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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 1262

02/15/2017 Authored by Zerwas, Pugh and Hamilton
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act
1.2 relating to health care; increasing the payment rate for dental services in the medical
1.3 assistance and MinnesotaCare programs; amending Minnesota Statutes 2016,
1.4 section 256B.76, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2016, section 256B.76, subdivision 2, is amended to read:

1.7 Subd. 2. **Dental reimbursement.** (a) Effective for services rendered on or after October
1.8 1, 1992, the commissioner shall make payments for dental services as follows:

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

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

1.13 (b) Beginning October 1, 1999, the payment for tooth sealants and fluoride treatments
1.14 shall be the lower of (1) submitted charge, or (2) 80 percent of median 1997 charges.

1.15 (c) Effective for services rendered on or after January 1, 2000, payment rates for dental
1.16 services shall be increased by three percent over the rates in effect on December 31, 1999.

1.17 (d) Effective for services provided on or after January 1, 2002, payment for diagnostic
1.18 examinations and dental x-rays provided to children under age 21 shall be the lower of (1)
1.19 the submitted charge, or (2) 85 percent of median 1999 charges.

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

2.1 (f) Effective for dental services rendered on or after October 1, 2010, by a state-operated
2.2 dental clinic, payment shall be paid on a reasonable cost basis that is based on the Medicare
2.3 principles of reimbursement. This payment shall be effective for services rendered on or
2.4 after January 1, 2011, to recipients enrolled in managed care plans or county-based
2.5 purchasing plans.

2.6 (g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics in
2.7 paragraph (f), including state and federal shares, are less than \$1,850,000 per fiscal year, a
2.8 supplemental state payment equal to the difference between the total payments in paragraph
2.9 (f) and \$1,850,000 shall be paid from the general fund to state-operated services for the
2.10 operation of the dental clinics.

2.11 (h) If the cost-based payment system for state-operated dental clinics described in
2.12 paragraph (f) does not receive federal approval, then state-operated dental clinics shall be
2.13 designated as critical access dental providers under subdivision 4, paragraph (b), and shall
2.14 receive the critical access dental reimbursement rate as described under subdivision 4,
2.15 paragraph (a).

2.16 (i) Effective for services rendered on or after September 1, 2011, through June 30, 2013,
2.17 payment rates for dental services shall be reduced by three percent. This reduction does not
2.18 apply to state-operated dental clinics in paragraph (f).

2.19 (j) Effective for services rendered on or after January 1, 2014, payment rates for dental
2.20 services shall be increased by five percent from the rates in effect on December 31, 2013.
2.21 This increase does not apply to state-operated dental clinics in paragraph (f), federally
2.22 qualified health centers, rural health centers, and Indian health services. Effective January
2.23 1, 2014, payments made to managed care plans and county-based purchasing plans under
2.24 sections 256B.69, 256B.692, and 256L.12 shall reflect the payment increase described in
2.25 this paragraph.

2.26 (k) Effective for services rendered on or after July 1, 2015, through December 31, 2016,
2.27 the commissioner shall increase payment rates for services furnished by dental providers
2.28 located outside of the seven-county metropolitan area by the maximum percentage possible
2.29 above the rates in effect on June 30, 2015, while remaining within the limits of funding
2.30 appropriated for this purpose. This increase does not apply to state-operated dental clinics
2.31 in paragraph (f), federally qualified health centers, rural health centers, and Indian health
2.32 services. Effective January 1, 2016, through December 31, 2016, payments to managed care
2.33 plans and county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect
2.34 the payment increase described in this paragraph. The commissioner shall require managed

3.1 care and county-based purchasing plans to pass on the full amount of the increase, in the
3.2 form of higher payment rates to dental providers located outside of the seven-county
3.3 metropolitan area.

3.4 (l) Effective for services provided on or after January 1, 2017, through December 31,
3.5 2017, the commissioner shall increase payment rates by 9.65 percent for dental services
3.6 provided outside of the seven-county metropolitan area. This increase does not apply to
3.7 state-operated dental clinics in paragraph (f), federally qualified health centers, rural health
3.8 centers, or Indian health services. Effective January 1, 2017, payments to managed care
3.9 plans and county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect
3.10 the payment increase described in this paragraph.

3.11 (m) Effective for services rendered on or after January 1, 2018, payment rates for dental
3.12 services shall be increased by 65 percent from the rates in effect on June 30, 2015. This
3.13 increase does not apply to state-operated dental clinics in paragraph (f), federally qualified
3.14 health centers, rural health clinics, and Indian health services. Effective January 1, 2014,
3.15 payments to managed care plans and county-based purchasing plans under sections 256B.69
3.16 and 256B.692 shall reflect the payment increase described in this paragraph.

3.17 **EFFECTIVE DATE.** Paragraph (m) is effective retroactively from December 31, 2013.