

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 760

(SENATE AUTHORS: HANN)

DATE	D-PG	OFFICIAL STATUS
03/14/2011	497	Introduction and first reading Referred to Health and Human Services
03/28/2011	777a 931	Comm report: To pass as amended and re-refer to Finance Rule 12.10: report of votes in committee
03/29/2011	1030a 1033	Comm report: To pass as amended Second reading
03/30/2011	1085a 1118	Special Order: Amended Third reading Passed
04/07/2011	1228 1229	Returned from House with amendment Senate not concur, conference committee of 5 requested
04/11/2011	1268	Senate conferees Hann; Benson; Hoffman; Newman; Nienow
04/14/2011	1273	House conferees Abeler; Gottwalt; Kiffmeyer; Lohmer; Huntley
05/18/2011	2268c 2516	Conference committee report, delete everything Motion to reject CC report, did not prevail Laid on table Taken from table Senate adopted CC report and repassed bill
	2517	Third reading Laid on table Taken from table
	2518 2731	Bill repassed House adopted SCC report and repassed bill

A bill for an act

relating to human services; requiring the commissioner of human services to seek a waiver from the federal government to reform the medical assistance program; setting guidelines for the reformed medical assistance program; providing for rulemaking authority; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Section 1. [256B.841] WAIVER APPLICATION AND PROCESS.

Subdivision 1. Intent. It is the intent of the legislature that medical assistance be:

(1) a sustainable, cost-effective, person-centered, and opportunity-driven program utilizing competitive and value-based purchasing to maximize available service options; and

(2) a results-oriented system of coordinated care that focuses on independence and choice, promotes accountability and transparency, encourages and rewards healthy outcomes and responsible choices, and promotes efficiency.

Subd. 2. Waiver application. (a) The commissioner of human services shall apply for a waiver and any necessary state plan amendments from the secretary of the United States Department of Health and Human Services, including, but not limited to, a waiver of the appropriate sections of title XIX of the federal Social Security Act, United States Code, title 42, section 1396 et seq. and a waiver of maintenance of effort provisions in section 2001 of the Patient Protection and Affordable Care Act, Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152, that provide program flexibility and under which Minnesota will operate all facets of the state's medical assistance program.

2.1 (b) The commissioner of human services shall provide the legislative committees
2.2 with jurisdiction over health and human services finance and policy with the waiver
2.3 application and financial and other related materials, at least ten days prior to submitting
2.4 the application and materials to the federal Centers for Medicare and Medicaid Services.

2.5 (c) If the state's waiver application is approved, the commissioner of human services
2.6 shall:

2.7 (1) notify the chairs of the legislative committees with jurisdiction over health and
2.8 human services finance and policy and allow the legislative committees with jurisdiction
2.9 over health and human services finance and policy to review the terms of the waiver; and

2.10 (2) not implement the waiver until ten legislative days have passed following
2.11 notification of the chairs.

2.12 Subd. 3. **Rulemaking; legislative proposals.** Upon acceptance of the terms of the
2.13 waiver, the commissioner of human services shall:

2.14 (1) adopt rules to implement the waiver; and

2.15 (2) propose any legislative changes necessary to implement the terms of the waiver.

2.16 Subd. 4. **Joint commission on waiver implementation.** (a) After acceptance
2.17 of the terms of the waiver, the governor shall establish a joint commission on waiver
2.18 implementation. The commission shall consist of eight members; four of whom shall
2.19 be members of the senate, not more than three from the same political party, to be
2.20 appointed by the Subcommittee on Committees of the senate Committee on Rules and
2.21 Administration, and four of whom shall be members of the house of representatives, not
2.22 more than three from the same political party, to be appointed by the speaker of the house.

2.23 (b) The commission shall:

2.24 (1) oversee implementation of the waiver;

2.25 (2) confer as necessary with state agency commissioners;

2.26 (3) make recommendations on services covered under the medical assistance
2.27 program;

2.28 (4) monitor and make recommendations on quality and access to care under the
2.29 global waiver; and

2.30 (5) make recommendations for the efficient and cost-effective administration of the
2.31 medical assistance program under the terms of the waiver.

2.32 Sec. 2. **[256B.842] PRINCIPLES AND GOALS FOR MEDICAL ASSISTANCE**
2.33 **REFORM.**

2.34 Subdivision 1. **Goals for reform.** In developing the waiver application and
2.35 implementing the waiver, the commissioner of human services shall ensure that the

3.1 reformed medical assistance program is a person-centered, financially sustainable, and
3.2 cost-effective program.

3.3 Subd. 2. **Reformed medical assistance criteria.** The reformed medical assistance
3.4 program established through the waiver must:

3.5 (1) empower consumers to make informed and cost-effective choices about their
3.6 health and offer consumers rewards for healthy decisions;

3.7 (2) ensure adequate access to needed services;

3.8 (3) enable consumers to receive individualized health care that is outcome-oriented
3.9 and focused on prevention, disease management, recovery, and maintaining independence;

3.10 (4) promote competition between health care providers to ensure best value
3.11 purchasing, leverage resources, and to create opportunities for improving service quality
3.12 and performance;

3.13 (5) redesign purchasing and payment methods and encourage and reward
3.14 high-quality and cost-effective care by incorporating and expanding upon current payment
3.15 reform and quality of care initiatives, including but not limited to those initiatives
3.16 authorized under chapter 62U; and

3.17 (6) continually improve technology to take advantage of recent innovations and
3.18 advances that help decision makers, consumers, and providers make informed and
3.19 cost-effective decisions regarding health care.

3.20 Subd. 3. **Annual report.** The commissioner of human services shall annually
3.21 submit a report to the governor and the legislature, beginning December 1, 2012, and each
3.22 December 1 thereafter, describing the status of the administration and implementation
3.23 of the waiver.

3.24 Sec. 3. **[256B.843] WAIVER APPLICATION REQUIREMENTS.**

3.25 Subdivision 1. **Requirements for waiver request.** The commissioner shall seek
3.26 federal approval to:

3.27 (1) enter into a five-year agreement with the United States Department of Health and
3.28 Human Services and Centers for Medicaid and Medicare Services (CMS) under section
3.29 1115a to waive provisions of title XIX of the federal Social Security Act, United States
3.30 Code, title 42, section 1396 et seq., requiring:

3.31 (i) state-wideness to allow for the provision of different services in different areas or
3.32 regions of the state;

3.33 (ii) comparability of services to allow for the provision of different services to
3.34 members of the same or different coverage groups;

4.1 (iii) no prohibitions restricting the amount, duration, and scope of services included
4.2 in the medical assistance state plan;

4.3 (iv) no prohibitions limiting freedom of choice of providers; and

4.4 (v) retroactive payment for medical assistance, at the state's discretion;

4.5 (2) waive the applicable provisions of title XIX of the federal Social Security Act,
4.6 United States Code, title 42, section 1396 et seq., in order to:

4.7 (i) expand cost sharing requirements above the five percent of income threshold for
4.8 beneficiaries in certain populations;

4.9 (ii) establish health savings or power accounts that encourage and reward
4.10 beneficiaries who reach certain prevention and wellness targets; and

4.11 (iii) implement a tiered set of parameters to use as the basis for determining
4.12 long-term service care and setting needs;

4.13 (3) modify income and resource rules in a manner consistent with the goals of the
4.14 reformed program;

4.15 (4) provide enrollees with a choice of appropriate private sector health coverage
4.16 options, with full federal financial participation;

4.17 (5) treat payments made toward the cost of care as a monthly premium for
4.18 beneficiaries receiving home and community-based services when applicable;

4.19 (6) provide health coverage and services to individuals over the age of 65 that are
4.20 limited in scope and are available only in the home and community-based setting;

4.21 (7) consolidate all home and community-based services currently provided under
4.22 title XIX of the federal Social Security Act, United States Code, title 42, section 1915(c),
4.23 into a single program of home and community-based services that include options for
4.24 consumer direction and shared living;

4.25 (8) expand disease management, care coordination, and wellness programs for all
4.26 medical assistance recipients; and

4.27 (9) empower and encourage able-bodied medical assistance recipients to work,
4.28 whenever possible.

4.29 Subd. 2. **Agency coordination.** The commissioner shall establish an intraagency
4.30 assessment and coordination unit to ensure that decision making and program planning for
4.31 recipients who may need long-term care, residential placement, and community support
4.32 services are coordinated. The assessment and coordination unit shall determine level of
4.33 care, develop service plans and a service budget, make referrals to appropriate settings,
4.34 provide education and choice counseling to consumers and providers, track utilization,
4.35 and monitor outcomes.