Sec. 10. **MORATORIUM.**

Subdivision 1. **MORATORIUM ON NEW MANAGED CARE AUTOMOBILE INSURANCE PLANS.** No automobile insurance company licensed under Minnesota Statutes, chapter 60A, and authorized to provide automobile no-fault coverage or any health plan company as defined under Minnesota Statutes, section 62Q.01, subdivision 4, may enter into any contracts that provide, or that have the effect of providing, managed care services to no-fault claimants between January 1, 2001, and June 30, 2002. For the purposes of this section, "managed care services" is defined as any program of medical services that uses health care providers managed, owned, employed by, or under contract with a health plan company. This subdivision may not be construed to impact the legality of the use of managed care services for no-fault benefits.

Subd. 2. **EXISTING MANAGED CARE CONTRACTS.** Any health plan company or automobile insurer that is party to a contract subject to the moratorium set forth in subdivision 1, in existence prior to the moratorium created on January 1, 2001, must comply with the following provisions during the moratorium created under this act:

(1) no such contract shall be extended to any additional insurers; and

(2) if a provider has declined to participate in a category of coverage, the network organization must permit the provider the opportunity to participate in that category of coverage on a biennial basis.

Subd. 3. **SUNSET.** This section is repealed effective June 30, 2002.

Sec. 11. **REPEALER.**

Minnesota Statutes 2000, section 62Q.07, is repealed.

Sec. 12. **EFFECTIVE DATE.**

Sections 1, 2, 3, 8, 9, 10, and 11 are effective the day following final enactment.

Presented to the governor May 21, 2001

Signed by the governor May 24, 2001, 1:56 p.m.

CHAPTER 171—H.F.No. 1407

An act relating to health; extending certain enforcement authority related to the provision of funeral goods and services; modifying provisions for public health collaboration plans; modifying rural hospital programs eligibility; repealing professional boxing regulation; amending Minnesota Statutes 2000, sections 62Q.075; 144.147, subdivision 1; 144.148, subdivision 1; 144.1483; 149A.01, by adding a subdivision; 149A.02, subdivision 14, by adding a subdivision; 149A.11; 149A.62; 149A.71, subdivision 4; 149A.97, subdivision 8; repealing Minnesota Statutes 2000, section 144.994; Laws 2000, chapter 488, article 2, section 26.

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

New language is indicated by underline, **deletions by** ~~strikeout.~~

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Section 1. Minnesota Statutes 2000, section 62Q.075, is amended to read:

62Q.075 **LOCAL PUBLIC ACCOUNTABILITY AND COLLABORATION PLAN.**

~~Subdivision 1. **DEFINITION.** For purposes of this section, "managed care organization" means a health maintenance organization or community integrated service network.~~

Subd. 2. **REQUIREMENT.** Beginning October 31, ~~1997~~ 2004, all ~~managed care~~ health maintenance organizations shall file ~~biennially with the action plans required under section 62Q.07~~ a plan every four years with the commissioner of health describing the actions the ~~managed care~~ health maintenance organization ~~has taken and those it~~ intends to take to contribute to achieving one or more high priority public health goals ~~for each service area in which an enrollee of the managed care organization resides~~. This plan must be jointly developed in collaboration with the local public health units, and other community organizations providing health services within the same service area as the ~~managed care~~ health maintenance organization. Local government units with responsibilities and authority defined under chapters 145A and 256E may designate individuals to participate in the collaborative planning with the ~~managed care~~ health maintenance organization to provide expertise and represent community needs and goals as identified under chapters 145A and 256E. Every other year, beginning October 31, 2002, all health maintenance organizations shall file reports updating progress on the four-year collaboration plan.

Subd. 3. **CONTENTS.** The plan must address the following:

~~(a)~~ (1) specific measurement strategies and a description of any activities which contribute to one or more high priority public health goals ~~and needs of high risk and special needs populations as defined and developed under chapters 145A and 256E~~;

~~(b)~~ (2) description of the process by which the ~~managed care~~ health maintenance organization will coordinate its activities with the community health boards, and other relevant community organizations servicing the same area;

~~(c)~~ (3) documentation indicating that local public health units and local government unit designees were involved in the development of the plan; and

~~(d)~~ (4) documentation of compliance with the plan filed ~~the previous year~~ previously, including data on the previously identified progress measures.

Subd. 4. **REVIEW.** Upon receipt of the plan, the ~~appropriate~~ commissioner of health shall provide a copy to the local community health boards, and other relevant community organizations within the ~~managed care~~ health maintenance organization's service area. After reviewing the plan, these community groups may submit written comments on the plan to ~~either~~ the commissioner of health ~~or commerce, as applicable,~~ and may advise the commissioner of the ~~managed care~~ health maintenance organization's effectiveness in assisting to achieve ~~regional~~ high priority public health goals. The plan may be reviewed by the county boards, or city councils acting as a local board of health in accordance with chapter 145A, within the ~~managed care~~ health mainte-

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nance organization's service area to determine whether the plan is consistent with the goals and objectives of the plans required under chapters 145A and 256E and whether the plan meets the needs of the community. The county board, or applicable city council, may also review and make recommendations on the availability and accessibility of services provided by the ~~managed care~~ health maintenance organization. The county board, or applicable city council, may submit written comments to the ~~appropriate~~ commissioner of health, and may advise the commissioner of the ~~managed care~~ health maintenance organization's effectiveness in assisting to meet the needs and goals as defined under the responsibilities of chapters 145A and 256E. ~~The commissioner of health shall develop recommendations to utilize the written comments submitted as part of the licensure process to ensure local public accountability. These recommendations shall be reported to the legislative commission on health care access by January 15, 1996.~~ Copies of these written comments must be provided to the ~~managed care~~ health maintenance organization. The plan and any comments submitted must be filed with the information clearinghouse to be distributed to the public.

Sec. 2. Minnesota Statutes 2000, section 144.147, subdivision 1, is amended to read:

Subdivision 1. **DEFINITION.** "Eligible rural hospital" means any nonfederal, general acute care hospital that:

(1) is either located in a rural area, as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 405.1041, or located in a community with a population of less than ~~5,000~~ 10,000, according to United States Census Bureau statistics, outside the seven-county metropolitan area;

(2) has 50 or fewer beds; and

(3) is not for profit.

Sec. 3. Minnesota Statutes 2000, section 144.148, subdivision 1, is amended to read:

Subdivision 1. **DEFINITION.** (a) For purposes of this section, the following definitions apply.

(b) "Eligible rural hospital" means any nonfederal, general acute care hospital that:

(1) is either located in a rural area, as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 405.1041, or located in a community with a population of less than ~~5,000~~ 10,000, according to United States Census Bureau Statistics, outside the seven-county metropolitan area;

(2) has 50 or fewer beds; and

(3) is not for profit.

(c) "Eligible project" means a modernization project to update, remodel, or replace aging hospital facilities and equipment necessary to maintain the operations of a hospital.

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Sec. 4. Minnesota Statutes 2000, section 144.1483, is amended to read:

144.1483 **RURAL HEALTH INITIATIVES.**

The commissioner of health, through the office of rural health, and consulting as necessary with the commissioner of human services, the commissioner of commerce, the higher education services office, and other state agencies, shall:

(1) develop a detailed plan regarding the feasibility of coordinating rural health care services by organizing individual medical providers and smaller hospitals and clinics into referral networks with larger rural hospitals and clinics that provide a broader array of services;

(2) develop and implement a program to assist rural communities in establishing community health centers, as required by section 144.1486;

(3) administer the program of financial assistance established under section 144.1484 for rural hospitals in isolated areas of the state that are in danger of closing without financial assistance, and that have exhausted local sources of support;

(4) develop recommendations regarding health education and training programs in rural areas, including but not limited to a physician assistants' training program, continuing education programs for rural health care providers, and rural outreach programs for nurse practitioners within existing training programs;

(5) develop a statewide, coordinated recruitment strategy for health care personnel and maintain a database on health care personnel as required under section 144.1485;

(6) develop and administer technical assistance programs to assist rural communities in: (i) planning and coordinating the delivery of local health care services; and (ii) hiring physicians, nurse practitioners, public health nurses, physician assistants, and other health personnel;

(7) study and recommend changes in the regulation of health care personnel, such as nurse practitioners and physician assistants, related to scope of practice, the amount of on-site physician supervision, and dispensing of medication, to address rural health personnel shortages;

(8) support efforts to ensure continued funding for medical and nursing education programs that will increase the number of health professionals serving in rural areas;

(9) support efforts to secure higher reimbursement for rural health care providers from the Medicare and medical assistance programs;

(10) coordinate the development of a statewide plan for emergency medical services, in cooperation with the emergency medical services advisory council;

(11) establish a Medicare rural hospital flexibility program pursuant to section 1820 of the federal Social Security Act, United States Code, title 42, section 1395i-4, by developing a state rural health plan and designating, consistent with the rural health plan, rural nonprofit or public hospitals in the state as critical access hospitals. Critical access hospitals shall include facilities that are certified by the state as necessary

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providers of health care services to residents in the area. Necessary providers of health care services are designated as critical access hospitals on the basis of being more than 20 miles, defined as official mileage as reported by the Minnesota department of transportation, from the next nearest hospital ~~or~~, being the sole hospital in the county ~~or~~, being a hospital located in a county with a designated ~~medical~~ medically underserved area or health professional shortage area, or being a hospital located in a county contiguous to a county with a medically underserved area or health professional shortage area. A critical access hospital located in a county with a designated ~~medical~~ medically underserved area or a health professional shortage area or in a county contiguous to a county with a medically underserved area or health professional shortage area shall continue to be recognized as a critical access hospital in the event the ~~medical~~ medically underserved area or health professional shortage area designation is subsequently withdrawn; and

(12) carry out other activities necessary to address rural health problems.

Sec. 5. Minnesota Statutes 2000, section 149A.01, is amended by adding a subdivision to read:

Subd. 4. **NONLIMITING.** Nothing in this chapter shall be construed to limit the powers granted to the commissioner of health, commissioner of commerce, state attorney general, or a county attorney in any other statute, law, or rule.

Sec. 6. Minnesota Statutes 2000, section 149A.02, subdivision 14, is amended to read:

Subd. 14. **DISCIPLINARY ACTION.** "Disciplinary action" means any action taken by the ~~commissioner~~ regulatory agency against any person subject to regulation under this chapter for the violation of or the threatened violation of any law, rule, order, stipulation agreement, settlement, compliance agreement, license, or permit adopted, issued, or enforced by the ~~commissioner~~ regulatory agency.

Sec. 7. Minnesota Statutes 2000, section 149A.02, is amended by adding a subdivision to read:

Subd. 37a. **REGULATORY AGENCY.** "Regulatory agency" means:

(1) the commissioner of health for provisions related to a funeral provider who is required to be licensed, registered, or issued a permit under this chapter; and

(2) the commissioner of commerce for provisions related to insurance policies purchased by a preneed consumer to arrange for funeral goods, funeral services, burial site goods, or burial services.

Sec. 8. Minnesota Statutes 2000, section 149A.11, is amended to read:

149A.11 **PUBLICATION OF DISCIPLINARY ACTIONS.**

The regulatory agencies shall report all disciplinary measures or actions taken to the commissioner. At least annually, the commissioner shall publish and make available to the public a description of all disciplinary measures or actions taken by the ~~commissioner~~ regulatory agencies. The publication shall include, for each disciplinary

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measure or action taken, the name and business address of the licensee or intern, the nature of the misconduct, and the measure or action taken by the ~~commissioner~~ regulatory agency.

Sec. 9. Minnesota Statutes 2000, section 149A.62, is amended to read:

149A.62 **IMMUNITY; REPORTING.**

Any person, private agency, organization, society, association, licensee, or intern who, in good faith, submits information to ~~the commissioner~~ a regulatory agency under section 149A.61 or otherwise reports violations or alleged violations of this chapter, is immune from civil liability or criminal prosecution. This section does not prohibit disciplinary action taken by the commissioner against any licensee or intern pursuant to a self report of a violation.

Sec. 10. Minnesota Statutes 2000, section 149A.71, subdivision 4, is amended to read:

Subd. 4. **CASKET, ALTERNATE CONTAINER, AND CREMATION CONTAINER SALES; RECORDS; REQUIRED DISCLOSURES.** Any funeral provider who sells or offers to sell a casket, alternate container, or cremation container to the public must maintain a record of each sale that includes the name of the purchaser, the purchaser's mailing address, the name of the decedent, the date of the decedent's death, and the place of death. These records shall be open to inspection by the ~~commissioner~~ regulatory agency and reported to the commissioner. Any funeral provider selling a casket, alternate container, or cremation container to the public, and not having charge of the final disposition of the dead human body, shall enclose within the casket, alternate container, or cremation container information provided by the commissioner that includes a blank certificate of death, and a copy of the statutes and rules controlling the removal, preparation, transportation, arrangements for disposition, and final disposition of a dead human body. This subdivision does not apply to morticians, funeral directors, funeral establishments, crematories, or wholesale distributors of caskets, alternate containers, or cremation containers.

Sec. 11. Minnesota Statutes 2000, section 149A.97, subdivision 8, is amended to read:

Subd. 8. **INVESTIGATIONS BY STATE AUDITOR.** Upon notification from the county auditor or ~~the commissioner of health~~ a regulatory agency of indications of violations of this chapter, or upon reliable written verification by any person, the state auditor shall make an independent determination of whether a violation of the provisions in this chapter is occurring or is about to occur. If the state auditor finds such evidence, the state auditor shall conduct any examinations of accounts and records of the entity that the state auditor considers the public interest to demand and shall inform the appropriate agency of any finding of misconduct. The state auditor may require the entity being examined to send all books, accounts, and vouchers pertaining to the receipt, disbursement, and custody of funds to the office of the state auditor for examination. The person, firm, partnership, association, or corporation examined under this section by the state auditor shall reimburse the state auditor for expenses incurred

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in conducting the examination within 30 days after the state auditor submits its expenses. Interest at the rate established in section 549.09 shall accrue on the outstanding balance starting on the 31st day after the state auditor's office submits its request for expenses.

Sec. 12. **TRANSFER OF ENFORCEMENT AUTHORITY.**

(a) The terms used in this section have the meanings given in Minnesota Statutes, section 149A.02.

(b) Except as otherwise provided in statute, enforcement authority for Minnesota Statutes, sections 149A.70, 149A.71, 149A.72, 149A.73, 149A.74, 149A.745, 149A.75, and 149A.97, may be exercised for provisions related to insurance policies purchased by a preneed consumer to arrange for funeral goods, funeral services, burial site goods, or burial services, enforcement authority may be exercised by the commissioner of commerce.

(c) The commissioner of health retains enforcement authority for provisions of Minnesota Statutes, chapter 149A, related to funeral providers that are required to be licensed, registered, or issued a permit under that chapter.

Sec. 13. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change the term "commissioner" or "commissioner of health" to "regulatory agency" wherever it appears in Minnesota Statutes, sections 149A.04; 149A.05; 149A.06; 149A.07; 149A.08; 149A.09; 149A.10; 149A.60; and 149A.61, subdivisions 1, 2, 3, 6, 7, and 8.

Sec. 14. **REPEALER.**

Minnesota Statutes 2000, section 144.994, is repealed.

Laws 2000, chapter 488, article 2, section 26, is repealed.

Presented to the governor May 21, 2001

Signed by the governor May 24, 2001, 1:52 p.m.

CHAPTER 172—H.F.No. 1153

VETOED

CHAPTER 173—H.F.No. 707

An act relating to crime prevention; classifying Carisoprodol as a controlled substance upon the effective date of a final rule adding Carisoprodol to the federal schedules of controlled substances; amending Laws 1997, chapter 239, article 4, section 15, as amended.

New language is indicated by underline, **deletions by** ~~strikeout.~~

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