves ten or fewer medical assistance recipients per year;

31.11 (3) the commissioner finds that other vendors are not available to provide same or similar  
31.12 durable medical equipment, prosthetics, orthotics, or medical supplies; and

31.13 (4) the vendor complies with all screening requirements in this chapter and Code of  
31.14 Federal Regulations, title 42, part 455. The commissioner may also exempt a vendor from  
31.15 the Medicare enrollment requirement if the vendor is accredited by a Centers for Medicare  
31.16 and Medicaid Services approved national accreditation organization as complying with the  
31.17 Medicare program's supplier and quality standards and the vendor serves primarily pediatric  
31.18 patients.

31.19 (d) Durable medical equipment means a device or equipment that:

31.20 (1) can withstand repeated use;

31.21 (2) is generally not useful in the absence of an illness, injury, or disability; and

31.22 (3) is provided to correct or accommodate a physiological disorder or physical condition  
31.23 or is generally used primarily for a medical purpose.

31.24 (e) Electronic tablets may be considered durable medical equipment if the electronic  
31.25 tablet will be used as an augmentative and alternative communication system as defined  
31.26 under subdivision 31a, paragraph (a). To be covered by medical assistance, the device must  
31.27 be locked in order to prevent use not related to communication.

31.28 (f) Notwithstanding the requirement in paragraph (e) that an electronic tablet must be  
31.29 locked to prevent use not as an augmentative communication device, a recipient of waiver  
31.30 services may use an electronic tablet for a use not related to communication when the  
31.31 recipient has been authorized under the waiver to receive one or more additional applications  
32.1 that can be loaded onto the electronic tablet, such that allowing the additional use prevents  
32.2 the purchase of a separate electronic tablet with waiver funds.

32.3 (g) An order or prescription for medical supplies, equipment, or appliances must meet  
32.4 the requirements in Code of Federal Regulations, title 42, part 440.70.

29.18 (h) Allergen-reducing products provided according to subdivision 67, paragraph (c) or  
 29.19 (d), shall be considered durable medical equipment.

29.20 (i) Seizure detection devices are covered as durable medical equipment under this  
 29.21 subdivision if:

29.22 (1) the seizure detection device is medically appropriate based on the recipient's medical  
 29.23 condition or status; and

29.24 (2) the recipient's health care provider has identified that a seizure detection device  
 29.25 would:

29.26 (i) likely assist in reducing bodily harm to or death of the recipient as a result of the  
 29.27 recipient experiencing a seizure; or

29.28 (ii) provide data to the health care provider necessary to appropriately diagnose or treat  
 29.29 a health condition of the recipient that causes the seizure activity.

29.30 (j) For purposes of paragraph (i), "seizure detection device" means a United States Food  
 29.31 and Drug Administration-approved monitoring device and related service or subscription  
 29.32 supporting the prescribed use of the device, including technology that provides ongoing  
 30.1 patient monitoring and alert services that detect seizure activity and transmit notification  
 30.2 of the seizure activity to a caregiver for appropriate medical response or collects data of the  
 30.3 seizure activity of the recipient that can be used by a health care provider to diagnose or  
 30.4 appropriately treat a health care condition that causes the seizure activity. The medical  
 30.5 assistance reimbursement rate for a subscription supporting the prescribed use of a seizure  
 30.6 detection device is 60 percent of the rate for monthly remote monitoring under the medical  
 30.7 assistance telemonitoring benefit.

30.8 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
 30.9 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 30.10 when federal approval is obtained.

30.11 Sec. 17. Minnesota Statutes 2022, section 256B.0625, subdivision 34, is amended to read:

30.12 **Subd. 34. Indian health services facilities.** (a) Medical assistance payments and  
 30.13 MinnesotaCare payments to facilities of the Indian health service and facilities operated by  
 30.14 a Tribe or Tribal organization under funding authorized by United States Code, title 25,  
 30.15 sections 450f to 450n, or title III of the Indian Self-Determination and Education Assistance  
 30.16 Act, Public Law 93-638, for enrollees who are eligible for federal financial participation,  
 30.17 shall be at the option of the facility in accordance with the rate published by the United  
 30.18 States Assistant Secretary for Health under the authority of United States Code, title 42,  
 30.19 sections 248(a) and 249(b). MinnesotaCare payments for enrollees who are not eligible for  
 30.20 federal financial participation at facilities of the Indian health service and facilities operated  
 30.21 by a Tribe or Tribal organization for the provision of outpatient medical services must be  
 30.22 in accordance with the medical assistance rates paid for the same services when provided

32.5 (h) Allergen-reducing products provided according to subdivision 67, paragraph (c) or  
 32.6 (d), shall be considered durable medical equipment.

32.7 (i) Seizure detection devices are covered as durable medical equipment under this  
 32.8 subdivision if:

32.9 (1) the seizure detection device is medically appropriate based on the recipient's medical  
 32.10 condition or status; and

32.11 (2) the recipient's health care provider has identified that a seizure detection device  
 32.12 would:

32.13 (i) likely assist in reducing bodily harm to or death of the recipient as a result of the  
 32.14 recipient experiencing a seizure; or

32.15 (ii) provide data to the health care provider necessary to appropriately diagnose or treat  
 32.16 a health condition of the recipient that causes the seizure activity.

32.17 (j) For the purposes of paragraph (i), "seizure detection device" means a United States  
 32.18 Food and Drug Administration-approved monitoring device and related service or  
 32.19 subscription supporting the prescribed use of the device, including technology that provides  
 32.20 ongoing patient monitoring and alert services that detect seizure activity and transmit  
 32.21 notification of the seizure activity to a caregiver for appropriate medical response or collects  
 32.22 data of the seizure activity of the recipient that can be used by a health care provider to  
 32.23 diagnose or appropriately treat a health care condition that causes the seizure activity. The  
 32.24 medical assistance reimbursement rate for a subscription supporting the prescribed use of  
 32.25 a seizure detection device is 60 percent of the rate for monthly remote monitoring under  
 32.26 the medical assistance telemonitoring benefit.

32.27 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
 32.28 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 32.29 when federal approval is obtained.

32.30 Sec. 22. Minnesota Statutes 2022, section 256B.0625, subdivision 34, is amended to read:

32.31 **Subd. 34. Indian health services facilities.** (a) Medical assistance payments and  
 32.32 MinnesotaCare payments to facilities of the Indian health service and facilities operated by  
 33.1 a tribe or tribal organization under funding authorized by United States Code, title 25,  
 33.2 sections 450f to 450n, or title III of the Indian Self-Determination and Education Assistance  
 33.3 Act, Public Law 93-638, for enrollees who are eligible for federal financial participation,  
 33.4 shall be at the option of the facility in accordance with the rate published by the United  
 33.5 States Assistant Secretary for Health under the authority of United States Code, title 42,  
 33.6 sections 248(a) and 249(b). MinnesotaCare payments for enrollees who are not eligible for  
 33.7 federal financial participation at facilities of the Indian health service and facilities operated  
 33.8 by a tribe or tribal organization for the provision of outpatient medical services must be in  
 33.9 accordance with the medical assistance rates paid for the same services when provided in

30.23 in a facility other than a facility of the Indian health service or a facility operated by a Tribe  
 30.24 or Tribal organization.

30.25 (b) Effective upon federal approval, the medical assistance payments to a dually certified  
 30.26 facility as defined in subdivision 30, paragraph (j), shall be the encounter rate described in  
 30.27 paragraph (a) or a rate that is substantially equivalent for services provided to American  
 30.28 Indians and Alaskan Native populations. The rate established under this paragraph for dually  
 30.29 certified facilities shall not apply to MinnesotaCare payments.

30.30 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
 30.31 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 30.32 when federal approval is obtained.

31.1 Sec. 18. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision  
 31.2 to read:

31.3 Subd. 68. **Biomarker testing.** Medical assistance covers biomarker testing to diagnose,  
 31.4 treat, manage, and monitor illness or disease. Medical assistance coverage must meet the  
 31.5 requirements that would otherwise apply to a health plan under section 62Q.473.

31.6 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,  
 31.7 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 31.8 when federal approval is obtained.

33.10 a facility other than a facility of the Indian health service or a facility operated by a tribe or  
 33.11 tribal organization.

33.12 (b) Effective upon federal approval, the medical assistance payments to a dually certified  
 33.13 facility as defined in subdivision 30, paragraph (j), shall be the encounter rate described in  
 33.14 paragraph (a) or a rate that is substantially equivalent for services provided to American  
 33.15 Indians and Alaskan Native populations. The rate established under this paragraph for dually  
 33.16 certified facilities shall not apply to MinnesotaCare payments.

33.17 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
 33.18 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 33.19 when federal approval is obtained.

33.20 Sec. 23. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision  
 33.21 to read:

33.22 Subd. 68. **Tobacco and nicotine cessation.** (a) Medical assistance covers tobacco and  
 33.23 nicotine cessation services, drugs to treat tobacco and nicotine addiction or dependence,  
 33.24 and drugs to help individuals discontinue use of tobacco and nicotine products. Medical  
 33.25 assistance must cover services and drugs as provided in this subdivision consistent with  
 33.26 evidence-based or evidence-informed best practices.

33.27 (b) Medical assistance must cover in-person individual and group tobacco and nicotine  
 33.28 cessation education and counseling services if provided by a health care practitioner whose  
 33.29 scope of practice encompasses tobacco and nicotine cessation education and counseling.  
 33.30 Service providers include but are not limited to the following:

33.31 (1) mental health practitioners under section 245.462, subdivision 17;  
 33.32 (2) mental health professionals under section 245.462, subdivision 18;  
 33.33 (3) mental health certified peer specialists under section 256B.0615;  
 34.1 (4) alcohol and drug counselors licensed under chapter 148F;

34.2        (5) recovery peers as defined in section 245F.02, subdivision 21;  
34.3        (6) certified tobacco treatment specialists;  
34.4        (7) community health workers;  
34.5        (8) physicians;  
34.6        (9) physician assistants;  
34.7        (10) advanced practice registered nurses; or  
34.8        (11) other licensed or nonlicensed professionals or paraprofessionals with training in  
34.9        providing tobacco and nicotine cessation education and counseling services.  
34.10        (c) Medical assistance covers telephone cessation counseling services provided through  
34.11        a quitline. Notwithstanding section 256B.0625, subdivision 3b, quitline services may be  
34.12        provided through audio-only communications. The commissioner of human services may  
34.13        utilize volume purchasing for quitline services consistent with section 256B.04, subdivision  
34.14        14.  
34.15        (d) Medical assistance must cover all prescription and over-the-counter pharmacotherapy  
34.16        drugs approved by the United States Food and Drug Administration for cessation of tobacco  
34.17        and nicotine use or treatment of tobacco and nicotine dependence, and that are subject to a  
34.18        Medicaid drug rebate agreement.  
34.19        (e) Services covered under this subdivision may be provided by telemedicine.  
34.20        (f) The commissioner must not:  
34.21        (1) restrict or limit the type, duration, or frequency of tobacco and nicotine cessation  
34.22        services;  
34.23        (2) prohibit the simultaneous use of multiple cessation services, including but not limited  
34.24        to simultaneous use of counseling and drugs;  
34.25        (3) require counseling before receiving drugs or as a condition of receiving drugs;  
34.26        (4) limit pharmacotherapy drug dosage amounts for a dosing regimen for treatment of  
34.27        a medically accepted indication as defined in United States Code, title 14, section  
34.28        1396r-8(K)(6); limit dosing frequency; or impose duration limits;  
34.29        (5) prohibit simultaneous use of multiple drugs, including prescription and  
34.30        over-the-counter drugs;  
35.1        (6) require or authorize step therapy; or  
35.2        (7) require or utilize prior authorization for any tobacco and nicotine cessation services  
35.3        and drugs covered under this subdivision.

31.9 Sec. 19. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision  
31.10 to read:

31.11 Subd. 69. Recuperative care services. Medical assistance covers recuperative care  
31.12 services according to section 256B.0701.

35.4 **EFFECTIVE DATE.** This section is effective January 1, 2024.

UES2995-2, ARTICLE 1, SECTION 24, IS DUPLICATED TO APPEAR AS A  
MATCH TO BOTH S2995-3, ARTICLE 1, SECTIONS 19 AND 23

35.5 Sec. 24. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision  
35.6 to read:

35.7 Subd. 69. Recuperative care services. (a) Medical assistance covers recuperative care  
35.8 services provided in a setting that meets the requirements in paragraph (b) for recipients  
35.9 who meet the eligibility requirements in paragraph (c). For purposes of this subdivision,  
35.10 "recuperative care" means a model of care that prevents hospitalization or that provides  
35.11 postacute medical care and support services for recipients experiencing homelessness who  
35.12 are too ill or frail to recover from a physical illness or injury while living in a shelter or are  
35.13 otherwise unsheltered but who are not sick enough to be hospitalized, or remain hospitalized,  
35.14 or to need other levels of care.

35.15 (b) Recuperative care may be provided in any setting, including but not limited to  
35.16 homeless shelters, congregate care settings, single-room occupancy settings, or supportive  
35.17 housing, so long as the provider of recuperative care or provider of housing is able to provide  
35.18 to the recipient within the designated setting, at a minimum:

35.19 (1) 24-hour access to a bed and bathroom;

35.20 (2) access to three meals a day;

35.21 (3) availability to environmental services;

35.22 (4) access to a telephone;

35.23 (5) a secure place to store belongings; and

35.24 (6) staff available within the setting to provide a wellness check as needed, but at a  
35.25 minimum at least once every 24 hours.

35.26 (c) To be eligible for this covered service, a recipient must:

35.27 (1) be 21 years of age or older;

35.28 (2) be experiencing homelessness;

35.29 (3) be in need of short-term acute medical care for a period of no more than 60 days;

36.1 (4) meet clinical criteria, as established by the commissioner, that indicates that the  
36.2 recipient is in need of recuperative care; and

36.3 (5) not have behavioral health needs that are greater than what can be managed by the  
36.4 provider within the setting.

36.5 (d) Payment for recuperative care shall consist of two components. The first component  
36.6 must be for the services provided to the member and is a bundled daily per diem payment

36.7 of at least \$300 per day. The second component must be for the facility costs and must be  
36.8 paid using state funds equivalent to the amount paid as the medical assistance room and  
36.9 board rate and annual adjustments. The eligibility standards in chapter 256I shall not apply.  
36.10 The second component is only paid when the first component is paid to a provider. Providers  
36.11 may opt to only be reimbursed for the first component. A provider under this subdivision  
36.12 means a recuperative care provider and is defined by the standards established by the National  
36.13 Institute for Medical Respite Care. Services provided within the bundled payment may  
36.14 include but are not limited to:

36.15 (1) basic nursing care, including:  
36.16 (i) monitoring a patient's physical health and pain level;  
36.17 (ii) providing wound care;  
36.18 (iii) medication support;  
36.19 (iv) patient education;  
36.20 (v) immunization review and update; and  
36.21 (vi) establishing clinical goals for the recuperative care period and discharge plan;  
36.22 (2) care coordination, including:  
36.23 (i) initial assessment of medical, behavioral, and social needs;  
36.24 (ii) development of a care plan;  
36.25 (iii) support and referral assistance for legal services, housing, community social services,  
36.26 case management, health care benefits, health and other eligible benefits, and transportation  
36.27 needs and services; and  
36.28 (iv) monitoring and follow-up to ensure that the care plan is effectively implemented to  
36.29 address the medical, behavioral, and social needs;  
36.30 (3) basic behavioral needs, including counseling and peer support, that can be provided  
36.31 in this recuperative care setting; and  
37.1 (4) services provided by a community health worker as defined under subdivision 49.  
37.2 (e) Before a recipient is discharged from a recuperative care setting, the provider must  
37.3 ensure that the recipient's acute medical condition is stabilized or that the recipient is being  
37.4 discharged to a setting that is able to meet that recipient's needs.  
37.5 (f) If a recipient is temporarily absent due to an admission at a residential behavioral  
37.6 health facility, inpatient hospital, or nursing facility for a period of time exceeding the limits  
37.7 described in paragraph (d), the agency may request in a format prescribed by the

31.13 **EFFECTIVE DATE.** This section is effective January 1, 2024.

31.14 Sec. 20. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision  
31.15 to read:

31.16 **Subd. 70. Coverage of services for the diagnosis, monitoring, and treatment of rare**  
31.17 **diseases.** (a) Medical assistance covers services related to the diagnosis, monitoring, and  
31.18 treatment of a rare disease or condition. Medical assistance coverage for these services must  
31.19 meet the requirements in section 62Q.451.

31.20 (b) Coverage for a service must not be denied solely on the basis that it was provided  
31.21 by, referred for, or ordered by an out-of-network provider.

31.22 (c) Any prior authorization requirements for a service that is provided by, referred for,  
31.23 or ordered by an out-of-network provider must be the same as any prior authorization  
31.24 requirements for a service that is provided by, referred for, or ordered by an in-network  
31.25 provider.

31.26 (d) Nothing in this subdivision requires a managed care or county-based purchasing plan  
31.27 to provide coverage for a service that is not covered under medical assistance.

31.28 **EFFECTIVE DATE.** This section is effective January 1, 2024.

32.1 Sec. 21. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision  
32.2 to read:

32.3 **Subd. 71. Coverage and payment for pharmacy services.** (a) Medical assistance covers  
32.4 medical treatment or services provided by a licensed pharmacist, to the extent the medical  
32.5 treatment or services are within the pharmacist's scope of practice, if medical assistance

37.8 commissioner an absence day limit exception to continue payments until the recipient is  
37.9 discharged.

37.10 (g) The commissioner shall submit an initial report to the chairs and ranking minority  
37.11 members of the legislative committees with jurisdiction over health and human services  
37.12 finance and policy by February 1, 2025, and a final report by February 1, 2027, on coverage  
37.13 of recuperative care services. The reports must include but are not limited to:

37.14 (1) a list of the recuperative care services in Minnesota and the number of recipients;

37.15 (2) the estimated return on investment, including health care savings due to reduced  
37.16 hospitalizations;

37.17 (3) follow-up information, if available, on whether recipients' hospital visits decreased  
37.18 since recuperative care services were provided compared to before the services were  
37.19 provided; and

37.20 (4) any other information that can be used to determine the effectiveness of the program  
37.21 and its funding, including recommendations for improvements to the program.

37.22 **EFFECTIVE DATE.** This section is effective January 1, 2024.

32.6 covers the same medical treatment or services provided by a licensed physician. This  
32.7 requirement applies to services provided (1) under fee-for-service medical assistance, and  
32.8 (2) by a managed care plan under section 256B.69 or a county-based purchasing plan under  
32.9 section 256B.692.

32.10 (b) The commissioner, and managed care and county-based purchasing plans when  
32.11 providing services under sections 256B.69 and 256B.692, must reimburse a participating  
32.12 pharmacist or pharmacy for a service that is also within a physician's scope of practice at  
32.13 an amount no lower than the standard payment rate that would be applied when reimbursing  
32.14 a physician for the service.

32.15 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,  
32.16 whichever is later. The commissioner of human services must notify the revisor of statutes  
32.17 when federal approval is obtained.

32.18 Sec. 22. Minnesota Statutes 2022, section 256B.0631, subdivision 2, is amended to read:

32.19 Subd. 2. **Exceptions.** Co-payments and deductibles shall be subject to the following  
32.20 exceptions:

32.21 (1) children under the age of 21;  
32.22 (2) pregnant women for services that relate to the pregnancy or any other medical  
32.23 condition that may complicate the pregnancy;  
32.24 (3) recipients expected to reside for at least 30 days in a hospital, nursing home, or  
32.25 intermediate care facility for the developmentally disabled;  
32.26 (4) recipients receiving hospice care;  
32.27 (5) 100 percent federally funded services provided by an Indian health service;  
32.28 (6) emergency services;  
32.29 (7) family planning services, including but not limited to the placement and removal of  
32.30 long-acting reversible contraceptives;  
33.1 (8) services that are paid by Medicare, resulting in the medical assistance program paying  
33.2 for the coinsurance and deductible;  
33.3 (9) co-payments that exceed one per day per provider for nonpreventive visits, eyeglasses,  
33.4 and nonemergency visits to a hospital-based emergency room;  
33.5 (10) services, fee-for-service payments subject to volume purchase through competitive  
33.6 bidding;  
33.7 (11) American Indians who meet the requirements in Code of Federal Regulations, title  
33.8 42, sections 447.51 and 447.56;

33.9 (12) persons needing treatment for breast or cervical cancer as described under section  
 33.10 256B.057, subdivision 10; and

33.11 (13) services that currently have a rating of A or B from the United States Preventive  
 33.12 Services Task Force (USPSTF), immunizations recommended by the Advisory Committee  
 33.13 on Immunization Practices of the Centers for Disease Control and Prevention, and preventive  
 33.14 services and screenings provided to women as described in Code of Federal Regulations,  
 33.15 title 45, section 147.130; and

33.16 (14) additional diagnostic services or testing that a health care provider determines an  
 33.17 enrollee requires after a mammogram, as specified under section 62A.30, subdivision 5.

33.18 **EFFECTIVE DATE.** This section is effective January 1, 2024.

33.19 Sec. 23. **[256B.0701] RECUPERATIVE CARE SERVICES.**

33.20 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
 33.21 the meanings given.

33.22 (b) "Provider" means a recuperative care provider as defined by the standards established  
 33.23 by the National Institute for Medical Respite Care.

33.24 (c) "Recuperative care" means a model of care that prevents hospitalization or that  
 33.25 provides postacute medical care and support services for recipients experiencing  
 33.26 homelessness who are too ill or frail to recover from a physical illness or injury while living  
 33.27 in a shelter or are otherwise unhoused but who are not sick enough to be hospitalized or  
 33.28 remain hospitalized, or to need other levels of care.

33.29 Subd. 2. **Recuperative care settings.** Recuperative care may be provided in any setting,  
 33.30 including but not limited to homeless shelters, congregate care settings, single room  
 33.31 occupancy settings, or supportive housing, so long as the provider of recuperative care or  
 34.1 provider of housing is able to provide to the recipient within the designated setting, at a  
 34.2 minimum:

34.3 (1) 24-hour access to a bed and bathroom;  
 34.4 (2) access to three meals a day;  
 34.5 (3) availability to environmental services;  
 34.6 (4) access to a telephone;

UES2995-2, ARTICLE 1, SECTION 24, IS DUPLICATED TO APPEAR AS A  
 MATCH TO BOTH S2995-3, ARTICLE 1, SECTIONS 19 AND 23

35.5 Sec. 24. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision  
 35.6 to read:

35.7 Subd. 69. **Recuperative care services.** (a) Medical assistance covers recuperative care  
 35.8 services provided in a setting that meets the requirements in paragraph (b) for recipients  
 35.9 who meet the eligibility requirements in paragraph (c). For purposes of this subdivision,  
 35.10 "recuperative care" means a model of care that prevents hospitalization or that provides  
 35.11 postacute medical care and support services for recipients experiencing homelessness who  
 35.12 are too ill or frail to recover from a physical illness or injury while living in a shelter or are  
 35.13 otherwise unhoused but who are not sick enough to be hospitalized, or remain hospitalized,  
 35.14 or to need other levels of care.

35.15 (b) Recuperative care may be provided in any setting, including but not limited to  
 35.16 homeless shelters, congregate care settings, single-room occupancy settings, or supportive  
 35.17 housing, so long as the provider of recuperative care or provider of housing is able to provide  
 35.18 to the recipient within the designated setting, at a minimum:

35.19 (1) 24-hour access to a bed and bathroom;  
 35.20 (2) access to three meals a day;  
 35.21 (3) availability to environmental services;  
 35.22 (4) access to a telephone;

34.7       (5) a secure place to store belongings; and  
 34.8       (6) staff available within the setting to provide a wellness check as needed, but at a  
 34.9       minimum, at least once every 24 hours.  
 34.10      Subd. 3. **Eligibility.** To be eligible for recuperative care service, a recipient must:  
 34.11      (1) be 21 years of age or older;  
 34.12      (2) be experiencing homelessness;  
 34.13      (3) be in need of short-term acute medical care for a period of no more than 60 days;  
 34.14      (4) meet clinical criteria, as established by the commissioner, that indicates that the  
 34.15       recipient needs recuperative care; and  
 34.16      (5) not have behavioral health needs that are greater than what can be managed by the  
 34.17       provider within the setting.  
 34.18      Subd. 4. **Total payment rates.** Total payment rates for recuperative care consist of the  
 34.19       recuperative care services rate and the recuperative care facility rate.

34.20      Subd. 5. **Recuperative care services rate.** The recuperative care services rate is for the  
 34.21       services provided to the recipient and must be a bundled daily per diem payment of at least  
 34.22       \$300 per day. Services provided within the bundled payment may include but are not limited  
 34.23       to:

34.24      (1) basic nursing care, including:  
 34.25       (i) monitoring a patient's physical health and pain level;  
 34.26       (ii) providing wound care;  
 34.27       (iii) medication support;

35.23      (5) a secure place to store belongings; and  
 35.24      (6) staff available within the setting to provide a wellness check as needed, but at a  
 35.25       minimum at least once every 24 hours.  
 35.26      (c) To be eligible for this covered service, a recipient must:  
 35.27      (1) be 21 years of age or older;  
 35.28      (2) be experiencing homelessness;  
 35.29      (3) be in need of short-term acute medical care for a period of no more than 60 days;  
 36.1       (4) meet clinical criteria, as established by the commissioner, that indicates that the  
 36.2       recipient is in need of recuperative care; and  
 36.3       (5) not have behavioral health needs that are greater than what can be managed by the  
 36.4       provider within the setting.

UES2995-2, ARTICLE 1, SECTION 24, PARAGRAPH (D), HAS BEEN  
 DUPLICATED TO MATCH BOTH S2995-3, ARTICLE 1, SECTION 23,  
 SUBDIVISIONS 5 AND 6. UES2995-2, ARTICLE 1, SECTION 24,  
 PARAGRAPHS (E), (F), AND (G), HAVE BEEN MOVED TO MATCH S2995-3,  
 ARTICLE 1, SECTION 23, SUBDIVISIONS 6, 7, AND 8.

36.5       (d) Payment for recuperative care shall consist of two components. The first component  
 36.6       must be for the services provided to the member and is a bundled daily per diem payment  
 36.7       of at least \$300 per day. The second component must be for the facility costs and must be  
 36.8       paid using state funds equivalent to the amount paid as the medical assistance room and  
 36.9       board rate and annual adjustments. The eligibility standards in chapter 256I shall not apply.  
 36.10      The second component is only paid when the first component is paid to a provider. Providers  
 36.11      may opt to only be reimbursed for the first component. A provider under this subdivision  
 36.12      means a recuperative care provider and is defined by the standards established by the National  
 36.13      Institute for Medical Respite Care. Services provided within the bundled payment may  
 36.14       include but are not limited to:

36.15      (1) basic nursing care, including:  
 36.16       (i) monitoring a patient's physical health and pain level;  
 36.17       (ii) providing wound care;  
 36.18       (iii) medication support;

34.28       (iv) patient education;  
 34.29       (v) immunization review and update; and  
 35.1       (vi) establishing clinical goals for the recuperative care period and discharge plan;  
 35.2       (2) care coordination, including:  
 35.3       (i) initial assessment of medical, behavioral, and social needs;  
 35.4       (ii) development of a care plan;  
 35.5       (iii) support and referral assistance for legal services, housing, community social services, case management, health care benefits, health and other eligible benefits, and transportation needs and services; and  
 35.6       (iv) monitoring and follow-up to ensure that the care plan is effectively implemented to address the medical, behavioral, and social needs;  
 35.7       (3) basic behavioral needs, including counseling and peer support, that can be provided in this recuperative care setting; and  
 35.8       (4) services provided by a community health worker as defined under section 256B.0625, subdivision 49.

35.14       Subd. 6. **Recuperative care facility rate.** (a) The recuperative care facility rate is for facility costs and must be paid from state money in an amount equal to the medical assistance room and board rate at the time the recuperative care services were provided. The eligibility standards in chapter 256I do not apply to the recuperative care facility rate. The recuperative care facility rate is only paid when the recuperative care services rate is paid to a provider. Providers may opt to only receive the recuperative care services rate.

35.20       (b) Before a recipient is discharged from a recuperative care setting, the provider must ensure that the recipient's acute medical condition is stabilized or that the recipient is being discharged to a setting that is able to meet that recipient's needs.

35.23       Subd. 7. **Extended stay.** If a recipient requires care exceeding the 60-day limit described in subdivision 3, the provider may request in a format prescribed by the commissioner an extension to continue payments until the recipient is discharged.

36.19       (iv) patient education;  
 36.20       (v) immunization review and update; and  
 36.21       (vi) establishing clinical goals for the recuperative care period and discharge plan;  
 36.22       (2) care coordination, including:  
 36.23       (i) initial assessment of medical, behavioral, and social needs;  
 36.24       (ii) development of a care plan;  
 36.25       (iii) support and referral assistance for legal services, housing, community social services, case management, health care benefits, health and other eligible benefits, and transportation needs and services; and  
 36.26       (iv) monitoring and follow-up to ensure that the care plan is effectively implemented to address the medical, behavioral, and social needs;  
 36.27       (3) basic behavioral needs, including counseling and peer support, that can be provided in this recuperative care setting; and  
 36.28       (4) services provided by a community health worker as defined under subdivision 49.

UES2995-2, ARTICLE 1, SECTION 24, PARAGRAPH (D), HAS BEEN DUPLICATED TO MATCH BOTH S2995-3, ARTICLE 1, SECTION 23, SUBDIVISIONS 5 AND 6

36.5       (d) Payment for recuperative care shall consist of two components. The first component must be for the services provided to the member and is a bundled daily per diem payment of at least \$300 per day. The second component must be for the facility costs and must be paid using state funds equivalent to the amount paid as the medical assistance room and board rate and annual adjustments. The eligibility standards in chapter 256I shall not apply. The second component is only paid when the first component is paid to a provider. Providers may opt to only be reimbursed for the first component. A provider under this subdivision means a recuperative care provider and is defined by the standards established by the National Institute for Medical Respite Care. Services provided within the bundled payment may include but are not limited to:

37.2       (e) Before a recipient is discharged from a recuperative care setting, the provider must ensure that the recipient's acute medical condition is stabilized or that the recipient is being discharged to a setting that is able to meet that recipient's needs.

37.5       (f) If a recipient is temporarily absent due to an admission at a residential behavioral health facility, inpatient hospital, or nursing facility for a period of time exceeding the limits described in paragraph (d), the agency may request in a format prescribed by the

35.26       **Subd. 8. Report.** (a) The commissioner must submit an initial report to the chairs and  
 35.27        ranking minority members of the legislative committees having jurisdiction over health and  
 35.28        human services by February 1, 2025, and a final report by February 1, 2027, on coverage  
 35.29        of recuperative care services. The reports must include but are not limited to:

35.30        (1) a list of the recuperative care services in Minnesota and the number of recipients;  
 35.31        (2) the estimated return on investment, including health care savings due to reduced  
 35.32        hospitalizations;  
 36.1        (3) follow-up information, if available, on whether recipients' hospital visits decreased  
 36.2        since recuperative care services were provided compared to before the services were  
 36.3        provided; and  
 36.4        (4) any other information that can be used to determine the effectiveness of the program  
 36.5        and its funding, including recommendations for improvements to the program.

36.6        (b) This subdivision expires upon submission of the final report.

36.7        **EFFECTIVE DATE.** This section is effective January 1, 2024.

36.8        Sec. 24. Minnesota Statutes 2022, section 256B.196, subdivision 2, is amended to read:

36.9        **Subd. 2. Commissioner's duties.** (a) For the purposes of this subdivision and subdivision  
 36.10      3, the commissioner shall determine the fee-for-service outpatient hospital services upper  
 36.11      payment limit for nonstate government hospitals. The commissioner shall then determine  
 36.12      the amount of a supplemental payment to Hennepin County Medical Center and Regions  
 36.13      Hospital for these services that would increase medical assistance spending in this category  
 36.14      to the aggregate upper payment limit for all nonstate government hospitals in Minnesota.  
 36.15      In making this determination, the commissioner shall allot the available increases between  
 36.16      Hennepin County Medical Center and Regions Hospital based on the ratio of medical  
 36.17      assistance fee-for-service outpatient hospital payments to the two facilities. The commissioner  
 36.18      shall adjust this allotment as necessary based on federal approvals, the amount of  
 36.19      intergovernmental transfers received from Hennepin and Ramsey Counties, and other factors,  
 36.20      in order to maximize the additional total payments. The commissioner shall inform Hennepin  
 36.21      County and Ramsey County of the periodic intergovernmental transfers necessary to match  
 36.22      federal Medicaid payments available under this subdivision in order to make supplementary  
 36.23      medical assistance payments to Hennepin County Medical Center and Regions Hospital  
 36.24      equal to an amount that when combined with existing medical assistance payments to  
 36.25      nonstate governmental hospitals would increase total payments to hospitals in this category  
 36.26      for outpatient services to the aggregate upper payment limit for all hospitals in this category  
 36.27      in Minnesota. Upon receipt of these periodic transfers, the commissioner shall make  
 36.28      supplementary payments to Hennepin County Medical Center and Regions Hospital.

37.8        commissioner an absence day limit exception to continue payments until the recipient is  
 37.9        discharged.

37.10        (g) The commissioner shall submit an initial report to the chairs and ranking minority  
 37.11        members of the legislative committees with jurisdiction over health and human services  
 37.12        finance and policy by February 1, 2025, and a final report by February 1, 2027, on coverage  
 37.13        of recuperative care services. The reports must include but are not limited to:

37.14        (1) a list of the recuperative care services in Minnesota and the number of recipients;  
 37.15        (2) the estimated return on investment, including health care savings due to reduced  
 37.16        hospitalizations;  
 37.17        (3) follow-up information, if available, on whether recipients' hospital visits decreased  
 37.18        since recuperative care services were provided compared to before the services were  
 37.19        provided; and  
 37.20        (4) any other information that can be used to determine the effectiveness of the program  
 37.21        and its funding, including recommendations for improvements to the program.

37.22        **EFFECTIVE DATE.** This section is effective January 1, 2024.

37.23        Sec. 25. Minnesota Statutes 2022, section 256B.196, subdivision 2, is amended to read:

37.24        **Subd. 2. Commissioner's duties.** (a) For the purposes of this subdivision and subdivision  
 37.25      3, the commissioner shall determine the fee-for-service outpatient hospital services upper  
 37.26      payment limit for nonstate government hospitals. The commissioner shall then determine  
 37.27      the amount of a supplemental payment to Hennepin County Medical Center and Regions  
 37.28      Hospital for these services that would increase medical assistance spending in this category  
 37.29      to the aggregate upper payment limit for all nonstate government hospitals in Minnesota.  
 37.30      In making this determination, the commissioner shall allot the available increases between  
 37.31      Hennepin County Medical Center and Regions Hospital based on the ratio of medical  
 37.32      assistance fee-for-service outpatient hospital payments to the two facilities. The commissioner  
 38.1      shall adjust this allotment as necessary based on federal approvals, the amount of  
 38.2      intergovernmental transfers received from Hennepin and Ramsey Counties, and other factors,  
 38.3      in order to maximize the additional total payments. The commissioner shall inform Hennepin  
 38.4      County and Ramsey County of the periodic intergovernmental transfers necessary to match  
 38.5      federal Medicaid payments available under this subdivision in order to make supplementary  
 38.6      medical assistance payments to Hennepin County Medical Center and Regions Hospital  
 38.7      equal to an amount that when combined with existing medical assistance payments to  
 38.8      nonstate governmental hospitals would increase total payments to hospitals in this category  
 38.9      for outpatient services to the aggregate upper payment limit for all hospitals in this category  
 38.10     in Minnesota. Upon receipt of these periodic transfers, the commissioner shall make  
 38.11     supplementary payments to Hennepin County Medical Center and Regions Hospital.

36.29 (b) For the purposes of this subdivision and subdivision 3, the commissioner shall  
36.30 determine an upper payment limit for physicians and other billing professionals affiliated  
36.31 with Hennepin County Medical Center and with Regions Hospital. The upper payment limit  
36.32 shall be based on the average commercial rate or be determined using another method  
36.33 acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall  
36.34 inform Hennepin County and Ramsey County of the periodic intergovernmental transfers  
37.1 necessary to match the federal Medicaid payments available under this subdivision in order  
37.2 to make supplementary payments to physicians and other billing professionals affiliated  
37.3 with Hennepin County Medical Center and to make supplementary payments to physicians  
37.4 and other billing professionals affiliated with Regions Hospital through HealthPartners  
37.5 Medical Group equal to the difference between the established medical assistance payment  
37.6 for physician and other billing professional services and the upper payment limit. Upon  
37.7 receipt of these periodic transfers, the commissioner shall make supplementary payments  
37.8 to physicians and other billing professionals affiliated with Hennepin County Medical Center  
37.9 and shall make supplementary payments to physicians and other billing professionals  
37.10 affiliated with Regions Hospital through HealthPartners Medical Group.

37.11 (c) Beginning January 1, 2010, Ramsey County may make monthly voluntary  
37.12 intergovernmental transfers to the commissioner in amounts not to exceed \$6,000,000 per  
37.13 year. The commissioner shall increase the medical assistance capitation payments to any  
37.14 licensed health plan under contract with the medical assistance program that agrees to make  
37.15 enhanced payments to Regions Hospital. The increase shall be in an amount equal to the  
37.16 annual value of the monthly transfers plus federal financial participation, with each health  
37.17 plan receiving its pro rata share of the increase based on the pro rata share of medical  
37.18 assistance admissions to Regions Hospital by those plans. For the purposes of this paragraph,  
37.19 "the base amount" means the total annual value of increased medical assistance capitation  
37.20 payments, including the voluntary intergovernmental transfers, under this paragraph in  
37.21 calendar year 2017. For managed care contracts beginning on or after January 1, 2018, the  
37.22 commissioner shall reduce the total annual value of increased medical assistance capitation  
37.23 payments under this paragraph by an amount equal to ten percent of the base amount, and  
37.24 by an additional ten percent of the base amount for each subsequent contract year until  
37.25 December 31, 2025. Upon the request of the commissioner, health plans shall submit  
37.26 individual-level cost data for verification purposes. The commissioner may ratably reduce  
37.27 these payments on a pro rata basis in order to satisfy federal requirements for actuarial  
37.28 soundness. If payments are reduced, transfers shall be reduced accordingly. Any licensed  
37.29 health plan that receives increased medical assistance capitation payments under the  
37.30 intergovernmental transfer described in this paragraph shall increase its medical assistance  
37.31 payments to Regions Hospital by the same amount as the increased payments received in  
37.32 the capitation payment described in this paragraph. This paragraph expires January 1, 2026.

37.33 (d) For the purposes of this subdivision and subdivision 3, the commissioner shall  
37.34 determine an upper payment limit for ambulance services affiliated with Hennepin County  
37.35 Medical Center and the city of St. Paul, and ambulance services owned and operated by  
38.1 another governmental entity that chooses to participate by requesting the commissioner to

38.12 (b) For the purposes of this subdivision and subdivision 3, the commissioner shall  
38.13 determine an upper payment limit for physicians and other billing professionals affiliated  
38.14 with Hennepin County Medical Center and with Regions Hospital. The upper payment limit  
38.15 shall be based on the average commercial rate or be determined using another method  
38.16 acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall  
38.17 inform Hennepin County and Ramsey County of the periodic intergovernmental transfers  
38.18 necessary to match the federal Medicaid payments available under this subdivision in order  
38.19 to make supplementary payments to physicians and other billing professionals affiliated  
38.20 with Hennepin County Medical Center and to make supplementary payments to physicians  
38.21 and other billing professionals affiliated with Regions Hospital through HealthPartners  
38.22 Medical Group equal to the difference between the established medical assistance payment  
38.23 for physician and other billing professional services and the upper payment limit. Upon  
38.24 receipt of these periodic transfers, the commissioner shall make supplementary payments  
38.25 to physicians and other billing professionals affiliated with Hennepin County Medical Center  
38.26 and shall make supplementary payments to physicians and other billing professionals  
38.27 affiliated with Regions Hospital through HealthPartners Medical Group.

38.28 (c) Beginning January 1, 2010, Ramsey County may make monthly voluntary  
38.29 intergovernmental transfers to the commissioner in amounts not to exceed \$6,000,000 per  
38.30 year. The commissioner shall increase the medical assistance capitation payments to any  
38.31 licensed health plan under contract with the medical assistance program that agrees to make  
38.32 enhanced payments to Regions Hospital. The increase shall be in an amount equal to the  
38.33 annual value of the monthly transfers plus federal financial participation, with each health  
38.34 plan receiving its pro rata share of the increase based on the pro rata share of medical  
38.35 assistance admissions to Regions Hospital by those plans. For the purposes of this paragraph,  
39.1 "the base amount" means the total annual value of increased medical assistance capitation  
39.2 payments, including the voluntary intergovernmental transfers, under this paragraph in  
39.3 calendar year 2017. For managed care contracts beginning on or after January 1, 2018, the  
39.4 commissioner shall reduce the total annual value of increased medical assistance capitation  
39.5 payments under this paragraph by an amount equal to ten percent of the base amount, and  
39.6 by an additional ten percent of the base amount for each subsequent contract year until  
39.7 December 31, 2025. Upon the request of the commissioner, health plans shall submit  
39.8 individual-level cost data for verification purposes. The commissioner may ratably reduce  
39.9 these payments on a pro rata basis in order to satisfy federal requirements for actuarial  
39.10 soundness. If payments are reduced, transfers shall be reduced accordingly. Any licensed  
39.11 health plan that receives increased medical assistance capitation payments under the  
39.12 intergovernmental transfer described in this paragraph shall increase its medical assistance  
39.13 payments to Regions Hospital by the same amount as the increased payments received in  
39.14 the capitation payment described in this paragraph. This paragraph expires January 1, 2026.

39.15 (d) For the purposes of this subdivision and subdivision 3, the commissioner shall  
39.16 determine an upper payment limit for ambulance services affiliated with Hennepin County  
39.17 Medical Center and the city of St. Paul, and ambulance services owned and operated by  
39.18 another governmental entity that chooses to participate by requesting the commissioner to

38.2 determine an upper payment limit. The upper payment limit shall be based on the average  
38.3 commercial rate or be determined using another method acceptable to the Centers for  
38.4 Medicare and Medicaid Services. The commissioner shall inform Hennepin County, the  
38.5 city of St. Paul, and other participating governmental entities of the periodic  
38.6 intergovernmental transfers necessary to match the federal Medicaid payments available  
38.7 under this subdivision in order to make supplementary payments to Hennepin County  
38.8 Medical Center, the city of St. Paul, and other participating governmental entities equal to  
38.9 the difference between the established medical assistance payment for ambulance services  
38.10 and the upper payment limit. Upon receipt of these periodic transfers, the commissioner  
38.11 shall make supplementary payments to Hennepin County Medical Center, the city of St.  
38.12 Paul, and other participating governmental entities. A **Tribal** government that owns and  
38.13 operates an ambulance service is not eligible to participate under this subdivision.

38.14 (e) For the purposes of this subdivision and subdivision 3, the commissioner shall  
38.15 determine an upper payment limit for physicians, dentists, and other billing professionals  
38.16 affiliated with the University of Minnesota and University of Minnesota Physicians. The  
38.17 upper payment limit shall be based on the average commercial rate or be determined using  
38.18 another method acceptable to the Centers for Medicare and Medicaid Services. The  
38.19 commissioner shall inform the University of Minnesota Medical School and University of  
38.20 Minnesota School of Dentistry of the periodic intergovernmental transfers necessary to  
38.21 match the federal Medicaid payments available under this subdivision in order to make  
38.22 supplementary payments to physicians, dentists, and other billing professionals affiliated  
38.23 with the University of Minnesota and the University of Minnesota Physicians equal to the  
38.24 difference between the established medical assistance payment for physician, dentist, and  
38.25 other billing professional services and the upper payment limit. Upon receipt of these periodic  
38.26 transfers, the commissioner shall make supplementary payments to physicians, dentists,  
38.27 and other billing professionals affiliated with the University of Minnesota and the University  
38.28 of Minnesota Physicians.

38.29 (f) The commissioner shall inform the transferring governmental entities on an ongoing  
38.30 basis of the need for any changes needed in the intergovernmental transfers in order to  
38.31 continue the payments under paragraphs (a) to (e), at their maximum level, including  
38.32 increases in upper payment limits, changes in the federal Medicaid match, and other factors.

38.33 (g) The payments in paragraphs (a) to (e) shall be implemented independently of each  
38.34 other, subject to federal approval and to the receipt of transfers under subdivision 3.

39.1 (h) All of the data and funding transactions related to the payments in paragraphs (a) to  
39.2 (e) shall be between the commissioner and the governmental entities. The commissioner  
39.3 shall not make payments to governmental entities eligible to receive payments described  
39.4 in paragraphs (a) to (e) that fail to submit the data needed to compute the payments within  
39.5 24 months of the initial request from the commissioner.

39.6 (i) For purposes of this subdivision, billing professionals are limited to physicians, nurse  
39.7 practitioners, nurse midwives, clinical nurse specialists, physician assistants,

39.19 determine an upper payment limit. The upper payment limit shall be based on the average  
39.20 commercial rate or be determined using another method acceptable to the Centers for  
39.21 Medicare and Medicaid Services. The commissioner shall inform Hennepin County, the  
39.22 city of St. Paul, and other participating governmental entities of the periodic  
39.23 intergovernmental transfers necessary to match the federal Medicaid payments available  
39.24 under this subdivision in order to make supplementary payments to Hennepin County  
39.25 Medical Center, the city of St. Paul, and other participating governmental entities equal to  
39.26 the difference between the established medical assistance payment for ambulance services  
39.27 and the upper payment limit. Upon receipt of these periodic transfers, the commissioner  
39.28 shall make supplementary payments to Hennepin County Medical Center, the city of St.  
39.29 Paul, and other participating governmental entities. A **tribal** government that owns and  
39.30 operates an ambulance service is not eligible to participate under this subdivision.

39.31 (e) For the purposes of this subdivision and subdivision 3, the commissioner shall  
39.32 determine an upper payment limit for physicians, dentists, and other billing professionals  
39.33 affiliated with the University of Minnesota and University of Minnesota Physicians. The  
39.34 upper payment limit shall be based on the average commercial rate or be determined using  
39.35 another method acceptable to the Centers for Medicare and Medicaid Services. The  
40.1 commissioner shall inform the University of Minnesota Medical School and University of  
40.2 Minnesota School of Dentistry of the periodic intergovernmental transfers necessary to  
40.3 match the federal Medicaid payments available under this subdivision in order to make  
40.4 supplementary payments to physicians, dentists, and other billing professionals affiliated  
40.5 with the University of Minnesota and the University of Minnesota Physicians equal to the  
40.6 difference between the established medical assistance payment for physician, dentist, and  
40.7 other billing professional services and the upper payment limit. Upon receipt of these periodic  
40.8 transfers, the commissioner shall make supplementary payments to physicians, dentists,  
40.9 and other billing professionals affiliated with the University of Minnesota and the University  
40.10 of Minnesota Physicians.

40.11 (f) The commissioner shall inform the transferring governmental entities on an ongoing  
40.12 basis of the need for any changes needed in the intergovernmental transfers in order to  
40.13 continue the payments under paragraphs (a) to (e), at their maximum level, including  
40.14 increases in upper payment limits, changes in the federal Medicaid match, and other factors.

40.15 (g) The payments in paragraphs (a) to (e) shall be implemented independently of each  
40.16 other, subject to federal approval and to the receipt of transfers under subdivision 3.

40.17 (h) All of the data and funding transactions related to the payments in paragraphs (a) to  
40.18 (e) shall be between the commissioner and the governmental entities. The commissioner  
40.19 shall not make payments to governmental entities eligible to receive payments described  
40.20 in paragraphs (a) to (e) that fail to submit the data needed to compute the payments within  
40.21 24 months of the initial request from the commissioner.

40.22 (i) For purposes of this subdivision, billing professionals are limited to physicians, nurse  
40.23 practitioners, nurse midwives, clinical nurse specialists, physician assistants,

39.8 anesthesiologists, certified registered nurse anesthetists, dentists, dental hygienists, and  
 39.9 dental therapists.

39.10 **EFFECTIVE DATE.** This section is effective July 1, 2023.

39.11 Sec. 25. Minnesota Statutes 2022, section 256B.69, subdivision 4, is amended to read:

39.12 **Subd. 4. Limitation of choice; opportunity to opt out.** (a) The commissioner shall  
 39.13 develop criteria to determine when limitation of choice may be implemented in the  
 39.14 experimental counties, but shall provide all eligible individuals the opportunity to opt out  
 39.15 of enrollment in managed care under this section. The criteria shall ensure that all eligible  
 39.16 individuals in the county have continuing access to the full range of medical assistance  
 39.17 services as specified in subdivision 6.

39.18 (b) The commissioner shall exempt the following persons from participation in the  
 39.19 project, in addition to those who do not meet the criteria for limitation of choice:

39.20 (1) persons eligible for medical assistance according to section 256B.055, subdivision  
 39.21 1;

39.22 (2) persons eligible for medical assistance due to blindness or disability as determined  
 39.23 by the Social Security Administration or the state medical review team, unless:

39.24 (i) they are 65 years of age or older; or

39.25 (ii) they reside in Itasca County or they reside in a county in which the commissioner  
 39.26 conducts a pilot project under a waiver granted pursuant to section 1115 of the Social  
 39.27 Security Act;

39.28 (3) recipients who currently have private coverage through a health maintenance  
 39.29 organization;

39.30 (4) recipients who are eligible for medical assistance by spending down excess income  
 39.31 for medical expenses other than the nursing facility per diem expense;

40.1 (5) recipients who receive benefits under the Refugee Assistance Program, established  
 40.2 under United States Code, title 8, section 1522(e);

40.3 (6) children who are both determined to be severely emotionally disturbed and receiving  
 40.4 case management services according to section 256B.0625, subdivision 20, except children  
 40.5 who are eligible for and who decline enrollment in an approved preferred integrated network  
 40.6 under section 245.4682;

40.7 (7) adults who are both determined to be seriously and persistently mentally ill and  
 40.8 received case management services according to section 256B.0625, subdivision 20;

40.24 anesthesiologists, certified registered nurse anesthetists, dentists, dental hygienists, and  
 40.25 dental therapists.

40.26 **EFFECTIVE DATE.** This section is effective July 1, 2023.

THE FOLLOWING SECTION WAS MOVED IN FROM UES2995-2, ARTICLE  
 2, SECTION 15

76.25 Sec. 15. Minnesota Statutes 2022, section 256B.69, subdivision 4, is amended to read:

76.26 **Subd. 4. Limitation of choice; opportunity to opt out.** (a) The commissioner shall  
 76.27 develop criteria to determine when limitation of choice may be implemented in the  
 76.28 experimental counties, but shall provide all eligible individuals the opportunity to opt out  
 76.29 of enrollment in managed care under this section. The criteria shall ensure that all eligible  
 76.30 individuals in the county have continuing access to the full range of medical assistance  
 76.31 services as specified in subdivision 6.

77.1 (b) The commissioner shall exempt the following persons from participation in the  
 77.2 project, in addition to those who do not meet the criteria for limitation of choice:

77.3 (1) persons eligible for medical assistance according to section 256B.055, subdivision  
 77.4 1;

77.5 (2) persons eligible for medical assistance due to blindness or disability as determined  
 77.6 by the Social Security Administration or the state medical review team, unless:

77.7 (i) they are 65 years of age or older; or

77.8 (ii) they reside in Itasca County or they reside in a county in which the commissioner  
 77.9 conducts a pilot project under a waiver granted pursuant to section 1115 of the Social  
 77.10 Security Act;

77.11 (3) recipients who currently have private coverage through a health maintenance  
 77.12 organization;

77.13 (4) recipients who are eligible for medical assistance by spending down excess income  
 77.14 for medical expenses other than the nursing facility per diem expense;

77.15 (5) recipients who receive benefits under the Refugee Assistance Program, established  
 77.16 under United States Code, title 8, section 1522(e);

77.17 (6) children who are both determined to be severely emotionally disturbed and receiving  
 77.18 case management services according to section 256B.0625, subdivision 20, except children  
 77.19 who are eligible for and who decline enrollment in an approved preferred integrated network  
 77.20 under section 245.4682;

77.21 (7) adults who are both determined to be seriously and persistently mentally ill and  
 77.22 received case management services according to section 256B.0625, subdivision 20;

40.9 (8) persons eligible for medical assistance according to section 256B.057, subdivision  
 40.10 10;

40.11 (9) persons with access to cost-effective employer-sponsored private health insurance  
 40.12 or persons enrolled in a non-Medicare individual health plan determined to be cost-effective  
 40.13 according to section 256B.0625, subdivision 15; and

40.14 (10) persons who are absent from the state for more than 30 consecutive days but still  
 40.15 deemed a resident of Minnesota, identified in accordance with section 256B.056, subdivision  
 40.16 1, paragraph (b).

40.17 Children under age 21 who are in foster placement may enroll in the project on an elective  
 40.18 basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an elective  
 40.19 basis. The commissioner may enroll recipients in the prepaid medical assistance program  
 40.20 for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending  
 40.21 down excess income.

40.22 (c) The commissioner may allow persons with a one-month spenddown who are otherwise  
 40.23 eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly  
 40.24 spenddown to the state.

40.25 (d) The commissioner may require, subject to the opt-out provision under paragraph (a),  
 40.26 those individuals to enroll in the prepaid medical assistance program who otherwise would  
 40.27 have been excluded under paragraph (b), clauses (1), (3), and (8), and under Minnesota  
 40.28 Rules, part 9500.1452, subpart 2, items H, K, and L.

40.29 (e) Before limitation of choice is implemented, eligible individuals shall be notified and  
 40.30 given the opportunity to opt out of managed care enrollment. After notification, those  
 40.31 individuals who choose not to opt out shall be allowed to choose only among demonstration  
 40.32 providers. The commissioner may assign an individual with private coverage through a  
 40.33 health maintenance organization, to the same health maintenance organization for medical  
 41.1 assistance coverage, if the health maintenance organization is under contract for medical  
 41.2 assistance in the individual's county of residence. After initially choosing a provider, the  
 41.3 recipient is allowed to change that choice only at specified times as allowed by the  
 41.4 commissioner. If a demonstration provider ends participation in the project for any reason,  
 41.5 a recipient enrolled with that provider must select a new provider but may change providers  
 41.6 without cause once more within the first 60 days after enrollment with the second provider.

41.7 (f) An infant born to a woman who is eligible for and receiving medical assistance and  
 41.8 who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to  
 41.9 the month of birth in the same managed care plan as the mother once the child is enrolled  
 41.10 in medical assistance unless the child is determined to be excluded from enrollment in a  
 41.11 prepaid plan under this section.

41.12 **EFFECTIVE DATE.** This section is effective January 1, 2024.

77.23 (8) persons eligible for medical assistance according to section 256B.057, subdivision  
 77.24 10;

77.25 (9) persons with access to cost-effective employer-sponsored private health insurance  
 77.26 or persons enrolled in a non-Medicare individual health plan determined to be cost-effective  
 77.27 according to section 256B.0625, subdivision 15; and

77.28 (10) persons who are absent from the state for more than 30 consecutive days but still  
 77.29 deemed a resident of Minnesota, identified in accordance with section 256B.056, subdivision  
 77.30 1, paragraph (b).

77.31 Children under age 21 who are in foster placement may enroll in the project on an elective  
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 78.2 for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending  
 78.3 down excess income.

78.4 (c) The commissioner may allow persons with a one-month spenddown who are otherwise  
 78.5 eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly  
 78.6 spenddown to the state.

78.7 (d) The commissioner may require, subject to the opt-out provision under paragraph (a),  
 78.8 those individuals to enroll in the prepaid medical assistance program who otherwise would  
 78.9 have been excluded under paragraph (b), clauses (1), (3), and (8), and under Minnesota  
 78.10 Rules, part 9500.1452, subpart 2, items H, K, and L.

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 78.12 given the opportunity to opt out of managed care enrollment. After notification, those  
 78.13 individuals who choose not to opt out shall be allowed to choose only among demonstration  
 78.14 providers. The commissioner may assign an individual with private coverage through a  
 78.15 health maintenance organization, to the same health maintenance organization for medical  
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 78.17 assistance in the individual's county of residence. After initially choosing a provider, the  
 78.18 recipient is allowed to change that choice only at specified times as allowed by the  
 78.19 commissioner. If a demonstration provider ends participation in the project for any reason,  
 78.20 a recipient enrolled with that provider must select a new provider but may change providers  
 78.21 without cause once more within the first 60 days after enrollment with the second provider.

78.22 (f) An infant born to a woman who is eligible for and receiving medical assistance and  
 78.23 who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to  
 78.24 the month of birth in the same managed care plan as the mother once the child is enrolled  
 78.25 in medical assistance unless the child is determined to be excluded from enrollment in a  
 78.26 prepaid plan under this section.

78.27 **EFFECTIVE DATE.** This section is effective January 1, 2024.

41.13 Sec. 26. Minnesota Statutes 2022, section 256B.69, subdivision 5a, is amended to read:

41.14 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and  
41.15 section 256L.12 shall be entered into or renewed on a calendar year basis. The commissioner  
41.16 may issue separate contracts with requirements specific to services to medical assistance  
41.17 recipients age 65 and older.

41.18 (b) A prepaid health plan providing covered health services for eligible persons pursuant  
41.19 to chapters 256B and 256L is responsible for complying with the terms of its contract with  
41.20 the commissioner. Requirements applicable to managed care programs under chapters 256B  
41.21 and 256L established after the effective date of a contract with the commissioner take effect  
41.22 when the contract is next issued or renewed.

41.23 (c) The commissioner shall withhold five percent of managed care plan payments under  
41.24 this section and county-based purchasing plan payments under section 256B.692 for the  
41.25 prepaid medical assistance program pending completion of performance targets. Each  
41.26 performance target must be quantifiable, objective, measurable, and reasonably attainable,  
41.27 except in the case of a performance target based on a federal or state law or rule. Criteria  
41.28 for assessment of each performance target must be outlined in writing prior to the contract  
41.29 effective date. Clinical or utilization performance targets and their related criteria must  
41.30 consider evidence-based research and reasonable interventions when available or applicable  
41.31 to the populations served, and must be developed with input from external clinical experts  
41.32 and stakeholders, including managed care plans, county-based purchasing plans, and  
41.33 providers. The managed care or county-based purchasing plan must demonstrate, to the  
41.34 commissioner's satisfaction, that the data submitted regarding attainment of the performance  
42.1 target is accurate. The commissioner shall periodically change the administrative measures  
42.2 used as performance targets in order to improve plan performance across a broader range  
42.3 of administrative services. The performance targets must include measurement of plan  
42.4 efforts to contain spending on health care services and administrative activities. The  
42.5 commissioner may adopt plan-specific performance targets that take into account factors  
42.6 affecting only one plan, including characteristics of the plan's enrollee population. The  
42.7 withheld funds must be returned no sooner than July of the following year if performance  
42.8 targets in the contract are achieved. The commissioner may exclude special demonstration  
42.9 projects under subdivision 23.

42.10 (d) The commissioner shall require that managed care plans:

42.11 (1) use the assessment and authorization processes, forms, timelines, standards,  
42.12 documentation, and data reporting requirements, protocols, billing processes, and policies  
42.13 consistent with medical assistance fee-for-service or the Department of Human Services  
42.14 contract requirements for all personal care assistance services under section 256B.0659 and  
42.15 community first services and supports under section 256B.85; and

42.16 (2) by January 30 of each year that follows a rate increase for any aspect of services  
42.17 under section 256B.0659 or 256B.85, inform the commissioner and the chairs and ranking  
42.18 minority members of the legislative committees with jurisdiction over rates determined

40.27 Sec. 26. Minnesota Statutes 2022, section 256B.69, subdivision 5a, is amended to read:

40.28 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and  
40.29 section 256L.12 shall be entered into or renewed on a calendar year basis. The commissioner  
40.30 may issue separate contracts with requirements specific to services to medical assistance  
40.31 recipients age 65 and older.

40.32 (b) A prepaid health plan providing covered health services for eligible persons pursuant  
40.33 to chapters 256B and 256L is responsible for complying with the terms of its contract with  
41.1 the commissioner. Requirements applicable to managed care programs under chapters 256B  
41.2 and 256L established after the effective date of a contract with the commissioner take effect  
41.3 when the contract is next issued or renewed.

41.4 (c) The commissioner shall withhold five percent of managed care plan payments under  
41.5 this section and county-based purchasing plan payments under section 256B.692 for the  
41.6 prepaid medical assistance program pending completion of performance targets. Each  
41.7 performance target must be quantifiable, objective, measurable, and reasonably attainable,  
41.8 except in the case of a performance target based on a federal or state law or rule. Criteria  
41.9 for assessment of each performance target must be outlined in writing prior to the contract  
41.10 effective date. Clinical or utilization performance targets and their related criteria must  
41.11 consider evidence-based research and reasonable interventions when available or applicable  
41.12 to the populations served, and must be developed with input from external clinical experts  
41.13 and stakeholders, including managed care plans, county-based purchasing plans, and  
41.14 providers. The managed care or county-based purchasing plan must demonstrate, to the  
41.15 commissioner's satisfaction, that the data submitted regarding attainment of the performance  
41.16 target is accurate. The commissioner shall periodically change the administrative measures  
41.17 used as performance targets in order to improve plan performance across a broader range  
41.18 of administrative services. The performance targets must include measurement of plan  
41.19 efforts to contain spending on health care services and administrative activities. The  
41.20 commissioner may adopt plan-specific performance targets that take into account factors  
41.21 affecting only one plan, including characteristics of the plan's enrollee population. The  
41.22 withheld funds must be returned no sooner than July of the following year if performance  
41.23 targets in the contract are achieved. The commissioner may exclude special demonstration  
41.24 projects under subdivision 23.

41.25 (d) The commissioner shall require that managed care plans:

41.26 (1) use the assessment and authorization processes, forms, timelines, standards,  
41.27 documentation, and data reporting requirements, protocols, billing processes, and policies  
41.28 consistent with medical assistance fee-for-service or the Department of Human Services  
41.29 contract requirements for all personal care assistance services under section 256B.0659 and  
41.30 community first services and supports under section 256B.85; and

41.31 (2) by January 30 of each year that follows a rate increase for any aspect of services  
41.32 under section 256B.0659 or 256B.85, inform the commissioner and the chairs and ranking  
41.33 minority members of the legislative committees with jurisdiction over rates determined

42.19 under section 256B.851 of the amount of the rate increase that is paid to each personal care  
42.20 assistance provider agency with which the plan has a contract.

42.21 (e) Effective for services rendered on or after January 1, 2012, the commissioner shall  
42.22 include as part of the performance targets described in paragraph (e) a reduction in the health  
42.23 plan's emergency department utilization rate for medical assistance and MinnesotaCare  
42.24 enrollees, as determined by the commissioner. For 2012, the reduction shall be based on  
42.25 the health plan's utilization in 2009. To earn the return of the withhold each subsequent  
42.26 year, the managed care plan or county-based purchasing plan must achieve a qualifying  
42.27 reduction of no less than ten percent of the plan's emergency department utilization rate for  
42.28 medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described  
42.29 in subdivisions 23 and 28, compared to the previous measurement year until the final  
42.30 performance target is reached. When measuring performance, the commissioner must  
42.31 consider the difference in health risk in a managed care or county-based purchasing plan's  
42.32 membership in the baseline year compared to the measurement year, and work with the  
42.33 managed care or county-based purchasing plan to account for differences that they agree  
42.34 are significant.

43.1 The withheld funds must be returned no sooner than July 1 and no later than July 31 of  
43.2 the following calendar year if the managed care plan or county-based purchasing plan  
43.3 demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate  
43.4 was achieved. The commissioner shall structure the withhold so that the commissioner  
43.5 returns a portion of the withheld funds in amounts commensurate with achieved reductions  
43.6 in utilization less than the targeted amount.

43.7 The withhold described in this paragraph shall continue for each consecutive contract  
43.8 period until the plan's emergency room utilization rate for state health care program enrollees  
43.9 is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance  
43.10 and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate with the  
43.11 health plans in meeting this performance target and shall accept payment withhold that  
43.12 may be returned to the hospitals if the performance target is achieved.

43.13 (f) Effective for services rendered on or after January 1, 2012, the commissioner shall  
43.14 include as part of the performance targets described in paragraph (e) a reduction in the plan's  
43.15 hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as  
43.16 determined by the commissioner. To earn the return of the withhold each year, the managed  
43.17 care plan or county-based purchasing plan must achieve a qualifying reduction of no less  
43.18 than five percent of the plan's hospital admission rate for medical assistance and  
43.19 MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and  
43.20 28, compared to the previous calendar year until the final performance target is reached.  
43.21 When measuring performance, the commissioner must consider the difference in health risk  
43.22 in a managed care or county-based purchasing plan's membership in the baseline year  
43.23 compared to the measurement year, and work with the managed care or county-based  
43.24 purchasing plan to account for differences that they agree are significant.

41.34 under section 256B.851 of the amount of the rate increase that is paid to each personal care  
41.35 assistance provider agency with which the plan has a contract.

42.1 (e) Effective for services rendered on or after January 1, 2012, the commissioner shall  
42.2 include as part of the performance targets described in paragraph (e) a reduction in the health  
42.3 plan's emergency department utilization rate for medical assistance and MinnesotaCare  
42.4 enrollees, as determined by the commissioner. For 2012, the reduction shall be based on  
42.5 the health plan's utilization in 2009. To earn the return of the withhold each subsequent  
42.6 year, the managed care plan or county-based purchasing plan must achieve a qualifying  
42.7 reduction of no less than ten percent of the plan's emergency department utilization rate for  
42.8 medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described  
42.9 in subdivisions 23 and 28, compared to the previous measurement year until the final  
42.10 performance target is reached. When measuring performance, the commissioner must  
42.11 consider the difference in health risk in a managed care or county-based purchasing plan's  
42.12 membership in the baseline year compared to the measurement year, and work with the  
42.13 managed care or county-based purchasing plan to account for differences that they agree  
42.14 are significant.

42.15 The withheld funds must be returned no sooner than July 1 and no later than July 31 of  
42.16 the following calendar year if the managed care plan or county-based purchasing plan  
42.17 demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate  
42.18 was achieved. The commissioner shall structure the withhold so that the commissioner  
42.19 returns a portion of the withheld funds in amounts commensurate with achieved reductions  
42.20 in utilization less than the targeted amount.

42.21 The withhold described in this paragraph shall continue for each consecutive contract  
42.22 period until the plan's emergency room utilization rate for state health care program enrollees  
42.23 is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance  
42.24 and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate with the  
42.25 health plans in meeting this performance target and shall accept payment withhold that  
42.26 may be returned to the hospitals if the performance target is achieved.

42.27 (f) Effective for services rendered on or after January 1, 2012, the commissioner shall  
42.28 include as part of the performance targets described in paragraph (e) a reduction in the plan's  
42.29 hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as  
42.30 determined by the commissioner. To earn the return of the withhold each year, the managed  
42.31 care plan or county-based purchasing plan must achieve a qualifying reduction of no less  
42.32 than five percent of the plan's hospital admission rate for medical assistance and  
42.33 MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and  
42.34 28, compared to the previous calendar year until the final performance target is reached.  
42.35 When measuring performance, the commissioner must consider the difference in health risk  
43.1 in a managed care or county-based purchasing plan's membership in the baseline year  
43.2 compared to the measurement year, and work with the managed care or county-based  
43.3 purchasing plan to account for differences that they agree are significant.

43.25 The withheld funds must be returned no sooner than July 1 and no later than July 31 of  
43.26 the following calendar year if the managed care plan or county based purchasing plan  
43.27 demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization  
43.28 rate was achieved. The commissioner shall structure the withhold so that the commissioner  
43.29 returns a portion of the withheld funds in amounts commensurate with achieved reductions  
43.30 in utilization less than the targeted amount.

43.31 The withhold described in this paragraph shall continue until there is a 25 percent  
43.32 reduction in the hospital admission rate compared to the hospital admission rates in calendar  
43.33 year 2011, as determined by the commissioner. The hospital admissions in this performance  
43.34 target do not include the admissions applicable to the subsequent hospital admission  
43.35 performance target under paragraph (g). Hospitals shall cooperate with the plans in meeting  
44.1 this performance target and shall accept payment withholds that may be returned to the  
44.2 hospitals if the performance target is achieved.

44.3 (g) Effective for services rendered on or after January 1, 2012, the commissioner shall  
44.4 include as part of the performance targets described in paragraph (e) a reduction in the plan's  
44.5 hospitalization admission rates for subsequent hospitalizations within 30 days of a previous  
44.6 hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare  
44.7 enrollees, as determined by the commissioner. To earn the return of the withhold each year,  
44.8 the managed care plan or county based purchasing plan must achieve a qualifying reduction  
44.9 of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees,  
44.10 excluding enrollees in programs described in subdivisions 23 and 28, of no less than five  
44.11 percent compared to the previous calendar year until the final performance target is reached.

44.12 The withheld funds must be returned no sooner than July 1 and no later than July 31 of  
44.13 the following calendar year if the managed care plan or county based purchasing plan  
44.14 demonstrates to the satisfaction of the commissioner that a qualifying reduction in the  
44.15 subsequent hospitalization rate was achieved. The commissioner shall structure the withhold  
44.16 so that the commissioner returns a portion of the withheld funds in amounts commensurate  
44.17 with achieved reductions in utilization less than the targeted amount.

44.18 The withhold described in this paragraph must continue for each consecutive contract  
44.19 period until the plan's subsequent hospitalization rate for medical assistance and  
44.20 MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and  
44.21 28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year  
44.22 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall  
44.23 accept payment withholds that must be returned to the hospitals if the performance target  
44.24 is achieved.

44.25 ~~(h)~~(e) Effective for services rendered on or after January 1, 2013, through December  
44.26 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under  
44.27 this section and county-based purchasing plan payments under section 256B.692 for the  
44.28 prepaid medical assistance program. The withheld funds must be returned no sooner than  
44.29 July 1 and no later than July 31 of the following year. The commissioner may exclude  
44.30 special demonstration projects under subdivision 23.

43.4 The withheld funds must be returned no sooner than July 1 and no later than July 31 of  
43.5 the following calendar year if the managed care plan or county based purchasing plan  
43.6 demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization  
43.7 rate was achieved. The commissioner shall structure the withhold so that the commissioner  
43.8 returns a portion of the withheld funds in amounts commensurate with achieved reductions  
43.9 in utilization less than the targeted amount.

43.10 The withhold described in this paragraph shall continue until there is a 25 percent  
43.11 reduction in the hospital admission rate compared to the hospital admission rates in calendar  
43.12 year 2011, as determined by the commissioner. The hospital admissions in this performance  
43.13 target do not include the admissions applicable to the subsequent hospital admission  
43.14 performance target under paragraph (g). Hospitals shall cooperate with the plans in meeting  
43.15 this performance target and shall accept payment withholds that may be returned to the  
43.16 hospitals if the performance target is achieved.

43.17 (g) Effective for services rendered on or after January 1, 2012, the commissioner shall  
43.18 include as part of the performance targets described in paragraph (e) a reduction in the plan's  
43.19 hospitalization admission rates for subsequent hospitalizations within 30 days of a previous  
43.20 hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare  
43.21 enrollees, as determined by the commissioner. To earn the return of the withhold each year,  
43.22 the managed care plan or county based purchasing plan must achieve a qualifying reduction  
43.23 of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees,  
43.24 excluding enrollees in programs described in subdivisions 23 and 28, of no less than five  
43.25 percent compared to the previous calendar year until the final performance target is reached.

43.26 The withheld funds must be returned no sooner than July 1 and no later than July 31 of  
43.27 the following calendar year if the managed care plan or county based purchasing plan  
43.28 demonstrates to the satisfaction of the commissioner that a qualifying reduction in the  
43.29 subsequent hospitalization rate was achieved. The commissioner shall structure the withhold  
43.30 so that the commissioner returns a portion of the withheld funds in amounts commensurate  
43.31 with achieved reductions in utilization less than the targeted amount.

43.32 The withhold described in this paragraph must continue for each consecutive contract  
43.33 period until the plan's subsequent hospitalization rate for medical assistance and  
43.34 MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and  
44.1 28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year  
44.2 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall  
44.3 accept payment withholds that must be returned to the hospitals if the performance target  
44.4 is achieved.

44.5 ~~(h)~~(e) Effective for services rendered on or after January 1, 2013, through December  
44.6 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under  
44.7 this section and county-based purchasing plan payments under section 256B.692 for the  
44.8 prepaid medical assistance program. The withheld funds must be returned no sooner than  
44.9 July 1 and no later than July 31 of the following year. The commissioner may exclude  
44.10 special demonstration projects under subdivision 23.

44.31       ~~(f)~~ Effective for services rendered on or after January 1, 2014, the commissioner shall  
 44.32 withhold three percent of managed care plan payments under this section and county-based  
 44.33 purchasing plan payments under section 256B.692 for the prepaid medical assistance  
 44.34 program. The withheld funds must be returned no sooner than July 1 and no later than July  
 45.1 31 of the following year. The commissioner may exclude special demonstration projects  
 45.2 under subdivision 23.

45.3       ~~(g)~~ A managed care plan or a county-based purchasing plan under section 256B.692  
 45.4 may include as admitted assets under section 62D.044 any amount withheld under this  
 45.5 section that is reasonably expected to be returned.

45.6       ~~(h)~~ Contracts between the commissioner and a prepaid health plan are exempt from  
 45.7 the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a),  
 45.8 and 7.

45.9       ~~(i)~~ The return of the withhold under paragraphs (h) and (i) is not subject to the  
 45.10 requirements of paragraph (c).

45.11       ~~(m)~~ Managed care plans and county-based purchasing plans shall maintain current  
 45.12 and fully executed agreements for all subcontractors, including bargaining groups, for  
 45.13 administrative services that are expensed to the state's public health care programs.  
 45.14 Subcontractor agreements determined to be material, as defined by the commissioner after  
 45.15 taking into account state contracting and relevant statutory requirements, must be in the  
 45.16 form of a written instrument or electronic document containing the elements of offer,  
 45.17 acceptance, consideration, payment terms, scope, duration of the contract, and how the  
 45.18 subcontractor services relate to state public health care programs. Upon request, the  
 45.19 commissioner shall have access to all subcontractor documentation under this paragraph.  
 45.20 Nothing in this paragraph shall allow release of information that is nonpublic data pursuant  
 45.21 to section 13.02.

45.22       **EFFECTIVE DATE.** This section is effective January 1, 2025.

45.23       Sec. 27. Minnesota Statutes 2022, section 256B.69, subdivision 6d, is amended to read:

45.24       Subd. 6d. **Prescription drugs.** ~~(a)~~ The commissioner may shall exclude or modify  
 45.25 coverage for outpatient prescription drugs dispensed by a pharmacy to a medical assistance  
 45.26 enrollee from the prepaid managed care contracts entered into under this section in order  
 45.27 to increase savings to the state by collecting additional prescription drug rebates. The  
 45.28 contracts must maintain incentives for the managed care plan to manage drug costs and  
 45.29 utilization and may require that the managed care plans maintain an open drug formulary.  
 45.30 In order to manage drug costs and utilization, the contracts may authorize the managed care  
 45.31 plans to use preferred drug lists and prior authorization. This subdivision is contingent on  
 45.32 federal approval of the managed care contract changes and the collection of additional  
 45.33 prescription drug rebates. The commissioner may include, exclude, or modify coverage for

44.11       ~~(f)~~ Effective for services rendered on or after January 1, 2014, the commissioner shall  
 44.12 withhold three percent of managed care plan payments under this section and county-based  
 44.13 purchasing plan payments under section 256B.692 for the prepaid medical assistance  
 44.14 program. The withheld funds must be returned no sooner than July 1 and no later than July  
 44.15 31 of the following year. The commissioner may exclude special demonstration projects  
 44.16 under subdivision 23.

44.17       ~~(g)~~ A managed care plan or a county-based purchasing plan under section 256B.692  
 44.18 may include as admitted assets under section 62D.044 any amount withheld under this  
 44.19 section that is reasonably expected to be returned.

44.20       ~~(h)~~ Contracts between the commissioner and a prepaid health plan are exempt from  
 44.21 the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a),  
 44.22 and 7.

44.23       ~~(i)~~ The return of the withhold under paragraphs (h) and (i) is not subject to the  
 44.24 requirements of paragraph (c).

44.25       ~~(m)~~ Managed care plans and county-based purchasing plans shall maintain current  
 44.26 and fully executed agreements for all subcontractors, including bargaining groups, for  
 44.27 administrative services that are expensed to the state's public health care programs.  
 44.28 Subcontractor agreements determined to be material, as defined by the commissioner after  
 44.29 taking into account state contracting and relevant statutory requirements, must be in the  
 44.30 form of a written instrument or electronic document containing the elements of offer,  
 44.31 acceptance, consideration, payment terms, scope, duration of the contract, and how the  
 44.32 subcontractor services relate to state public health care programs. Upon request, the  
 44.33 commissioner shall have access to all subcontractor documentation under this paragraph.  
 45.1 Nothing in this paragraph shall allow release of information that is nonpublic data pursuant  
 45.2 to section 13.02.

45.3       **EFFECTIVE DATE.** This section is effective January 1, 2024.

THE FOLLOWING SECTION WAS MOVED IN FROM UES2995-2, ARTICLE  
 2, SECTION 16

78.28       Sec. 16. Minnesota Statutes 2022, section 256B.69, subdivision 6d, is amended to read:

78.29       Subd. 6d. **Prescription drugs.** The commissioner may shall exclude or modify coverage  
 78.30 for outpatient prescription drugs dispensed by a pharmacy to a medical assistance or  
 78.31 MinnesotaCare enrollee from the prepaid managed care contracts entered into under this  
 78.32 section in order to increase savings to the state by collecting additional prescription drug  
 78.33 rebates. The contracts must maintain incentives for the managed care plan to manage drug  
 79.1 costs and utilization and may require that the managed care plans maintain an open drug  
 79.2 formulary. In order to manage drug costs and utilization, the contracts may authorize the  
 79.3 managed care plans to use preferred drug lists and prior authorization. This subdivision is  
 79.4 contingent on federal approval of the managed care contract changes and the collection of  
 79.5 additional prescription drug rebates chapter and chapter 256L. The commissioner may

46.1 outpatient prescription drugs dispensed by a pharmacy and administered to a MinnesotaCare  
 46.2 enrollee from the prepaid managed care contracts entered into under this section.

46.3 (b) Managed care plans and county-based purchasing plans must reimburse pharmacies  
 46.4 for outpatient drugs dispensed to enrollees as follows:

46.5 (1) for brand name drugs or multisource brand name drugs prescribed in accordance  
 46.6 with Code of Federal Regulations, title 42, section 447.512(c), a dispensing fee equal to  
 46.7 one-half of the fee-for-service dispensing fee in section 256B.0625, subdivision 13e,  
 46.8 paragraph (a), plus the lesser of the National Average Drug Acquisition Cost for brand name  
 46.9 drugs; the Wholesale Acquisition Cost minus two percent; the maximum allowable cost as  
 46.10 defined in chapter 62W; or the submitted charges;

46.11 (2) for generic drugs or multisource brand name drugs, unless the multisource brand  
 46.12 name drug is prescribed in accordance with Code of Federal Regulations, title 42, section  
 46.13 447.512(c), a dispensing fee equal to one-half of the fee-for-service dispensing fee in section  
 46.14 256B.0625, subdivision 13e, paragraph (a), plus the lesser of the National Average Drug  
 46.15 Acquisition Cost for brand drugs; the National Average Drug Acquisition Cost for generic  
 46.16 drugs; the Wholesale Acquisition Cost minus two percent; the maximum allowable cost;  
 46.17 or the submitted charges;

46.18 (3) for drugs purchased through the 340B drug program, as allowed in section 62W.07,  
 46.19 managed care plans and county-based purchasing plans may pay a rate less than the rate  
 46.20 under clause (1) for brand name drugs or less than the rate under clause (2) for generic  
 46.21 drugs, but are not required to apply the 340B drug ceiling price limit in section 256B.0625,  
 46.22 subdivision 13e; and

46.23 (4) for charges submitted by a pharmacy that are less than the rate under clause (1) for  
 46.24 brand name drugs or less than the rate under clause (2) for generic drugs, managed care  
 46.25 plans and county-based purchasing plans may pay a lower rate equal to the submitted  
 46.26 charges.

46.27 (c) Contracts between managed care plans and county-based purchasing plans and  
 46.28 providers to whom paragraph (b) applies must allow recovery of payments from those  
 46.29 providers if capitation rates are adjusted in accordance with paragraph (b). Payment  
 46.30 recoveries must not exceed an amount equal to any increase in rates that results from  
 46.31 paragraph (b). Paragraph (b) must not be implemented if federal approval is not received  
 46.32 for paragraph (b), or if federal approval is withdrawn at any time.

46.33 **EFFECTIVE DATE.** The amendments to paragraph (a) are effective January 1, 2026,  
 46.34 or the January 1 following certification of the modernized pharmacy claims processing  
 47.1 system, whichever is later. Paragraphs (b) and (c) are effective January 1, 2024, or upon  
 47.2 federal approval, whichever is later. The commissioner must inform the revisor of statutes

79.6 include, exclude, or modify coverage for prescription drugs administered to a medical  
 79.7 assistance or MinnesotaCare enrollee from the prepaid managed care contracts entered into  
 79.8 under this chapter and chapter 256L.

79.9 **EFFECTIVE DATE.** This section is effective January 1, 2026, or the January 1  
 79.10 following certification of the modernized pharmacy claims processing system, whichever  
 79.11 is later. The commissioner of human services shall notify the revisor of statutes when  
 79.12 certification of the modernized pharmacy claims processing system occurs.

47.3 when federal approval is obtained and when certification of the modernized pharmacy claims  
47.4 processing system occurs.

47.5 Sec. 28. Minnesota Statutes 2022, section 256B.69, is amended by adding a subdivision  
47.6 to read:

47.7 Subd. 19a. **Limitation on reimbursement; rare disease services provided in Minnesota**  
47.8 **by out-of-network providers.** (a) If a managed care or county-based purchasing plan has  
47.9 an established contractual payment under medical assistance with an out-of-network provider  
47.10 for a service provided in Minnesota related to the diagnosis, monitoring, and treatment of  
47.11 a rare disease or condition, the provider must accept the established contractual payment  
47.12 for that service as payment in full.

47.13 (b) If a plan does not have an established contractual payment under medical assistance  
47.14 with an out-of-network provider for a service provided in Minnesota related to the diagnosis,  
47.15 monitoring, and treatment of a rare disease or condition, the provider must accept the  
47.16 provider's established rate for uninsured patients for that service as payment in full. If the  
47.17 provider does not have an established rate for uninsured patients for that service, the provider  
47.18 must accept the fee-for-service rate.

47.19 **EFFECTIVE DATE.** This section is effective January 1, 2024.

47.20 Sec. 29. Minnesota Statutes 2022, section 256B.69, is amended by adding a subdivision  
47.21 to read:

47.22 Subd. 19b. **Limitation on reimbursement; rare disease services provided outside of**  
47.23 **Minnesota by an out-of-network provider.** (a) If a managed care or county-based  
47.24 purchasing plan has an established contractual payment under medical assistance with an  
47.25 out-of-network provider for a service provided in another state related to diagnosis,  
47.26 monitoring, and treatment of a rare disease or condition, the plan must pay the established  
47.27 contractual payment for that service.

47.28 (b) If a plan does not have an established contractual payment under medical assistance  
47.29 with an out-of-network provider for a service provided in another state related to diagnosis,  
47.30 monitoring, and treatment of a rare disease or condition, the plan must pay the provider's  
47.31 established rate for uninsured patients for that service. If the provider does not have an  
47.32 established rate for uninsured patients for that service, the plan must pay the provider the  
47.33 fee-for-service rate in that state.

48.1 **EFFECTIVE DATE.** This section is effective January 1, 2024.

THE FOLLOWING SECTION WAS MOVED IN FROM UES2995-2, ARTICLE  
2, SECTION 17

48.2 Sec. 30. Minnesota Statutes 2022, section 256B.69, subdivision 28, is amended to read:

48.3 **Subd. 28. Medicare special needs plans; medical assistance basic health care.** (a)  
 48.4 The commissioner may contract with demonstration providers and current or former sponsors  
 48.5 of qualified Medicare-approved special needs plans, to provide medical assistance basic  
 48.6 health care services to persons with disabilities, including those with developmental  
 48.7 disabilities. Basic health care services include:

48.8 (1) those services covered by the medical assistance state plan except for ICF/DD services,  
 48.9 home and community-based waiver services, case management for persons with  
 48.10 developmental disabilities under section 256B.0625, subdivision 20a, and personal care and  
 48.11 certain home care services defined by the commissioner in consultation with the stakeholder  
 48.12 group established under paragraph (d); and

48.13 (2) basic health care services may also include risk for up to 100 days of nursing facility  
 48.14 services for persons who reside in a noninstitutional setting and home health services related  
 48.15 to rehabilitation as defined by the commissioner after consultation with the stakeholder  
 48.16 group.

48.17 The commissioner may exclude other medical assistance services from the basic health  
 48.18 care benefit set. Enrollees in these plans can access any excluded services on the same basis  
 48.19 as other medical assistance recipients who have not enrolled.

48.20 (b) The commissioner may contract with demonstration providers and current and former  
 48.21 sponsors of qualified Medicare special needs plans, to provide basic health care services  
 48.22 under medical assistance to persons who are dually eligible for both Medicare and Medicaid  
 48.23 and those Social Security beneficiaries eligible for Medicaid but in the waiting period for  
 48.24 Medicare. The commissioner shall consult with the stakeholder group under paragraph (d)  
 48.25 in developing program specifications for these services. Payment for Medicaid services  
 48.26 provided under this subdivision for the months of May and June will be made no earlier  
 48.27 than July 1 of the same calendar year.

48.28 (c) ~~Notwithstanding subdivision 4, beginning January 1, 2012,~~ The commissioner shall  
 48.29 enroll persons with disabilities in managed care under this section, unless the individual  
 48.30 chooses to opt out of enrollment. The commissioner shall establish enrollment and opt out  
 48.31 procedures consistent with applicable enrollment procedures under this section.

48.32 (d) The commissioner shall establish a state-level stakeholder group to provide advice  
 48.33 on managed care programs for persons with disabilities, including both MnDHO and contracts  
 49.1 with special needs plans that provide basic health care services as described in paragraphs  
 49.2 (a) and (b). The stakeholder group shall provide advice on program expansions under this  
 49.3 subdivision and subdivision 23, including:

49.4 (1) implementation efforts;  
 49.5 (2) consumer protections; and

79.13 Sec. 17. Minnesota Statutes 2022, section 256B.69, subdivision 28, is amended to read:

79.14 **Subd. 28. Medicare special needs plans; medical assistance basic health care.** (a)  
 79.15 The commissioner may contract with demonstration providers and current or former sponsors  
 79.16 of qualified Medicare-approved special needs plans, to provide medical assistance basic  
 79.17 health care services to persons with disabilities, including those with developmental  
 79.18 disabilities. Basic health care services include:

79.19 (1) those services covered by the medical assistance state plan except for ICF/DD services,  
 79.20 home and community-based waiver services, case management for persons with  
 79.21 developmental disabilities under section 256B.0625, subdivision 20a, and personal care and  
 79.22 certain home care services defined by the commissioner in consultation with the stakeholder  
 79.23 group established under paragraph (d); and

79.24 (2) basic health care services may also include risk for up to 100 days of nursing facility  
 79.25 services for persons who reside in a noninstitutional setting and home health services related  
 79.26 to rehabilitation as defined by the commissioner after consultation with the stakeholder  
 79.27 group.

79.28 The commissioner may exclude other medical assistance services from the basic health  
 79.29 care benefit set. Enrollees in these plans can access any excluded services on the same basis  
 79.30 as other medical assistance recipients who have not enrolled.

79.31 (b) The commissioner may contract with demonstration providers and current and former  
 79.32 sponsors of qualified Medicare special needs plans, to provide basic health care services  
 79.33 under medical assistance to persons who are dually eligible for both Medicare and Medicaid  
 80.1 and those Social Security beneficiaries eligible for Medicaid but in the waiting period for  
 80.2 Medicare. The commissioner shall consult with the stakeholder group under paragraph (d)  
 80.3 in developing program specifications for these services. Payment for Medicaid services  
 80.4 provided under this subdivision for the months of May and June will be made no earlier  
 80.5 than July 1 of the same calendar year.

80.6 (c) ~~Notwithstanding subdivision 4, beginning January 1, 2012,~~ The commissioner shall  
 80.7 enroll persons with disabilities in managed care under this section, unless the individual  
 80.8 chooses to opt out of enrollment. The commissioner shall establish enrollment and opt out  
 80.9 procedures consistent with applicable enrollment procedures under this section.

80.10 (d) The commissioner shall establish a state-level stakeholder group to provide advice  
 80.11 on managed care programs for persons with disabilities, including both MnDHO and contracts  
 80.12 with special needs plans that provide basic health care services as described in paragraphs  
 80.13 (a) and (b). The stakeholder group shall provide advice on program expansions under this  
 80.14 subdivision and subdivision 23, including:

80.15 (1) implementation efforts;  
 80.16 (2) consumer protections; and

49.6        (3) program specifications such as quality assurance measures, data collection and  
49.7        reporting, and evaluation of costs, quality, and results.

49.8        (e) Each plan under contract to provide medical assistance basic health care services  
49.9        shall establish a local or regional stakeholder group, including representatives of the counties  
49.10        covered by the plan, members, consumer advocates, and providers, for advice on issues that  
49.11        arise in the local or regional area.

49.12        (f) The commissioner is prohibited from providing the names of potential enrollees to  
49.13        health plans for marketing purposes. The commissioner shall mail no more than two sets  
49.14        of marketing materials per contract year to potential enrollees on behalf of health plans, at  
49.15        the health plan's request. The marketing materials shall be mailed by the commissioner  
49.16        within 30 days of receipt of these materials from the health plan. The health plans shall  
49.17        cover any costs incurred by the commissioner for mailing marketing materials.

49.18        **EFFECTIVE DATE.** This section is effective January 1, 2024.

49.19        Sec. 31. Minnesota Statutes 2022, section 256B.69, subdivision 36, is amended to read:

49.20        Subd. 36. **Enrollee support system.** (a) The commissioner shall establish an enrollee  
49.21        support system that provides support to an enrollee before and during enrollment in a  
49.22        managed care plan.

49.23        (b) The enrollee support system must:

49.24        (1) provide access to counseling for each potential enrollee on choosing a managed care  
49.25        plan or opting out of managed care;

49.26        (2) assist an enrollee in understanding enrollment in a managed care plan;

49.27        (3) provide an access point for complaints regarding enrollment, covered services, and  
49.28        other related matters;

49.29        (4) provide information on an enrollee's grievance and appeal rights within the managed  
49.30        care organization and the state's fair hearing process, including an enrollee's rights and  
49.31        responsibilities; and

50.1        (5) provide assistance to an enrollee, upon request, in navigating the grievance and  
50.2        appeals process within the managed care organization and in appealing adverse benefit  
50.3        determinations made by the managed care organization to the state's fair hearing process  
50.4        after the managed care organization's internal appeals process has been exhausted. Assistance  
50.5        does not include providing representation to an enrollee at the state's fair hearing, but may  
50.6        include a referral to appropriate legal representation sources.

80.17        (3) program specifications such as quality assurance measures, data collection and  
80.18        reporting, and evaluation of costs, quality, and results.

80.19        (e) Each plan under contract to provide medical assistance basic health care services  
80.20        shall establish a local or regional stakeholder group, including representatives of the counties  
80.21        covered by the plan, members, consumer advocates, and providers, for advice on issues that  
80.22        arise in the local or regional area.

80.23        (f) The commissioner is prohibited from providing the names of potential enrollees to  
80.24        health plans for marketing purposes. The commissioner shall mail no more than two sets  
80.25        of marketing materials per contract year to potential enrollees on behalf of health plans, at  
80.26        the health plan's request. The marketing materials shall be mailed by the commissioner  
80.27        within 30 days of receipt of these materials from the health plan. The health plans shall  
80.28        cover any costs incurred by the commissioner for mailing marketing materials.

80.29        **EFFECTIVE DATE.** This section is effective January 1, 2024.

THE FOLLOWING SECTION WAS MOVED IN FROM UES2995-2, ARTICLE  
2, SECTION 18

81.1        Sec. 18. Minnesota Statutes 2022, section 256B.69, subdivision 36, is amended to read:

81.2        Subd. 36. **Enrollee support system.** (a) The commissioner shall establish an enrollee  
81.3        support system that provides support to an enrollee before and during enrollment in a  
81.4        managed care plan.

81.5        (b) The enrollee support system must:

81.6        (1) provide access to counseling for each potential enrollee on choosing a managed care  
81.7        plan or opting out of managed care;

81.8        (2) assist an enrollee in understanding enrollment in a managed care plan;

81.9        (3) provide an access point for complaints regarding enrollment, covered services, and  
81.10        other related matters;

81.11        (4) provide information on an enrollee's grievance and appeal rights within the managed  
81.12        care organization and the state's fair hearing process, including an enrollee's rights and  
81.13        responsibilities; and

81.14        (5) provide assistance to an enrollee, upon request, in navigating the grievance and  
81.15        appeals process within the managed care organization and in appealing adverse benefit  
81.16        determinations made by the managed care organization to the state's fair hearing process  
81.17        after the managed care organization's internal appeals process has been exhausted. Assistance  
81.18        does not include providing representation to an enrollee at the state's fair hearing, but may  
81.19        include a referral to appropriate legal representation sources.

50.7 (c) Outreach to enrollees through the support system must be accessible to an enrollee  
 50.8 through multiple formats, including telephone, Internet, in-person, and, if requested, through  
 50.9 auxiliary aids and services.

50.10 (d) The commissioner may designate enrollment brokers to assist enrollees on selecting  
 50.11 a managed care organization and providing necessary enrollment information. For purposes  
 50.12 of this subdivision, "enrollment broker" means an individual or entity that performs choice  
 50.13 counseling or enrollment activities in accordance with Code of Federal Regulations, part  
 50.14 42, section 438.810, or both.

50.15 **EFFECTIVE DATE.** This section is effective January 1, 2024.

50.16 Sec. 32. Minnesota Statutes 2022, section 256B.692, subdivision 1, is amended to read:

50.17 Subdivision 1. **In general.** County boards or groups of county boards may elect to  
 50.18 purchase or provide health care services on behalf of persons eligible for medical assistance  
 50.19 who would otherwise be required to or may elect to participate in the prepaid medical  
 50.20 assistance program according to section 256B.69, subject to the opt-out provision of section  
 50.21 256B.69, subdivision 4, paragraph (a). Counties that elect to purchase or provide health  
 50.22 care under this section must provide all services included in prepaid managed care programs  
 50.23 according to section 256B.69, subdivisions 1 to 22. County-based purchasing under this  
 50.24 section is governed by section 256B.69, unless otherwise provided for under this section.

50.25 **EFFECTIVE DATE.** This section is effective January 1, 2024.

50.26 Sec. 33. Minnesota Statutes 2022, section 256B.75, is amended to read:

50.27 **256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.**

50.28 (a) For outpatient hospital facility fee payments for services rendered on or after October  
 50.29 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge,  
 50.30 or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for  
 50.31 which there is a federal maximum allowable payment. Effective for services rendered on  
 50.32 or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and  
 51.1 emergency room facility fees shall be increased by eight percent over the rates in effect on  
 51.2 December 31, 1999, except for those services for which there is a federal maximum allowable  
 51.3 payment. Services for which there is a federal maximum allowable payment shall be paid  
 51.4 at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total  
 51.5 aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare  
 51.6 upper limit. If it is determined that a provision of this section conflicts with existing or  
 51.7 future requirements of the United States government with respect to federal financial  
 51.8 participation in medical assistance, the federal requirements prevail. The commissioner

81.20 (c) Outreach to enrollees through the support system must be accessible to an enrollee  
 81.21 through multiple formats, including telephone, Internet, in-person, and, if requested, through  
 81.22 auxiliary aids and services.

81.23 (d) The commissioner may designate enrollment brokers to assist enrollees on selecting  
 81.24 a managed care organization and providing necessary enrollment information. For purposes  
 81.25 of this subdivision, "enrollment broker" means an individual or entity that performs choice  
 81.26 counseling or enrollment activities in accordance with Code of Federal Regulations, part  
 81.27 42, section 438.810, or both.

81.28 **EFFECTIVE DATE.** This section is effective January 1, 2024.

THE FOLLOWING SECTION WAS MOVED IN FROM UES2995-2, ARTICLE  
 2, SECTION 19

81.29 Sec. 19. Minnesota Statutes 2022, section 256B.692, subdivision 1, is amended to read:

81.30 Subdivision 1. **In general.** County boards or groups of county boards may elect to  
 81.31 purchase or provide health care services on behalf of persons eligible for medical assistance  
 81.32 who would otherwise be required to or may elect to participate in the prepaid medical  
 82.1 assistance program according to section 256B.69, subject to the opt-out provision of section  
 82.2 256B.69, subdivision 4, paragraph (a). Counties that elect to purchase or provide health  
 82.3 care under this section must provide all services included in prepaid managed care programs  
 82.4 according to section 256B.69, subdivisions 1 to 22. County-based purchasing under this  
 82.5 section is governed by section 256B.69, unless otherwise provided for under this section.

82.6 **EFFECTIVE DATE.** This section is effective January 1, 2024.

THE FOLLOWING SECTION WAS MOVED IN FROM UES2995-2, ARTICLE  
 2, SECTION 20

82.7 Sec. 20. Minnesota Statutes 2022, section 256B.75, is amended to read:

82.8 **256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.**

82.9 (a) For outpatient hospital facility fee payments for services rendered on or after October  
 82.10 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge,  
 82.11 or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for  
 82.12 which there is a federal maximum allowable payment. Effective for services rendered on  
 82.13 or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and  
 82.14 emergency room facility fees shall be increased by eight percent over the rates in effect on  
 82.15 December 31, 1999, except for those services for which there is a federal maximum allowable  
 82.16 payment. Services for which there is a federal maximum allowable payment shall be paid  
 82.17 at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total  
 82.18 aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare  
 82.19 upper limit. If it is determined that a provision of this section conflicts with existing or  
 82.20 future requirements of the United States government with respect to federal financial  
 82.21 participation in medical assistance, the federal requirements prevail. The commissioner

51.9 may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial  
 51.10 participation resulting from rates that are in excess of the Medicare upper limitations.

51.11 (b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory  
 51.12 surgery hospital facility fee services for critical access hospitals designated under section  
 51.13 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the  
 51.14 cost-finding methods and allowable costs of the Medicare program. Effective for services  
 51.15 provided on or after July 1, 2015, rates established for critical access hospitals under this  
 51.16 paragraph for the applicable payment year shall be the final payment and shall not be settled  
 51.17 to actual costs. Effective for services delivered on or after the first day of the hospital's fiscal  
 51.18 year ending in 2017, the rate for outpatient hospital services shall be computed using  
 51.19 information from each hospital's Medicare cost report as filed with Medicare for the year  
 51.20 that is two years before the year that the rate is being computed. Rates shall be computed  
 51.21 using information from Worksheet C series until the department finalizes the medical  
 51.22 assistance cost reporting process for critical access hospitals. After the cost reporting process  
 51.23 is finalized, rates shall be computed using information from Title XIX Worksheet D series.  
 51.24 The outpatient rate shall be equal to ancillary cost plus outpatient cost, excluding costs  
 51.25 related to rural health clinics and federally qualified health clinics, divided by ancillary  
 51.26 charges plus outpatient charges, excluding charges related to rural health clinics and federally  
 51.27 qualified health clinics.

51.28 (c) The rate described in paragraph (b) must be increased for hospitals providing high  
 51.29 levels of 340B drugs. The rate adjustment must be based on four percent of each hospital's  
 51.30 share of the total reimbursement for 340B drugs to all critical access hospitals, but must not  
 51.31 exceed \$3,000,000.

51.32 (d) Effective for services provided on or after July 1, 2003, rates that are based on  
 51.33 the Medicare outpatient prospective payment system shall be replaced by a budget neutral  
 51.34 prospective payment system that is derived using medical assistance data. The commissioner  
 51.35 shall provide a proposal to the 2003 legislature to define and implement this provision.  
 52.1 When implementing prospective payment methodologies, the commissioner shall use general  
 52.2 methods and rate calculation parameters similar to the applicable Medicare prospective  
 52.3 payment systems for services delivered in outpatient hospital and ambulatory surgical center  
 52.4 settings unless other payment methodologies for these services are specified in this chapter.

52.5 (e) For fee-for-service services provided on or after July 1, 2002, the total payment,  
 52.6 before third-party liability and spenddown, made to hospitals for outpatient hospital facility  
 52.7 services is reduced by .5 percent from the current statutory rate.

52.8 (f) In addition to the reduction in paragraph (d), the total payment for fee-for-service  
 52.9 services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility  
 52.10 services before third-party liability and spenddown, is reduced five percent from the current  
 52.11 statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from  
 52.12 this paragraph.

82.22 may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial  
 82.23 participation resulting from rates that are in excess of the Medicare upper limitations.

82.24 (b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory  
 82.25 surgery hospital facility fee services for critical access hospitals designated under section  
 82.26 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the  
 82.27 cost-finding methods and allowable costs of the Medicare program. Effective for services  
 82.28 provided on or after July 1, 2015, rates established for critical access hospitals under this  
 82.29 paragraph for the applicable payment year shall be the final payment and shall not be settled  
 82.30 to actual costs. Effective for services delivered on or after the first day of the hospital's fiscal  
 82.31 year ending in 2017, the rate for outpatient hospital services shall be computed using  
 82.32 information from each hospital's Medicare cost report as filed with Medicare for the year  
 82.33 that is two years before the year that the rate is being computed. Rates shall be computed  
 82.34 using information from Worksheet C series until the department finalizes the medical  
 83.1 assistance cost reporting process for critical access hospitals. After the cost reporting process  
 83.2 is finalized, rates shall be computed using information from Title XIX Worksheet D series.  
 83.3 The outpatient rate shall be equal to ancillary cost plus outpatient cost, excluding costs  
 83.4 related to rural health clinics and federally qualified health clinics, divided by ancillary  
 83.5 charges plus outpatient charges, excluding charges related to rural health clinics and federally  
 83.6 qualified health clinics.

83.7 (2) The rate described in clause (1) must be increased for hospitals providing high levels  
 83.8 of 340B drugs. The rate adjustment must be based on four percent of each hospital's share  
 83.9 of the total reimbursement for 340B drugs to all critical access hospitals, but must not exceed  
 83.10 \$3,000,000.

83.11 (c) Effective for services provided on or after July 1, 2003, rates that are based on the  
 83.12 Medicare outpatient prospective payment system shall be replaced by a budget neutral  
 83.13 prospective payment system that is derived using medical assistance data. The commissioner  
 83.14 shall provide a proposal to the 2003 legislature to define and implement this provision.  
 83.15 When implementing prospective payment methodologies, the commissioner shall use general  
 83.16 methods and rate calculation parameters similar to the applicable Medicare prospective  
 83.17 payment systems for services delivered in outpatient hospital and ambulatory surgical center  
 83.18 settings unless other payment methodologies for these services are specified in this chapter.

83.19 (d) For fee-for-service services provided on or after July 1, 2002, the total payment,  
 83.20 before third-party liability and spenddown, made to hospitals for outpatient hospital facility  
 83.21 services is reduced by .5 percent from the current statutory rate.

83.22 (e) In addition to the reduction in paragraph (d), the total payment for fee-for-service  
 83.23 services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility  
 83.24 services before third-party liability and spenddown, is reduced five percent from the current  
 83.25 statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from  
 83.26 this paragraph.

52.13 ~~(f)(g)~~ In addition to the reductions in paragraphs (d) and (e), the total payment for  
 52.14 fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient  
 52.15 hospital facility services before third-party liability and spenddown, is reduced three percent  
 52.16 from the current statutory rates. Mental health services and facilities defined under section  
 52.17 256.969, subdivision 16, are excluded from this paragraph.

52.18 **EFFECTIVE DATE.** This section is effective January 1, 2026, or the January 1  
 52.19 following certification of the modernized pharmacy claims processing system, whichever  
 52.20 is later. The commissioner of human services shall notify the revisor of statutes when  
 52.21 certification of the modernized pharmacy claims processing system occurs.

52.22 Sec. 34. Minnesota Statutes 2022, section 256B.758, is amended to read:

**256B.758 REIMBURSEMENT FOR DOULA SERVICES.**

52.24 (a) Effective for services provided on or after July 1, 2019, through December 31, 2023,  
 52.25 payments for doula services provided by a certified doula shall be \$47 per prenatal or  
 52.26 postpartum visit and \$488 for attending and providing doula services at a birth.

52.27 (b) Effective for services provided on or after January 1, 2024, payments for doula  
 52.28 services provided by a certified doula are \$100 per prenatal or postpartum visit and \$1,400  
 52.29 for attending and providing doula services at birth.

52.30 **EFFECTIVE DATE.** This section is effective January 1, 2024.

53.1 Sec. 35. Minnesota Statutes 2022, section 256B.76, as amended by Laws 2023, chapter  
 53.2 25, section 145, is amended to read:

**256B.76 PHYSICIAN, PROFESSIONAL SERVICES, AND DENTAL  
 REIMBURSEMENT.**

53.5 Subdivision 1. **Physician and professional services reimbursement.** (a) Effective for  
 53.6 services rendered on or after October 1, 1992, the commissioner shall make payments for  
 53.7 physician services as follows:

53.8 (1) payment for level one Centers for Medicare and Medicaid Services' common  
 53.9 procedural coding system codes titled "office and other outpatient services," "preventive  
 53.10 medicine new and established patient," "delivery, antepartum, and postpartum care," "critical  
 53.11 care," cesarean delivery and pharmacologic management provided to psychiatric patients,  
 53.12 and level three codes for enhanced services for prenatal high risk, shall be paid at the lower  
 53.13 of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992;

53.14 (2) payments for all other services shall be paid at the lower of (i) submitted charges,  
 53.15 or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

83.27 ~~(f)~~ In addition to the reductions in paragraphs (d) and (e), the total payment for  
 83.28 fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient  
 83.29 hospital facility services before third-party liability and spenddown, is reduced three percent  
 83.30 from the current statutory rates. Mental health services and facilities defined under section  
 83.31 256.969, subdivision 16, are excluded from this paragraph.

83.32 **EFFECTIVE DATE.** This section is effective January 1, 2026, or the January 1  
 83.33 following certification of the modernized pharmacy claims processing system, whichever  
 84.1 is later. The commissioner of human services shall notify the revisor of statutes when  
 84.2 certification of the modernized pharmacy claims processing system occurs.

45.4 Sec. 27. Minnesota Statutes 2022, section 256B.76, subdivision 1, is amended to read:

45.5 Subdivision 1. **Physician reimbursement.** (a) Effective for services rendered on or after  
 45.6 October 1, 1992, the commissioner shall make payments for physician services as follows:

45.7 (1) payment for level one Centers for Medicare and Medicaid Services' common  
 45.8 procedural coding system codes titled "office and other outpatient services," "preventive  
 45.9 medicine new and established patient," "delivery, antepartum, and postpartum care," "critical  
 45.10 care," cesarean delivery and pharmacologic management provided to psychiatric patients,  
 45.11 and level three codes for enhanced services for prenatal high risk, shall be paid at the lower  
 45.12 of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992;

45.13 (2) payments for all other services shall be paid at the lower of (i) submitted charges,  
 45.14 or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

53.16 (3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th  
53.17 percentile of 1989, less the percent in aggregate necessary to equal the above increases  
53.18 except that payment rates for home health agency services shall be the rates in effect on  
53.19 September 30, 1992.

53.20 (b) Effective for services rendered on or after January 1, 2000, payment rates for physician  
53.21 and professional services shall be increased by three percent over the rates in effect on  
53.22 December 31, 1999, except for home health agency and family planning agency services.  
53.23 The increases in this paragraph shall be implemented January 1, 2000, for managed care.

53.24 (c) Effective for services rendered on or after July 1, 2009, payment rates for physician  
53.25 and professional services shall be reduced by five percent, except that for the period July  
53.26 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical  
53.27 assistance and general assistance medical care programs, over the rates in effect on June  
53.28 30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other  
53.29 outpatient visits, preventive medicine visits and family planning visits billed by physicians,  
53.30 advanced practice registered nurses, or physician assistants in a family planning agency or  
53.31 in one of the following primary care practices: general practice, general internal medicine,  
53.32 general pediatrics, general geriatrics, and family medicine. This reduction and the reductions  
53.33 in paragraph (d) do not apply to federally qualified health centers, rural health centers, and  
53.34 Indian health services. Effective October 1, 2009, payments made to managed care plans  
54.1 and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall  
54.2 reflect the payment reduction described in this paragraph.

54.3 (d) Effective for services rendered on or after July 1, 2010, payment rates for physician  
54.4 and professional services shall be reduced an additional seven percent over the five percent  
54.5 reduction in rates described in paragraph (c). This additional reduction does not apply to  
54.6 physical therapy services, occupational therapy services, and speech pathology and related  
54.7 services provided on or after July 1, 2010. This additional reduction does not apply to  
54.8 physician services billed by a psychiatrist or an advanced practice registered nurse with a  
54.9 specialty in mental health. Effective October 1, 2010, payments made to managed care plans  
54.10 and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall  
54.11 reflect the payment reduction described in this paragraph.

54.12 (e) Effective for services rendered on or after September 1, 2011, through June 30, 2013,  
54.13 payment rates for physician and professional services shall be reduced three percent from  
54.14 the rates in effect on August 31, 2011. This reduction does not apply to physical therapy  
54.15 services, occupational therapy services, and speech pathology and related services.

54.16 (f) Effective for services rendered on or after September 1, 2014, payment rates for  
54.17 physician and professional services, including physical therapy, occupational therapy, speech  
54.18 pathology, and mental health services shall be increased by five percent from the rates in  
54.19 effect on August 31, 2014. In calculating this rate increase, the commissioner shall not  
54.20 include in the base rate for August 31, 2014, the rate increase provided under section  
54.21 256B.76, subdivision 7. This increase does not apply to federally qualified health centers,

45.15 (3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th  
45.16 percentile of 1989, less the percent in aggregate necessary to equal the above increases  
45.17 except that payment rates for home health agency services shall be the rates in effect on  
45.18 September 30, 1992.

45.19 (b) Effective for services rendered on or after January 1, 2000, payment rates for physician  
45.20 and professional services shall be increased by three percent over the rates in effect on  
45.21 December 31, 1999, except for home health agency and family planning agency services.  
45.22 The increases in this paragraph shall be implemented January 1, 2000, for managed care.

45.23 (c) Effective for services rendered on or after July 1, 2009, payment rates for physician  
45.24 and professional services shall be reduced by five percent, except that for the period July  
45.25 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical  
45.26 assistance and general assistance medical care programs, over the rates in effect on June  
45.27 30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other  
45.28 outpatient visits, preventive medicine visits and family planning visits billed by physicians,  
45.29 advanced practice nurses, or physician assistants in a family planning agency or in one of  
45.30 the following primary care practices: general practice, general internal medicine, general  
45.31 pediatrics, general geriatrics, and family medicine. This reduction and the reductions in  
45.32 paragraph (d) do not apply to federally qualified health centers, rural health centers, and  
45.33 Indian health services. Effective October 1, 2009, payments made to managed care plans  
46.1 and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall  
46.2 reflect the payment reduction described in this paragraph.

46.3 (d) Effective for services rendered on or after July 1, 2010, payment rates for physician  
46.4 and professional services shall be reduced an additional seven percent over the five percent  
46.5 reduction in rates described in paragraph (c). This additional reduction does not apply to  
46.6 physical therapy services, occupational therapy services, and speech pathology and related  
46.7 services provided on or after July 1, 2010. This additional reduction does not apply to  
46.8 physician services billed by a psychiatrist or an advanced practice nurse with a specialty in  
46.9 mental health. Effective October 1, 2010, payments made to managed care plans and  
46.10 county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect  
46.11 the payment reduction described in this paragraph.

46.12 (e) Effective for services rendered on or after September 1, 2011, through June 30, 2013,  
46.13 payment rates for physician and professional services shall be reduced three percent from  
46.14 the rates in effect on August 31, 2011. This reduction does not apply to physical therapy  
46.15 services, occupational therapy services, and speech pathology and related services.

46.16 (f) Effective for services rendered on or after September 1, 2014, payment rates for  
46.17 physician and professional services, including physical therapy, occupational therapy, speech  
46.18 pathology, and mental health services shall be increased by five percent from the rates in  
46.19 effect on August 31, 2014. In calculating this rate increase, the commissioner shall not  
46.20 include in the base rate for August 31, 2014, the rate increase provided under section  
46.21 256B.76, subdivision 7. This increase does not apply to federally qualified health centers,

54.22 rural health centers, and Indian health services. Payments made to managed care plans and  
 54.23 county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

54.24 (g) Effective for services rendered on or after July 1, 2015, payment rates for physical  
 54.25 therapy, occupational therapy, and speech pathology and related services provided by a  
 54.26 hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause  
 54.27 (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments  
 54.28 made to managed care plans and county-based purchasing plans shall not be adjusted to  
 54.29 reflect payments under this paragraph.

54.30 (h) Any ratables effective before July 1, 2015, do not apply to early intensive  
 54.31 developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

54.32 (i) The commissioner may reimburse physicians and other licensed professionals for  
 54.33 costs incurred to pay the fee for testing newborns who are medical assistance enrollees for  
 54.34 heritable and congenital disorders under section 144.125, subdivision 1, paragraph (c), when  
 55.1 the sample is collected outside of an inpatient hospital or freestanding birth center and the  
 55.2 cost is not recognized by another payment source.

55.3 Subd. 2. **Dental reimbursement.** (a) Effective for services rendered on or after from  
 55.4 October 1, 1992, to December 31, 2023, the commissioner shall make payments for dental  
 55.5 services as follows:

55.6 (1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25 percent  
 55.7 above the rate in effect on June 30, 1992; and

55.8 (2) dental rates shall be converted from the 50th percentile of 1982 to the 50th percentile  
 55.9 of 1989, less the percent in aggregate necessary to equal the above increases.

55.10 (b) Beginning From October 1, 1999, to December 31, 2023, the payment for tooth  
 55.11 sealants and fluoride treatments shall be the lower of (1) submitted charge, or (2) 80 percent  
 55.12 of median 1997 charges.

55.13 (c) Effective for services rendered on or after from January 1, 2000, to December 31,  
 55.14 2023, payment rates for dental services shall be increased by three percent over the rates in  
 55.15 effect on December 31, 1999.

55.16 (d) Effective for services provided on or after from January 1, 2002, to December 31,  
 55.17 2023, payment for diagnostic examinations and dental x-rays provided to children under  
 55.18 age 21 shall be the lower of (1) the submitted charge, or (2) 85 percent of median 1999  
 55.19 charges.

55.20 (e) The increases listed in paragraphs (b) and (c) shall be implemented January 1, 2000,  
 55.21 for managed care.

46.22 rural health centers, and Indian health services. Payments made to managed care plans and  
 46.23 county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

46.24 (g) Effective for services rendered on or after July 1, 2015, payment rates for physical  
 46.25 therapy, occupational therapy, and speech pathology and related services provided by a  
 46.26 hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause  
 46.27 (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments  
 46.28 made to managed care plans and county-based purchasing plans shall not be adjusted to  
 46.29 reflect payments under this paragraph.

46.30 (h) Any ratables effective before July 1, 2015, do not apply to early intensive  
 46.31 developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

46.32 (i) The commissioner may reimburse the cost incurred to pay the Department of Health  
 46.33 for metabolic disorder testing of newborns who are medical assistance recipients when the  
 46.34 sample is collected outside of an inpatient hospital setting or freestanding birth center setting  
 47.1 because the newborn was born outside of a hospital setting or freestanding birth center  
 47.2 setting or because it is not medically appropriate to collect the sample during the inpatient  
 47.3 stay for the birth.

47.4 Sec. 28. Minnesota Statutes 2022, section 256B.76, subdivision 2, is amended to read:

47.5 Subd. 2. **Dental reimbursement.** (a) Effective for services rendered on or after from  
 47.6 October 1, 1992, to December 31, 2023, the commissioner shall make payments for dental  
 47.7 services as follows:

47.8 (1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25 percent  
 47.9 above the rate in effect on June 30, 1992; and

47.10 (2) dental rates shall be converted from the 50th percentile of 1982 to the 50th percentile  
 47.11 of 1989, less the percent in aggregate necessary to equal the above increases.

47.12 (b) Beginning From October 1, 1999, to December 31, 2023, the payment for tooth  
 47.13 sealants and fluoride treatments shall be the lower of (1) submitted charge, or (2) 80 percent  
 47.14 of median 1997 charges.

47.15 (c) Effective for services rendered on or after from January 1, 2000, to December 31,  
 47.16 2023, payment rates for dental services shall be increased by three percent over the rates in  
 47.17 effect on December 31, 1999.

47.18 (d) Effective for services provided on or after from January 1, 2002, to December 31,  
 47.19 2023, payment for diagnostic examinations and dental x-rays provided to children under  
 47.20 age 21 shall be the lower of (1) the submitted charge, or (2) 85 percent of median 1999  
 47.21 charges.

47.22 (e) The increases listed in paragraphs (b) and (c) shall be implemented January 1, 2000,  
 47.23 for managed care.

55.22 (f) Effective for dental services rendered on or after October 1, 2010, by a state-operated dental clinic, payment shall be paid on a reasonable cost basis that is based on the Medicare principles of reimbursement. This payment shall be effective for services rendered on or after January 1, 2011, to recipients enrolled in managed care plans or county-based purchasing plans.

55.27 (g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics in paragraph (f), including state and federal shares, are less than \$1,850,000 per fiscal year, a supplemental state payment equal to the difference between the total payments in paragraph (f) and \$1,850,000 shall be paid from the general fund to state-operated services for the operation of the dental clinics.

55.32 (h) Effective for services rendered on or after January 1, 2014, through December 31, 2021, payment rates for dental services shall be increased by five percent from the rates in effect on December 31, 2013. This increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, and Indian health services. Effective January 1, 2014, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L12 shall reflect the payment increase described in this paragraph.

56.6 (i) Effective for services provided on or after January 1, 2017, through December 31, 2021, the commissioner shall increase payment rates by 9.65 percent for dental services provided outside of the seven county metropolitan area. This increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, or Indian health services. Effective January 1, 2017, payments to managed care plans and county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect the payment increase described in this paragraph.

56.13 (j) Effective for services provided on or after July 1, 2017, through December 31, 2021, the commissioner shall increase payment rates by 23.8 percent for dental services provided to enrollees under the age of 21. This rate increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, or Indian health centers. This rate increase does not apply to managed care plans and county-based purchasing plans.

56.19 (k) Effective for services provided on or after January 1, 2022, the commissioner shall exclude from medical assistance and MinnesotaCare payments for dental services to public health and community health clinics the 20 percent increase authorized under Laws 1989, chapter 327, section 5, subdivision 2, paragraph (b).

56.23 (l) Effective for services provided on or after from January 1, 2022, to December 31, 2023, the commissioner shall increase payment rates by 98 percent for all dental services. This rate increase does not apply to state-operated dental clinics, federally qualified health centers, rural health centers, or Indian health services.

47.24 (f) Effective for dental services rendered on or after October 1, 2010, by a state-operated dental clinic, payment shall be paid on a reasonable cost basis that is based on the Medicare principles of reimbursement. This payment shall be effective for services rendered on or after January 1, 2011, to recipients enrolled in managed care plans or county-based purchasing plans.

47.29 (g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics in paragraph (f), including state and federal shares, are less than \$1,850,000 per fiscal year, a supplemental state payment equal to the difference between the total payments in paragraph (f) and \$1,850,000 shall be paid from the general fund to state-operated services for the operation of the dental clinics.

48.3 (h) Effective for services rendered on or after January 1, 2014, through December 31, 2021, payment rates for dental services shall be increased by five percent from the rates in effect on December 31, 2013. This increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, and Indian health services. Effective January 1, 2014, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L12 shall reflect the payment increase described in this paragraph.

48.10 (i) Effective for services provided on or after January 1, 2017, through December 31, 2021, the commissioner shall increase payment rates by 9.65 percent for dental services provided outside of the seven county metropolitan area. This increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, or Indian health services. Effective January 1, 2017, payments to managed care plans and county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect the payment increase described in this paragraph.

48.17 (j) Effective for services provided on or after July 1, 2017, through December 31, 2021, the commissioner shall increase payment rates by 23.8 percent for dental services provided to enrollees under the age of 21. This rate increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, or Indian health centers. This rate increase does not apply to managed care plans and county-based purchasing plans.

48.23 (k) Effective for services provided on or after January 1, 2022, the commissioner shall exclude from medical assistance and MinnesotaCare payments for dental services to public health and community health clinics the 20 percent increase authorized under Laws 1989, chapter 327, section 5, subdivision 2, paragraph (b).

48.27 (l) Effective for services provided on or after from January 1, 2022, to December 31, 2023, the commissioner shall increase payment rates by 98 percent for all dental services. This rate increase does not apply to state-operated dental clinics, federally qualified health centers, rural health centers, or Indian health services.

56.27       ~~(m)(j) Managed care plans and county-based purchasing plans shall reimburse providers~~  
 56.28 at a level that is at least equal to the rate paid under fee-for-service for dental services. If,  
 56.29 for any coverage year, federal approval is not received for this paragraph, the commissioner  
 56.30 must adjust the capitation rates paid to managed care plans and county-based purchasing  
 56.31 plans for that contract year to reflect the removal of this provision. Contracts between  
 56.32 managed care plans and county-based purchasing plans and providers to whom this paragraph  
 56.33 applies must allow recovery of payments from those providers if capitation rates are adjusted  
 56.34 in accordance with this paragraph. Payment recoveries must not exceed an amount equal  
 57.1 to any increase in rates that results from this provision. If, for any coverage year, federal  
 57.2 approval is not received for this paragraph, the commissioner shall not implement this  
 57.3 paragraph for subsequent coverage years.

57.4       ~~(k) Effective for services provided on or after January 1, 2024, payment for dental~~  
 57.5 services must be the lower of submitted charges or the percentile of 2018-submitted charges  
 57.6 from claims paid by the commissioner so that the total aggregate expenditures does not  
 57.7 exceed the total spend as outlined in the applicable paragraphs (a) to (k). This paragraph  
 57.8 ~~does not apply to federally qualified health centers, rural health centers, state-operated dental~~  
 57.9 ~~clinics, or Indian health centers.~~

57.10       ~~(l) Beginning January 1, 2027, and every three years thereafter, the commissioner shall~~  
 57.11 ~~rebase payment rates for dental services to a percentile of submitted charges for the applicable~~  
 57.12 ~~base year using charge data from claims paid by the commissioner so that the total aggregate~~  
 57.13 ~~expenditures does not exceed the total spend as outlined in paragraph (k) plus the change~~  
 57.14 ~~in the Medicare Economic Index (MEI). In 2027, the change in the MEI must be measured~~  
 57.15 ~~from midyear of 2024 and 2026. For each subsequent rebasing, the change in the MEI must~~  
 57.16 ~~be measured between the years that are one year after the rebasing years. The base year~~  
 57.17 ~~used for each rebasing must be the calendar year that is two years prior to the effective date~~  
 57.18 ~~of the rebasing. This paragraph does not apply to federally qualified health centers, rural~~  
 57.19 ~~health centers, state-operated dental clinics, or Indian health centers.~~

57.20       Subd. 3. **Dental services grants.** (a) The commissioner shall award grants to community  
 57.21 clinics or other nonprofit community organizations, political subdivisions, professional  
 57.22 associations, or other organizations that demonstrate the ability to provide dental services  
 57.23 effectively to public program recipients. Grants may be used to fund the costs related to  
 57.24 coordinating access for recipients, developing and implementing patient care criteria,  
 57.25 upgrading or establishing new facilities, acquiring furnishings or equipment, recruiting new  
 57.26 providers, or other development costs that will improve access to dental care in a region.  
 57.27 In awarding grants, the commissioner shall give priority to applicants that plan to serve  
 57.28 areas of the state in which the number of dental providers is not currently sufficient to meet  
 57.29 the needs of recipients of public programs or uninsured individuals. The commissioner shall  
 57.30 consider the following in awarding the grants:

48.31       ~~(m)(j) Managed care plans and county-based purchasing plans shall reimburse providers~~  
 48.32 at a level that is at least equal to the rate paid under fee-for-service for dental services. If,  
 48.33 for any coverage year, federal approval is not received for this paragraph, the commissioner  
 48.34 must adjust the capitation rates paid to managed care plans and county-based purchasing  
 49.1 plans for that contract year to reflect the removal of this provision. Contracts between  
 49.2 managed care plans and county-based purchasing plans and providers to whom this paragraph  
 49.3 applies must allow recovery of payments from those providers if capitation rates are adjusted  
 49.4 in accordance with this paragraph. Payment recoveries must not exceed an amount equal  
 49.5 to any increase in rates that results from this provision. If, for any coverage year, federal  
 49.6 approval is not received for this paragraph, the commissioner shall not implement this  
 49.7 paragraph for subsequent coverage years.

49.8       ~~(k) Effective for services provided on or after January 1, 2024, payment for dental~~  
 49.9 services must be the lower of submitted charges or the percentile of 2018-submitted charges  
 49.10 from claims paid by the commissioner so that the total aggregate expenditures does not  
 49.11 exceed the total spend as outlined in the applicable paragraphs (a) to (k). This paragraph  
 49.12 ~~does not apply to federally qualified health centers, rural health centers, state-operated dental~~  
 49.13 ~~clinics, or Indian health centers.~~

49.14       ~~(l) Beginning January 1, 2028, and every three years thereafter, the commissioner shall~~  
 49.15 ~~rebase payment rates for dental services to a percentile of submitted charges for the applicable~~  
 49.16 ~~base year using charge data from claims paid by the commissioner so that the total aggregate~~  
 49.17 ~~expenditures does not exceed the total spend as outlined in paragraph (k) plus the change~~  
 49.18 ~~in the Medicare Economic Index (MEI). In 2028, the change in the MEI must be measured~~  
 49.19 ~~from midyear of 2025 and 2027. For each subsequent rebasing, the change in the MEI must~~  
 49.20 ~~be measured between the years that are one year after the rebasing years. The base year~~  
 49.21 ~~used for each rebasing must be the calendar year that is two years prior to the effective date~~  
 49.22 ~~of the rebasing. This paragraph does not apply to federally qualified health centers, rural~~  
 49.23 ~~health centers, state-operated dental clinics, or Indian health centers.~~

49.24       **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
 49.25 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 49.26 when federal approval is obtained.

57.31 (1) potential to successfully increase access to an underserved population;

57.32 (2) the ability to raise matching funds;

57.33 (3) the long-term viability of the project to improve access beyond the period of initial

57.34 funding;

58.1 (4) the efficiency in the use of the funding; and

58.2 (5) the experience of the proposers in providing services to the target population.

58.3 (b) The commissioner shall monitor the grants and may terminate a grant if the grantee

58.4 does not increase dental access for public program recipients. The commissioner shall

58.5 consider grants for the following:

58.6 (1) implementation of new programs or continued expansion of current access programs

58.7 that have demonstrated success in providing dental services in underserved areas;

58.8 (2) a pilot program for utilizing hygienists outside of a traditional dental office to provide

58.9 dental hygiene services; and

58.10 (3) a program that organizes a network of volunteer dentists, establishes a system to

58.11 refer eligible individuals to volunteer dentists, and through that network provides donated

58.12 dental care services to public program recipients or uninsured individuals.

58.13 Subd. 4. **Critical access dental providers.** (a) The commissioner shall increase

58.14 reimbursements to dentists and dental clinics deemed by the commissioner to be critical

58.15 access dental providers. For dental services rendered on or after July 1, 2016, through

58.16 December 31, 2021, the commissioner shall increase reimbursement by 37.5 percent above

58.17 the reimbursement rate that would otherwise be paid to the critical access dental provider,

58.18 except as specified under paragraph (b). The commissioner shall pay the managed care

58.19 plans and county-based purchasing plans in amounts sufficient to reflect increased

58.20 reimbursements to critical access dental providers as approved by the commissioner.

58.21 (b) For dental services rendered on or after July 1, 2016, through December 31, 2021,

58.22 by a dental clinic or dental group that meets the critical access dental provider designation

58.23 under paragraph (f), clause (4), and is owned and operated by a health maintenance

58.24 organization licensed under chapter 62D, the commissioner shall increase reimbursement

58.25 by 35 percent above the reimbursement rate that would otherwise be paid to the critical

58.26 access provider.

58.27 (e) (a) The commissioner shall increase reimbursement to dentists and dental clinics

58.28 deemed by the commissioner to be critical access dental providers. For dental services

58.29 provided on or after January 1, 2022, by a dental provider deemed to be a critical access

58.30 dental provider under paragraph (f) (d), the commissioner shall increase reimbursement by

58.31 20 percent above the reimbursement rate that would otherwise be paid to the critical access

58.32 dental provider. This paragraph does not apply to federally qualified health centers, rural

58.33 health centers, state-operated dental clinics, or Indian health centers.

59.1       ~~(d)~~ **(b)** Managed care plans and county-based purchasing plans shall increase  
59.2 reimbursement to critical access dental providers by at least the amount specified in paragraph  
59.3 ~~(e)~~ **(c)**. If, for any coverage year, federal approval is not received for this paragraph, the  
59.4 commissioner must adjust the capitation rates paid to managed care plans and county-based  
59.5 purchasing plans for that contract year to reflect the removal of this provision. Contracts  
59.6 between managed care plans and county-based purchasing plans and providers to whom  
59.7 this paragraph applies must allow recovery of payments from those providers if capitation  
59.8 rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed  
59.9 an amount equal to any increase in rates that results from this provision. If, for any coverage  
59.10 year, federal approval is not received for this paragraph, the commissioner shall not  
59.11 implement this paragraph for subsequent coverage years.

59.12       ~~(e)~~ **(c)** Critical access dental payments made under this subdivision for dental services  
59.13 provided by a critical access dental provider to an enrollee of a managed care plan or  
59.14 county-based purchasing plan must not reflect any capitated payments or cost-based payments  
59.15 from the managed care plan or county-based purchasing plan. The managed care plan or  
59.16 county-based purchasing plan must base the additional critical access dental payment on  
59.17 the amount that would have been paid for that service had the dental provider been paid  
59.18 according to the managed care plan or county-based purchasing plan's fee schedule that  
59.19 applies to dental providers that are not paid under a capitated payment or cost-based payment.

59.20       ~~(f)~~ **(d)** The commissioner shall designate the following dentists and dental clinics as  
59.21 critical access dental providers:

59.22       (1) nonprofit community clinics that:

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

59.24       (ii) have tax exempt status in accordance with the Internal Revenue Code, section  
59.25 501(c)(3);

59.26       (iii) are established to provide oral health services to patients who are low income,  
59.27 uninsured, have special needs, and are underserved;

59.28       (iv) have professional staff familiar with the cultural background of the clinic's patients;

59.29       (v) charge for services on a sliding fee scale designed to provide assistance to low-income  
59.30 patients based on current poverty income guidelines and family size;

59.31       (vi) do not restrict access or services because of a patient's financial limitations or public  
59.32 assistance status; and

59.33       (vii) have free care available as needed;

60.1       (2) federally qualified health centers, rural health clinics, and public health clinics;

60.2       (3) hospital-based dental clinics owned and operated by a city, county, or former state  
60.3 hospital as defined in section 62Q.19, subdivision 1, paragraph (a), clause (4);

60.4 (4) a dental clinic or dental group owned and operated by a nonprofit corporation in  
60.5 accordance with chapter 317A with more than 10,000 patient encounters per year with  
60.6 patients who are uninsured or covered by medical assistance or MinnesotaCare;

60.7 (5) a dental clinic owned and operated by the University of Minnesota or the Minnesota  
60.8 State Colleges and Universities system; and

60.9 (6) private practicing dentists if:

60.10 (i) the dentist's office is located within the seven-county metropolitan area and more  
60.11 than 50 percent of the dentist's patient encounters per year are with patients who are uninsured  
60.12 or covered by medical assistance or MinnesotaCare; or

60.13 (ii) the dentist's office is located outside the seven-county metropolitan area and more  
60.14 than 25 percent of the dentist's patient encounters per year are with patients who are uninsured  
60.15 or covered by medical assistance or MinnesotaCare.

60.16 Subd. 5. **Outpatient rehabilitation facility.** An entity that operates both a Medicare  
60.17 certified comprehensive outpatient rehabilitation facility and a facility which was certified  
60.18 prior to January 1, 1993, that is licensed under Minnesota Rules, parts 9570.2000 to  
60.19 9570.3400, and for whom at least 33 percent of the clients receiving rehabilitation services  
60.20 in the most recent calendar year are medical assistance recipients, shall be reimbursed by  
60.21 the commissioner for rehabilitation services at rates that are 38 percent greater than the  
60.22 maximum reimbursement rate allowed under subdivision 1, paragraph (a), clause (2), when  
60.23 those services are (1) provided within the comprehensive outpatient rehabilitation facility  
60.24 and (2) provided to residents of nursing facilities owned by the entity.

60.25 Subd. 6. **Medicare relative value units.** Effective for services rendered on or after  
60.26 January 1, 2007, the commissioner shall make payments for physician and professional  
60.27 services based on the Medicare relative value units (RVU's). This change shall be budget  
60.28 neutral and the cost of implementing RVU's will be incorporated in the established conversion  
60.29 factor.

60.30 Subd. 7. **Payment for certain primary care services and immunization  
60.31 administration.** Payment for certain primary care services and immunization administration  
60.32 services rendered on or after January 1, 2013, through December 31, 2014, shall be made  
60.33 in accordance with section 1902(a)(13) of the Social Security Act.

61.1 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
61.2 whichever is later. The commissioner of human services shall notify the revisor of statutes  
61.3 when federal approval is obtained.

61.4 Sec. 36. Minnesota Statutes 2022, section 256B.761, is amended to read:

61.5 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

61.6 (a) Effective for services rendered on or after July 1, 2001, payment for medication  
61.7 management provided to psychiatric patients, outpatient mental health services, day treatment

61.8 services, home-based mental health services, and family community support services shall  
61.9 be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of  
61.10 1999 charges.

61.11 (b) Effective July 1, 2001, the medical assistance rates for outpatient mental health  
61.12 services provided by an entity that operates: (1) a Medicare-certified comprehensive  
61.13 outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993,  
61.14 with at least 33 percent of the clients receiving rehabilitation services in the most recent  
61.15 calendar year who are medical assistance recipients, will be increased by 38 percent, when  
61.16 those services are provided within the comprehensive outpatient rehabilitation facility and  
61.17 provided to residents of nursing facilities owned by the entity.

61.18 (c) In addition to rate increases otherwise provided, the commissioner may restructure  
61.19 coverage policy and rates to improve access to adult rehabilitative mental health services  
61.20 under section 256B.0623 and related mental health support services under section 256B.021,  
61.21 subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected  
61.22 state share of increased costs due to this paragraph is transferred from adult mental health  
61.23 grants under sections 245.4661 and 256E.12. The transfer for fiscal year 2016 is a permanent  
61.24 base adjustment for subsequent fiscal years. Payments made to managed care plans and  
61.25 county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect  
61.26 the rate changes described in this paragraph.

61.27 (d) Any ratables effective before July 1, 2015, do not apply to early intensive  
61.28 developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

61.29 (e) Effective for services rendered on or after January 1, 2024, payment rates for  
61.30 behavioral health services included in the rate analysis required by Laws 2021, First Special  
61.31 Session chapter 7, article 17, section 18, must be increased by eight percent from the rates  
61.32 in effect on December 31, 2023. Effective for services rendered on or after January 1, 2025,  
61.33 payment rates for behavioral health services included in the rate analysis required by Laws  
62.1 2021, First Special Session chapter 7, article 17, section 18, must be annually adjusted  
62.2 according to the Consumer Price Index for medical care services. For payments made in  
62.3 accordance with this paragraph, if and to the extent that the commissioner identifies that  
62.4 the state has received federal financial participation for behavioral health services in excess  
62.5 of the amount allowed under United States Code, title 42, section 447.321, the state shall  
62.6 repay the excess amount to the Centers for Medicare and Medicaid Services with state  
62.7 money and maintain the full payment rate under this paragraph. This paragraph does not  
62.8 apply to federally qualified health centers, rural health centers, Indian health services,  
62.9 certified community behavioral health clinics, cost-based rates, and rates that are negotiated  
62.10 with the county. This paragraph expires upon legislative implementation of the new rate  
62.11 methodology resulting from the rate analysis required by Laws 2021, First Special Session  
62.12 chapter 7, article 17, section 18.

62.13 (f) Effective January 1, 2024, the commissioner shall increase capitation payments made  
62.14 to managed care plans and county-based purchasing plans to reflect the behavioral health  
62.15 service rate increase provided in paragraph (e). Managed care and county-based purchasing

62.16 plans must use the capitation rate increase provided under this paragraph to increase payment  
62.17 rates to behavioral health services providers. The commissioner must monitor the effect of  
62.18 this rate increase on enrollee access to behavioral health services. If for any contract year  
62.19 federal approval is not received for this paragraph, the commissioner must adjust the  
62.20 capitation rates paid to managed care plans and county-based purchasing plans for that  
62.21 contract year to reflect the removal of this provision. Contracts between managed care plans  
62.22 and county-based purchasing plans and providers to whom this paragraph applies must  
62.23 allow recovery of payments from those providers if capitation rates are adjusted in accordance  
62.24 with this paragraph. Payment recoveries must not exceed the amount equal to any increase  
62.25 in rates that results from this provision.

62.26 Sec. 37. Minnesota Statutes 2022, section 256B.764, is amended to read:

**256B.764 REIMBURSEMENT FOR FAMILY PLANNING SERVICES.**

62.28 (a) Effective for services rendered on or after July 1, 2007, payment rates for family  
62.29 planning services shall be increased by 25 percent over the rates in effect June 30, 2007,  
62.30 when these services are provided by a community clinic as defined in section 145.9268,  
62.31 subdivision 1.

62.32 (b) Effective for services rendered on or after July 1, 2013, payment rates for family  
62.33 planning services shall be increased by 20 percent over the rates in effect June 30, 2013,  
62.34 when these services are provided by a community clinic as defined in section 145.9268,  
63.1 subdivision 1. The commissioner shall adjust capitation rates to managed care and  
63.2 county-based purchasing plans to reflect this increase, and shall require plans to pass on the  
63.3 full amount of the rate increase to eligible community clinics, in the form of higher payment  
63.4 rates for family planning services.

63.5 (c) Effective for services provided on or after January 1, 2024, payment rates for family  
63.6 planning and abortion services must be increased by ten percent. This increase does not  
63.7 apply to federally qualified health centers, rural health centers, or Indian health services.

49.27 Sec. 29. Minnesota Statutes 2022, section 256B.764, is amended to read:

**256B.764 REIMBURSEMENT FOR FAMILY PLANNING SERVICES.**

49.29 (a) Effective for services rendered on or after July 1, 2007, payment rates for family  
49.30 planning services shall be increased by 25 percent over the rates in effect June 30, 2007,  
49.31 when these services are provided by a community clinic as defined in section 145.9268,  
49.32 subdivision 1.

50.1 (b) Effective for services rendered on or after July 1, 2013, payment rates for family  
50.2 planning services shall be increased by 20 percent over the rates in effect June 30, 2013,  
50.3 when these services are provided by a community clinic as defined in section 145.9268,  
50.4 subdivision 1. The commissioner shall adjust capitation rates to managed care and  
50.5 county-based purchasing plans to reflect this increase, and shall require plans to pass on the  
50.6 full amount of the rate increase to eligible community clinics, in the form of higher payment  
50.7 rates for family planning services.

50.8 (c) Effective for services provided on or after January 1, 2024, payment rates for family  
50.9 planning and abortion services shall be increased by 20 percent. This increase does not  
50.10 apply to federally qualified health centers, rural health centers, or Indian health services.

50.11 Sec. 30. Minnesota Statutes 2022, section 256L.03, subdivision 1, is amended to read:

50.12 Subdivision 1. **Covered health services.** (a) "Covered health services" means the health  
50.13 services reimbursed under chapter 256B, with the exception of special education services,  
50.14 home care nursing services, adult dental care services other than services covered under  
50.15 section 256B.0625, subdivision 9, orthodontic services, nonemergency medical transportation  
50.16 services, personal care assistance and case management services, community first services  
50.17 and supports under section 256B.85, behavioral health home services under section  
50.18 256B.0757, housing stabilization services under section 256B.051, and nursing home or  
50.19 intermediate care facilities services.

50.20 (b) No public funds shall be used for coverage of abortion under MinnesotaCare except  
50.21 where the life of the female would be endangered or substantial and irreversible impairment

63.8 Sec. 38. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

63.9 Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to  
 63.10 children under the age of 21 and to American Indians as defined in Code of Federal  
 63.11 Regulations, title 42, section 600.5, or to pre-exposure prophylaxis (PrEP) and postexposure  
 63.12 prophylaxis (PEP) medications when used for the prevention or treatment of the human  
 63.13 immunodeficiency virus (HIV).

63.14 (b) The commissioner shall adjust co-payments, coinsurance, and deductibles for covered  
 63.15 services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent.  
 63.16 The cost-sharing changes described in this paragraph do not apply to eligible recipients or  
 63.17 services exempt from cost-sharing under state law. The cost-sharing changes described in  
 63.18 this paragraph shall not be implemented prior to January 1, 2016.

63.19 (c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements  
 63.20 for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations,  
 63.21 title 42, sections 600.510 and 600.520.

63.22 (d) Co-payments, coinsurance, and deductibles do not apply to additional diagnostic  
 63.23 services or testing that a health care provider determines an enrollee requires after a  
 63.24 mammogram, as specified under section 62A.30, subdivision 5.

63.25 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
 63.26 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 63.27 when federal approval is obtained.

50.22 of a major bodily function would result if the fetus were carried to term; or where the  
 50.23 pregnancy is the result of rape or incest.

50.24 (e) (b) Covered health services shall be expanded as provided in this section.

50.25 (f) (c) For the purposes of covered health services under this section, "child" means an  
 50.26 individual younger than 19 years of age.

50.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

S2995-3, ARTICLE 1, SECTION 38, MATCHES THE NEXT THREE  
 SUBSEQUENT SECTIONS.

50.28 Sec. 31. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

50.29 Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to  
 50.30 children under the age of 21 and to American Indians as defined in Code of Federal  
 50.31 Regulations, title 42, section 600.5.

51.1 (b) The commissioner shall must adjust co-payments, coinsurance, and deductibles for  
 51.2 covered services in a manner sufficient to maintain the actuarial value of the benefit to 94  
 51.3 percent. The cost-sharing changes described in this paragraph do not apply to eligible  
 51.4 recipients or services exempt from cost-sharing under state law. The cost-sharing changes  
 51.5 described in this paragraph shall not be implemented prior to January 1, 2016.

51.6 (c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements  
 51.7 for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations,  
 51.8 title 42, sections 600.510 and 600.520.

51.9 (d) Cost-sharing must not apply to drugs used for tobacco and nicotine cessation or to  
 51.10 tobacco and nicotine cessation services covered under section 256B.0625, subdivision 68.

51.11 **EFFECTIVE DATE.** This section is effective January 1, 2024.

UES2995-2, ARTICLE 13, SECTIONS 15 AND 16 HAVE BEEN MOVED IN  
 TO MATCH S2995-3, ARTICLE 1, SECTION 38.

532.4 Sec. 15. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

532.5 Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to  
 532.6 children under the age of 21 and to American Indians as defined in Code of Federal  
 532.7 Regulations, title 42, section 600.5.

64.1 Sec. 39. Laws 2021, First Special Session chapter 7, article 6, section 26, is amended to  
64.2 read:  
64.3 **Sec. 26. COMMISSIONER OF HUMAN SERVICES; EXTENSION OF COVID-19**  
64.4 **HUMAN SERVICES PROGRAM MODIFICATIONS.**

64.5 Notwithstanding Laws 2020, First Special Session chapter 7, section 1, subdivision 2,  
64.6 as amended by Laws 2020, Third Special Session chapter 1, section 3, when the peacetime  
64.7 emergency declared by the governor in response to the COVID-19 outbreak expires, is  
64.8 terminated, or is rescinded by the proper authority, the following modifications issued by  
64.9 the commissioner of human services pursuant to Executive Orders 20-11 and 20-12, and

532.8 (b) The commissioner shall adjust co-payments, coinsurance, and deductibles for covered  
532.9 services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent.  
532.10 The cost-sharing changes described in this paragraph do not apply to eligible recipients or  
532.11 services exempt from cost-sharing under state law. The cost-sharing changes described in  
532.12 this paragraph shall not be implemented prior to January 1, 2016.

532.13 (c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements  
532.14 for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations,  
532.15 title 42, sections 600.510 and 600.520.

532.16 (d) Cost-sharing for prescription drugs and related medical supplies to treat chronic  
532.17 disease must comply with the requirements of section 62Q.481.

532.18 **EFFECTIVE DATE.** This section is effective January 1, 2024.

532.19 Sec. 16. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

532.20 Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to  
532.21 children under the age of 21 and to American Indians as defined in Code of Federal  
532.22 Regulations, title 42, section 600.5.

532.23 (b) The commissioner shall adjust co-payments, coinsurance, and deductibles for covered  
532.24 services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent.  
532.25 The cost-sharing changes described in this paragraph do not apply to eligible recipients or  
532.26 services exempt from cost-sharing under state law. The cost-sharing changes described in  
532.27 this paragraph shall not be implemented prior to January 1, 2016.

532.28 (c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements  
532.29 for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations,  
532.30 title 42, sections 600.510 and 600.520.

533.1 (d) Co-payments, coinsurance, and deductibles do not apply to additional diagnostic  
533.2 services or testing that a health care provider determines an enrollee requires after a  
533.3 mammogram, as specified under section 62A.30, subdivision 5.

533.4 **EFFECTIVE DATE.** This section is effective January 1, 2024.

51.12 Sec. 32. Laws 2021, First Special Session chapter 7, article 6, section 26, is amended to  
51.13 read:  
51.14 **Sec. 26. COMMISSIONER OF HUMAN SERVICES; EXTENSION OF COVID-19**  
51.15 **HUMAN SERVICES PROGRAM MODIFICATIONS.**

51.16 Notwithstanding Laws 2020, First Special Session chapter 7, section 1, subdivision 2,  
51.17 as amended by Laws 2020, Third Special Session chapter 1, section 3, when the peacetime  
51.18 emergency declared by the governor in response to the COVID-19 outbreak expires, is  
51.19 terminated, or is rescinded by the proper authority, the following modifications issued by  
51.20 the commissioner of human services pursuant to Executive Orders 20-11 and 20-12, and

64.10 including any amendments to the modification issued before the peacetime emergency  
64.11 expires, shall remain in effect until July 1, 2023 2025:

64.12 (1) CV16: expanding access to telemedicine services for Children's Health Insurance  
64.13 Program, Medical Assistance, and MinnesotaCare enrollees; and

64.14 (2) CV21: allowing telemedicine alternative for school-linked mental health services  
64.15 and intermediate school district mental health services.

64.16 Sec. 40. **REPORT; MODIFY WITHHOLD PROVISIONS.**

64.17 By January 1, 2024, the commissioner of human services must submit a report to the  
64.18 chairs and ranking minority members of the legislative committees with jurisdiction over  
64.19 human services finance and policy evaluating the utility of the performance targets described  
64.20 in Minnesota Statutes 2022, section 256B.69, subdivision 5a, paragraphs (e) to (g). The  
64.21 report must include the applicable performance rates of managed care organizations and  
64.22 county-based purchasing plans in the past three years, projected impacts on performance  
64.23 rates for the next three years resulting from a repeal of Minnesota Statutes 2022, section  
64.24 256B.69, subdivision 5a, paragraphs (e) to (g), measures that the commissioner anticipates  
64.25 taking to continue monitoring and improving the applicable performance rates of managed  
64.26 care organizations and county-based purchasing plans upon a repeal of Minnesota Statutes  
64.27 2022, section 256B.69, subdivision 5a, paragraphs (e) to (g), proposals for additional  
64.28 performance targets that may improve quality of care for enrollees, and any additional  
64.29 legislative actions that may be required as the result of a repeal of Minnesota Statutes 2022,  
64.30 section 256B.69, subdivision 5a, paragraphs (e) to (g).

51.21 including any amendments to the modification issued before the peacetime emergency  
51.22 expires, shall remain in effect until July 1, 2023 2025:

51.23 (1) CV16: expanding access to telemedicine services for Children's Health Insurance  
51.24 Program, Medical Assistance, and MinnesotaCare enrollees; and

51.25 (2) CV21: allowing telemedicine alternative for school-linked mental health services  
51.26 and intermediate school district mental health services.

51.27 Sec. 33. **REPEALER.**

51.28 Minnesota Rules, part 9505.0235, is repealed the day following final enactment.