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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 2222

03/08/2017 Authored by Drazkowski, Lohmer and Daniels
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 human services; requiring improved oversight of MNsure, medical
1.3 assistance, and MinnesotaCare eligibility determinations; establishing a special
1.4 revenue account for savings; requiring savings to be used for long-term care
1.5 provider rate increases; requiring reports; proposing coding for new law in
1.6 Minnesota Statutes, chapter 256B.

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

1.8 Section 1. **[256B.0562] IMPROVED OVERSIGHT OF MNSURE ELIGIBILITY**
1.9 **DETERMINATIONS.**

1.10 Subdivision 1. **Implementation of legislative auditor's findings.** (a) The commissioner
1.11 shall ensure that medical assistance and MinnesotaCare eligibility determinations through
1.12 the MNsure information technology system and through agency eligibility determination
1.13 systems fully implement the recommendations made by the Office of the Legislative Auditor
1.14 in Report 14-22, Oversight of MNsure Eligibility Determinations for Public Health Care
1.15 Programs and Report 16-02, Oversight of MNsure Eligibility Determinations for Public
1.16 Health Care Programs, Internal Controls and Compliance Audit.

1.17 (b) The commissioner may contract with a vendor to provide technical assistance to the
1.18 commissioner in fully implementing the legislative auditor's findings.

1.19 (c) The commissioner shall coordinate implementation of this section with the periodic
1.20 data matching required under section 256B.0561.

1.21 (d) The commissioner shall implement this section using existing resources.

1.22 Subd. 2. **Duties of the commissioner.** (a) In fully implementing the legislative auditor's
1.23 recommendations, the commissioner shall:

2.1 (1) adequately verify that persons enrolled in public health care programs through MNsure
2.2 are eligible for those programs;

2.3 (2) provide adequate controls to ensure the accurate and complete transfer of recipient
2.4 data from MNsure to the Department of Human Services' medical payment system, and to
2.5 detect whether Office of MN.IT Services staff inappropriately access recipients' personal
2.6 information;

2.7 (3) provide county human service eligibility workers with sufficient training on MNsure;

2.8 (4) re-verify that medical assistance and MinnesotaCare enrollees who enroll through
2.9 MNsure remain eligible for the program within the required time frames established in
2.10 federal and state laws;

2.11 (5) establish an effective process to resolve discrepancies with Social Security numbers,
2.12 citizenship or immigration status, or household income that MNsure identifies as needing
2.13 further verification;

2.14 (6) eliminate payment of medical assistance and MinnesotaCare benefits for recipients
2.15 whose income exceeds federal and state program limits;

2.16 (7) verify household size and member relationships when determining eligibility;

2.17 (8) ensure that applicants and recipients are enrolled in the correct public health care
2.18 program;

2.19 (9) eliminate payment of benefits for MinnesotaCare recipients who are also enrolled
2.20 in Medicare;

2.21 (10) verify that newborns turning age one remain eligible for medical assistance;

2.22 (11) correct MinnesotaCare billing errors, ensure that enrollees pay their premiums, and
2.23 terminate coverage for failure to pay premiums; and

2.24 (12) take all other steps necessary to fully implement the recommendations.

2.25 (b) The commissioner shall implement the legislative auditor's recommendations for
2.26 medical assistance and MinnesotaCare applications and renewals submitted on or after July
2.27 1, 2017. The commissioner shall present quarterly reports to the legislative auditor and the
2.28 chairs and ranking minority members of the legislative committees with jurisdiction over
2.29 health and human services policy and finance, beginning October 1, 2017, and quarterly
2.30 thereafter. The quarterly report submitted October 1, 2017, must include a timetable for
2.31 fully implementing the legislative auditor's recommendations. Each quarterly report must
2.32 include information on:

3.1 (1) progress in implementing the legislative auditor's recommendations;

3.2 (2) the number of medical assistance and MinnesotaCare applicants and enrollees whose
3.3 eligibility status was affected by implementation of the legislative auditor's recommendations,
3.4 reported quarterly, beginning with the July 1, 2017, through September 30, 2017, calendar
3.5 quarter; and

3.6 (3) savings to the state from implementing the legislative auditor's recommendations.

3.7 Subd. 3. **Office of Legislative Auditor.** The legislative auditor shall review each quarterly
3.8 report submitted by the commissioner of human services under subdivision 2 for accuracy
3.9 and shall review compliance by the Department of Human Services with the legislative
3.10 auditor's recommendations. The legislative auditor shall notify the chairs and ranking
3.11 minority members of the legislative committees with jurisdiction over health and human
3.12 services policy and finance on whether or not these requirements were met.

3.13 Subd. 4. **Special revenue account; use of savings.** (a) A medical assistance audit special
3.14 revenue account is established in the general fund. The commissioner shall deposit into this
3.15 account:

3.16 (1) all savings achieved from implementing this section for applications and renewals
3.17 submitted on or after July 1, 2017;

3.18 (2) all savings achieved from implementation of periodic data matching under section
3.19 256B.0561 that are above the forecasted savings for that initiative; and

3.20 (3) all state savings resulting from implementation of the vendor contract under section
3.21 256B.0563, minus any payments to the vendor made under the terms of the revenue sharing
3.22 agreement.

3.23 (b) Once the medical assistance audit special revenue account fund balance has reached
3.24 a sufficient level, the commissioner shall provide a onetime, five percent increase in medical
3.25 assistance payment rates for intermediate care facilities for persons with developmental
3.26 disabilities and the long-term care and community-based providers listed in Laws 2014,
3.27 chapter 312, article 27, section 75, paragraph (b). The increase shall be limited to a 12-month
3.28 period.

3.29 (c) Any further expenditures from the medical assistance audit special revenue account
3.30 are subject to legislative authorization.

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

4.1 Sec. 2. [256B.0563] ELIGIBILITY VERIFICATION.

4.2 Subdivision 1. Verification required; vendor contract. (a) The commissioner shall
4.3 ensure that medical assistance and MinnesotaCare eligibility determinations through the
4.4 MNsure information technology system and through agency eligibility determination systems
4.5 include the computerized verification of income, residency, identity, and, when applicable,
4.6 assets.

4.7 (b) The commissioner shall contract with a vendor to verify the eligibility of all persons
4.8 enrolled in medical assistance and MinnesotaCare during a specified audit period. This
4.9 contract shall be exempt from sections 16C.08, subdivision 2, clause (1); 16C.09, paragraph
4.10 (a), clause (1); 43A.047, paragraph (a), and any other law to the contrary.

4.11 (c) The contract must require the vendor to comply with enrollee data privacy
4.12 requirements and to use encryption to safeguard enrollee identity. The contract must also
4.13 provide penalties for vendor noncompliance.

4.14 (d) The contract must include a revenue sharing agreement, under which vendor
4.15 compensation is limited to a portion of any savings to the state resulting from the vendor's
4.16 implementation of eligibility verification initiatives under this section.

4.17 (e) The commissioner shall use existing resources to fund any agency administrative
4.18 and technology-related costs incurred as a result of implementing this section.

4.19 Subd. 2. Verification process; vendor duties. (a) The verification process implemented
4.20 by the vendor must include but is not limited to data matches of the name, date of birth,
4.21 address, and Social Security number of each medical assistance and MinnesotaCare enrollee
4.22 against relevant information in federal and state data sources, including the federal data hub
4.23 established under the Affordable Care Act. In designing the verification process, the vendor,
4.24 to the extent feasible, shall incorporate procedures that are compatible and coordinated with,
4.25 and build upon or improve, existing procedures used by the MNsure information technology
4.26 system and agency eligibility determination systems.

4.27 (b) The vendor, upon preliminary determination that an enrollee is eligible or ineligible,
4.28 shall notify the commissioner. Within 20 business days of notification, the commissioner
4.29 shall accept the preliminary determination or reject the preliminary determination with a
4.30 stated reason. The commissioner shall retain final authority over eligibility determinations.
4.31 The vendor shall keep a record of all preliminary determinations of ineligibility submitted
4.32 to the commissioner.

5.1 (c) The vendor shall recommend to the commissioner an eligibility verification process
5.2 that allows ongoing verification of enrollee eligibility under the MNsure information
5.3 technology system and agency eligibility determination systems.

5.4 (d) The commissioner and the vendor, following the conclusion of the initial contract
5.5 period, shall jointly submit an eligibility verification audit report to the chairs and ranking
5.6 minority members of the legislative committees with jurisdiction over health and human
5.7 services policy and finance. The report shall include, but is not limited to, information, in
5.8 the form of unidentified summary data, on preliminary determinations of eligibility or
5.9 ineligibility communicated by the vendor; the actions taken on those preliminary
5.10 determinations by the commissioner; and the commissioner's reasons for rejecting preliminary
5.11 determinations by the vendor. The report must also include the recommendations for ongoing
5.12 verification of enrollee eligibility required under paragraph (c).

5.13 (e) An eligibility verification vendor contract shall be awarded for an initial one-year
5.14 period. The commissioner shall renew the contract for up to three additional one-year periods
5.15 and require additional eligibility verification audits, if the commissioner or the legislative
5.16 auditor determines that the MNsure information technology system and agency eligibility
5.17 determination systems cannot effectively verify the eligibility of medical assistance and
5.18 MinnesotaCare enrollees.