

**SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION**

S.F. No. 2060

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DATE	D-PG	OFFICIAL STATUS
04/13/2015	1517	Introduction and first reading Referred to Health, Human Services and Housing

A bill for an act

relating to health; guaranteeing that all necessary health care is available and affordable for every Minnesotan; establishing the Minnesota Health Plan, Minnesota Health Board, Minnesota Health Fund, Office of Health Quality and Planning, ombudsman for patient advocacy, and auditor general for the Minnesota Health Plan; requesting a 1332 waiver; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2014, sections 13.3806, by adding a subdivision; 14.03, subdivisions 2, 3; 15A.0815, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 62W.

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

ARTICLE 1

MINNESOTA HEALTH PLAN

Section 1. **[62W.01] HEALTH PLAN REQUIREMENTS.**

In order to keep Minnesota residents healthy and provide the best quality of health care, the Minnesota Health Plan must:

(1) ensure all Minnesota residents receive quality health care;

(2) not restrict, delay, or deny care or reduce the quality of care to hold down costs, but instead reduce costs through prevention, efficiency, and reduction of bureaucracy;

(3) cover all necessary care, including complete mental health services, chemical dependency treatment, prescription drugs, medical equipment and supplies, dental care, long-term care, and home care services;

(4) allow patients to choose their own providers;

(5) set premiums based on ability to pay;

(6) focus on preventive care and early intervention to improve the health of all Minnesota residents and reduce costs from untreated illnesses and diseases;

- 2.1 (7) ensure an adequate number of qualified health care professionals and facilities to
 2.2 guarantee availability of, and timely access to quality care throughout the state;
 2.3 (8) continue Minnesota's leadership in medical education, training, research, and
 2.4 technology;
 2.5 (9) provide adequate and timely payments to providers; and
 2.6 (10) simplify access to health care by reducing the complexity of the funding and
 2.7 payment system.

2.8 **Sec. 2. [62W.02] MINNESOTA HEALTH PLAN GENERAL PROVISIONS.**

2.9 Subdivision 1. **Short title.** This chapter may be cited as the "Minnesota Health Plan."

2.10 Subd. 2. **Purpose.** The Minnesota Health Plan shall provide all medically necessary
 2.11 health care services for all Minnesota residents in a manner that meets the requirements
 2.12 in section 62W.01.

2.13 Subd. 3. **Definitions.** As used in this chapter, the following terms have the meanings
 2.14 provided:

2.15 (a) "Board" means the Minnesota Health Board.

2.16 (b) "Plan" means the Minnesota Health Plan.

2.17 (c) "Fund" means the Minnesota Health Fund.

2.18 (d) "Medically necessary" means services or supplies needed to promote health and
 2.19 to prevent, diagnose, or treat a particular patient's medical condition that meet accepted
 2.20 standards of medical practice within a provider's professional peer group and geographic
 2.21 region.

2.22 (e) "Institutional provider" means an inpatient hospital, nursing facility, rehabilitation
 2.23 facility, and other health care facilities that provide overnight care.

2.24 (f) "Noninstitutional provider" means individual providers, group practices, clinics,
 2.25 outpatient surgical centers, imaging centers, and other health facilities that do not provide
 2.26 overnight care.

2.27 **ARTICLE 2**

2.28 **ELIGIBILITY**

2.29 **Section 1. [62W.03] ELIGIBILITY.**

2.30 Subdivision 1. **Residency.** All Minnesota residents are eligible for the Minnesota
 2.31 Health Plan.

2.32 Subd. 2. **Enrollment; identification.** The Minnesota Health Board shall establish
 2.33 a procedure to enroll residents and provide each with identification that may be used by

3.1 health care providers to confirm eligibility for services. The application for enrollment
3.2 shall be no more than two pages.

3.3 Subd. 3. **Residents temporarily out of state.** (a) The Minnesota Health Plan shall
3.4 provide health care coverage to Minnesota residents who are temporarily out of the state
3.5 who intend to return and reside in Minnesota.

3.6 (b) Coverage for emergency care obtained out of state shall be at prevailing local
3.7 rates. Coverage for nonemergency care obtained out of state shall be according to rates
3.8 and conditions established by the board. The board may require that a resident be
3.9 transported back to Minnesota when prolonged treatment of an emergency condition is
3.10 necessary and when that transport will not adversely affect a patient's care or condition.

3.11 Subd. 4. **Visitors.** Nonresidents visiting Minnesota shall be billed by the board
3.12 for all services received under the Minnesota Health Plan. The board may enter into
3.13 intergovernmental arrangements or contracts with other states and countries to provide
3.14 reciprocal coverage for temporary visitors.

3.15 Subd. 5. **Nonresident employed in Minnesota.** The board shall extend eligibility
3.16 to nonresidents employed in Minnesota under a premium schedule set by the board.

3.17 Subd. 6. **Business outside of Minnesota employing Minnesota residents.** The
3.18 board shall apply for a federal waiver to collect the employer contribution mandated
3.19 by federal law.

3.20 Subd. 7. **Retiree benefits.** (a) All persons who are eligible for retiree medical
3.21 benefits under an employer-employee contract shall remain eligible for those benefits
3.22 provided the contractually mandated payments for those benefits are made to the
3.23 Minnesota Health Fund, which shall assume financial responsibility for care provided
3.24 under the terms of the contract along with additional health benefits covered by the
3.25 Minnesota Health Plan. Retirees who elect to reside outside of Minnesota shall be eligible
3.26 for benefits under the terms and conditions of the retiree's employer-employee contract.

3.27 (b) The board may establish financial arrangements with states and foreign countries
3.28 in order to facilitate meeting the terms of the contracts described in paragraph (a).
3.29 Payments for care provided by non-Minnesota providers to Minnesota retirees shall be
3.30 reimbursed at rates established by the Minnesota Health Board. Providers who accept any
3.31 payment from the Minnesota Health Plan for a covered service shall not bill the patient
3.32 for the covered service.

3.33 Subd. 8. **Presumptive eligibility.** (a) An individual is presumed eligible for
3.34 coverage under the Minnesota Health Plan if the individual arrives at a health facility
3.35 unconscious, comatose, or otherwise unable, because of the individual's physical or
3.36 mental condition, to document eligibility or to act on the individual's own behalf. If the

4.1 patient is a minor, the patient is presumed eligible, and the health facility shall provide
 4.2 care as if the patient were eligible.

4.3 (b) Any individual is presumed eligible when brought to a health facility according
 4.4 to any provision of section 253B.05.

4.5 (c) Any individual involuntarily committed to an acute psychiatric facility or to a
 4.6 hospital with psychiatric beds according to any provision of section 253B.05, providing
 4.7 for involuntary commitment, is presumed eligible.

4.8 (d) All health facilities subject to state and federal provisions governing emergency
 4.9 medical treatment must comply with those provisions.

4.10 Subd. 9. **Data.** Data collected because an individual applies for or is enrolled in
 4.11 the Minnesota Health Plan are private data on individuals as defined in section 13.02,
 4.12 subdivision 12, but may be released to:

4.13 (1) providers for purposes of confirming enrollment and processing payments for
 4.14 benefits;

4.15 (2) the ombudsman for patient advocacy for purposes of performing duties under
 4.16 section 62W.12 or 62W.13; or

4.17 (3) the auditor general for purposes of performing duties under section 62W.14.

4.18 Sec. 2. Minnesota Statutes 2014, section 13.3806, is amended by adding a subdivision
 4.19 to read:

4.20 Subd. 1b. **Minnesota Health Plan.** Data on enrollees under the Minnesota Health
 4.21 Plan are classified under sections 62W.03, subdivision 9, and 62W.13, subdivision 6.

4.22 **ARTICLE 3**

4.23 **BENEFITS**

4.24 Section 1. **[62W.04] BENEFITS.**

4.25 Subdivision 1. **General provisions.** Any eligible individual may choose to receive
 4.26 services under the Minnesota Health Plan from any participating provider.

4.27 Subd. 2. **Covered benefits.** Covered health care benefits in this chapter include all
 4.28 medically necessary care subject to the limitations specified in subdivision 4. Covered
 4.29 health care benefits for Minnesota Health Plan enrollees include:

4.30 (1) inpatient and outpatient health facility services;

4.31 (2) inpatient and outpatient professional health care provider services;

4.32 (3) diagnostic imaging, laboratory services, and other diagnostic and evaluative
 4.33 services;

- 5.1 (4) medical equipment, appliances, and assistive technology, including prosthetics,
5.2 eyeglasses, and hearing aids, their repair, technical support, and customization needed
5.3 for individual use;
- 5.4 (5) inpatient and outpatient rehabilitative care;
- 5.5 (6) emergency care services;
- 5.6 (7) emergency transportation;
- 5.7 (8) necessary transportation for health care services for persons with disabilities or
5.8 who may qualify as low income;
- 5.9 (9) child and adult immunizations and preventive care;
- 5.10 (10) health and wellness education;
- 5.11 (11) hospice care;
- 5.12 (12) care in a skilled nursing facility;
- 5.13 (13) home health care including health care provided in an assisted living facility;
- 5.14 (14) mental health services;
- 5.15 (15) substance abuse treatment;
- 5.16 (16) dental care;
- 5.17 (17) vision care;
- 5.18 (18) prescription drugs;
- 5.19 (19) podiatric care;
- 5.20 (20) chiropractic care;
- 5.21 (21) acupuncture;
- 5.22 (22) therapies which are shown by the National Institutes of Health National Center
5.23 for Complementary and Alternative Medicine to be safe and effective;
- 5.24 (23) blood and blood products;
- 5.25 (24) dialysis;
- 5.26 (25) adult day care;
- 5.27 (26) rehabilitative and habilitative services;
- 5.28 (27) ancillary health care or social services previously covered by Minnesota's
5.29 public health programs;
- 5.30 (28) case management and care coordination;
- 5.31 (29) language interpretation and translation for health care services, including
5.32 sign language and Braille or other services needed for individuals with communication
5.33 barriers; and
- 5.34 (30) those health care and long-term supportive services currently covered under
5.35 Minnesota Statutes 2014, chapter 256B, for persons on medical assistance.

6.1 Subd. 3. **Benefit expansion.** The Minnesota Health Board may expand health care
 6.2 benefits beyond the minimum benefits described in this section when expansion meets the
 6.3 intent of this chapter and when there are sufficient funds to cover the expansion.

6.4 Subd. 4. **Cost-sharing for the room and board portion of long-term care.** The
 6.5 Minnesota Health Board shall develop income and asset qualifications based on medical
 6.6 assistance standards for covered benefits under subdivision 2, clauses (12) and (13). All
 6.7 health care services for long-term care in a skilled nursing facility or assisted living facility
 6.8 are fully covered but, notwithstanding section 62W.20, subdivision 6, room and board
 6.9 costs may be charged to patients who do not meet income and asset qualifications.

6.10 Subd. 5. **Exclusions.** The following health care services shall be excluded from
 6.11 coverage by the Minnesota Health Plan:

6.12 (1) health care services determined to have no medical benefit by the board;

6.13 (2) treatments and procedures primarily for cosmetic purposes, unless required to
 6.14 correct a congenital defect, restore or correct a part of the body that has been altered as a
 6.15 result of injury, disease, or surgery, or determined to be medically necessary by a qualified,
 6.16 licensed health care provider in the Minnesota Health Plan; and

6.17 (3) services of a health care provider or facility that is not licensed or accredited
 6.18 by the state, except for approved services provided to a Minnesota resident who is
 6.19 temporarily out of the state.

6.20 Subd. 6. **Prohibition.** The Minnesota Health Plan shall not pay for drugs requiring
 6.21 a prescription if the pharmaceutical companies directly market those drugs to consumers
 6.22 in Minnesota.

6.23 Sec. 2. **[62W.041] PATIENT CARE.**

6.24 (a) All patients shall have a primary care provider and have access to care
 6.25 coordination.

6.26 (b) Referrals are not required for a patient to see a health care specialist. If a patient
 6.27 sees a specialist and does not have a primary care provider, the Minnesota Health Plan
 6.28 may assist with choosing a primary care provider.

6.29 (c) The board may establish a computerized registry to assist patients in identifying
 6.30 appropriate providers.

6.31 **ARTICLE 4**

6.32 **FUNDING**

6.33 Section 1. **[62W.19] MINNESOTA HEALTH FUND.**

7.1 Subdivision 1. **General provisions.** (a) The board shall establish a Minnesota
7.2 Health Fund to implement the Minnesota Health Plan and to receive premiums and
7.3 other sources of revenue. The fund shall be administered by a director appointed by the
7.4 Minnesota Health Board.

7.5 (b) All money collected, received, and transferred according to this chapter shall be
7.6 deposited in the Minnesota Health Fund.

7.7 (c) Money deposited in the Minnesota Health Fund shall be used to finance the
7.8 Minnesota Health Plan.

7.9 (d) All claims for health care services rendered shall be made to the Minnesota
7.10 Health Fund.

7.11 (e) All payments made for health care services shall be disbursed from the Minnesota
7.12 Health Fund.

7.13 (f) Premiums and other revenues collected each year must be sufficient to cover
7.14 that year's projected costs.

7.15 Subd. 2. **Accounts.** The Minnesota Health Fund shall have operating, capital,
7.16 and reserve accounts.

7.17 Subd. 3. **Operating account.** The operating account in the Minnesota Health Fund
7.18 shall be comprised of the accounts specified in paragraphs (a) to (e).

7.19 (a) **Medical services account.** The medical services account must be used to
7.20 provide for all medical services and benefits covered under the Minnesota Health Plan.

7.21 (b) **Prevention account.** The prevention account must be used solely to establish and
7.22 maintain primary community prevention programs, including preventive screening tests.

7.23 (c) **Program administration, evaluation, planning, and assessment account.** The
7.24 program administration, evaluation, planning, and assessment account must be used to
7.25 monitor and improve the plan's effectiveness and operations. The board may establish
7.26 grant programs including demonstration projects for this purpose.

7.27 (d) **Training and development account.** The training and development account
7.28 must be used to incentivize the training and development of health care providers and the
7.29 health care workforce needed to meet the health care needs of the population.

7.30 (e) **Health service research account.** The health service research account must be
7.31 used to support research and innovation as determined by the Minnesota Health Board,
7.32 and recommended by the Office of Health Quality and Planning and the Ombudsman for
7.33 Patient Advocacy.

7.34 Subd. 4. **Capital account.** The capital account must be used solely to pay for capital
7.35 expenditures for institutional providers and all capital expenditures requiring approval
7.36 from the Minnesota Health Board as specified in section 62W.05, subdivision 4.

8.1 Subd. 5. **Reserve account.** (a) The Minnesota Health Plan must at all times hold in
8.2 reserve an amount estimated in the aggregate to provide for the payment of all losses and
8.3 claims for which the Minnesota Health Plan may be liable and to provide for the expense
8.4 of adjustment or settlement of losses and claims.

8.5 (b) Money currently held in reserve by state, city, and county health programs must
8.6 be transferred to the Minnesota Health Fund when the Minnesota Health Plan replaces
8.7 those programs.

8.8 (c) The board shall have provisions in place to insure the Minnesota Health Plan
8.9 against unforeseen expenditures or revenue shortfalls not covered by the reserve account.
8.10 The board may borrow money to cover temporary shortfalls.

8.11 **Sec. 2. [62W.20] REVENUE SOURCES.**

8.12 Subdivision 1. **Minnesota Health Plan premium.** (a) The Minnesota Health Board
8.13 shall:

8.14 (1) determine the aggregate cost of providing health care according to this chapter;

8.15 (2) develop an equitable and affordable premium structure based on income,
8.16 including unearned income, and a business health tax based on payroll;

8.17 (3) in consultation with the Department of Revenue, develop an efficient means of
8.18 collecting premiums and the business health tax; and

8.19 (4) coordinate with existing, ongoing funding sources from federal and state
8.20 programs.

8.21 (b) The premium structure must be based on ability to pay.

8.22 (c) On or before January 15, 2017, the board shall submit to the governor and the
8.23 legislature a report on the premium and business health tax structure established to finance
8.24 the Minnesota Health Plan.

8.25 Subd. 2. **Federal receipts.** All federal funding received by Minnesota including
8.26 the premium subsidies under the Affordable Care Act, Public Law 111-148, as amended
8.27 by Public Law 111-152, and as authorized by the Affordable Care Act section 1332 state
8.28 innovation waiver, is appropriated to the Minnesota Health Plan Board to be used only to
8.29 administer the Minnesota Health Plan under chapter 62W. Federal funding that is received
8.30 for implementing and administering the Minnesota Health Plan must be used only to
8.31 provide comprehensive health care for all Minnesota residents.

8.32 Subd. 3. **Funds from outside sources.** Institutional providers operating under
8.33 Minnesota Health Plan operating budgets may raise and expend funds from sources other
8.34 than the Minnesota Health Plan including private or foundation donors. Contributions to
8.35 providers in excess of \$500,000 must be reported to the board.

9.1 Subd. 4. **Governmental payments.** The chief executive officer and, if required
9.2 under federal law, the commissioners of health and human services shall seek all necessary
9.3 waivers, exemptions, agreements, or legislation so that all current federal payments to
9.4 the state including federal premiums for health care are paid directly to the Minnesota
9.5 Health Plan, which shall then assume responsibility for all health care benefits and health
9.6 care services previously paid for by the subsidies under the Affordable Care Act with
9.7 those funds. In obtaining the waivers, exemptions, agreements, or legislation, the chief
9.8 executive officer and, if required, commissioners shall seek from the federal government a
9.9 contribution for health care services in Minnesota that reflects: medical inflation, the state
9.10 gross domestic product, the size and age of the population, the number of residents living
9.11 below the poverty level, and the number of Medicare and VA eligible individuals, and does
9.12 not decrease in relation to the federal contribution to other states as a result of the waivers,
9.13 exemptions, agreements, or savings from implementation of the Minnesota Health Plan.

9.14 Subd. 5. **Federal preemption.** (a) The board shall secure a repeal or a waiver of any
9.15 provision of federal law that preempts any provision of this chapter. The commissioners
9.16 of health and human services shall provide all necessary assistance.

9.17 (b) In the section 1332 waiver application, the board shall request to waive any of
9.18 the following provisions of the Patient Protection and Affordable Care Act, to the extent
9.19 necessary to implement this act:

9.20 (1) United States Code, title 42, sections 18021 to 18024;

9.21 (2) United States Code, title 42, sections 18031 to 18033;

9.22 (3) United States Code, title 42, section 18071; and

9.23 (4) sections 36B and 5000A of the Internal Revenue Code of 1986, as amended.

9.24 (c) In the event that a repeal or a waiver of law or regulations cannot be secured,
9.25 the board shall adopt rules, or seek conforming state legislation, consistent with federal
9.26 law, in an effort to best fulfill the purposes of this chapter.

9.27 (d) The Minnesota Health Plan's responsibility for providing care shall be secondary
9.28 to existing federal government programs for health care services to the extent that funding
9.29 for these programs is not transferred to the Minnesota Health Fund or that the transfer
9.30 is delayed beyond the date on which initial benefits are provided under the Minnesota
9.31 Health Plan.

9.32 Subd. 6. **No cost-sharing.** No deductible, co-payment, coinsurance, or other
9.33 cost-sharing shall be imposed with respect to covered benefits.

9.34 Sec. 3. **[62W.21] SUBROGATION.**

10.1 Subdivision 1. **Collateral source.** (a) When other payers for health care have been
 10.2 terminated, health care costs shall be collected from collateral sources whenever medical
 10.3 services provided to an individual are, or may be, covered services under a policy of
 10.4 insurance, or other collateral source available to that individual, or when the individual
 10.5 has a right of action for compensation permitted under law.

10.6 (b) As used in this section, collateral source includes:

10.7 (1) health insurance policies and the medical components of automobile,
 10.8 homeowners, and other forms of insurance;

10.9 (2) medical components of worker's compensation;

10.10 (3) pension plans;

10.11 (4) employer plans;

10.12 (5) employee benefit contracts;

10.13 (6) government benefit programs;

10.14 (7) a judgment for damages for personal injury;

10.15 (8) the state of last domicile for individuals moving to Minnesota for medical care
 10.16 who have extraordinary medical needs; and

10.17 (9) any third party who is or may be liable to an individual for health care services
 10.18 or costs.

10.19 (c) Collateral source does not include:

10.20 (1) a contract or plan that is subject to federal preemption; or

10.21 (2) any governmental unit, agency, or service, to the extent that subrogation
 10.22 is prohibited by law. An entity described in paragraph (b) is not excluded from the
 10.23 obligations imposed by this section by virtue of a contract or relationship with a
 10.24 government unit, agency, or service.

10.25 (d) The board shall negotiate waivers, seek federal legislation, or make other
 10.26 arrangements to incorporate collateral sources into the Minnesota Health Plan.

10.27 Subd. 2. **Collateral source; negotiation.** When an individual who receives health
 10.28 care services under the Minnesota Health Plan is entitled to coverage, reimbursement,
 10.29 indemnity, or other compensation from a collateral source, the individual shall notify the
 10.30 health care provider and provide information identifying the collateral source, the nature
 10.31 and extent of coverage or entitlement, and other relevant information. The health care
 10.32 provider shall forward this information to the board. The individual entitled to coverage,
 10.33 reimbursement, indemnity, or other compensation from a collateral source shall provide
 10.34 additional information as requested by the board.

10.35 Subd. 3. **Reimbursement.** (a) The Minnesota Health Plan shall seek reimbursement
 10.36 from the collateral source for services provided to the individual and may institute

11.1 appropriate action, including legal proceedings, to recover the reimbursement. Upon
 11.2 demand, the collateral source shall pay to the Minnesota Health Fund the sums it would
 11.3 have paid or expended on behalf of the individual for the health care services provided by
 11.4 the Minnesota Health Plan.

11.5 (b) In addition to any other right to recovery provided in this section, the board shall
 11.6 have the same right to recover the reasonable value of health care benefits from a collateral
 11.7 source as provided to the commissioner of human services under section 256B.37.

11.8 (c) If a collateral source is exempt from subrogation or the obligation to reimburse
 11.9 the Minnesota Health Plan, the board may require that an individual who is entitled to
 11.10 medical services from the source first seek those services from that source before seeking
 11.11 those services from the Minnesota Health Plan.

11.12 (d) To the extent permitted by federal law, the board shall have the same right of
 11.13 subrogation over contractual retiree health care benefits provided by employers as other
 11.14 contracts, allowing the Minnesota Health Plan to recover the cost of health care services
 11.15 provided to individuals covered by the retiree benefits, unless arrangements are made to
 11.16 transfer the revenues of the health care benefits directly to the Minnesota Health Plan.

11.17 Subd. 4. **Defaults, underpayments, and late payments.** (a) Default,
 11.18 underpayment, or late payment of any tax or other obligation imposed by this chapter shall
 11.19 result in the remedies and penalties provided by law, except as provided in this section.

11.20 (b) Eligibility for health care benefits under section 62W.04 shall not be impaired by
 11.21 any default, underpayment, or late payment of any premium or other obligation imposed
 11.22 by this chapter.

11.23 **ARTICLE 5**

11.24 **PAYMENTS**

11.25 **Section 1. [62W.05] PROVIDER PAYMENTS.**

11.26 Subdivision 1. **General provisions.** (a) All health care providers licensed to
 11.27 practice in Minnesota may participate in the Minnesota Health Plan and other providers as
 11.28 determined by the board.

11.29 (b) A participating health care provider shall comply with all federal laws and
 11.30 regulations governing referral fees and fee splitting including, but not limited to, United
 11.31 States Code, title 42, sections 1320a-7b and 1395nn, whether reimbursed by federal funds
 11.32 or not.

11.33 (c) A fee schedule or financial incentive may not adversely affect the care a patient
 11.34 receives or the care a health provider recommends.

12.1 Subd. 2. **Payments to noninstitutional providers.** (a) The Minnesota Health
 12.2 Board shall establish and oversee a payment system for noninstitutional providers that
 12.3 promotes quality and controls cost.

12.4 (b) The board shall pay noninstitutional providers based on rates negotiated with
 12.5 providers. Rates shall take into account the need to address provider shortages.

12.6 (c) The board shall establish payment criteria and methods of payment for care
 12.7 coordination for patients especially those with chronic illness and complex medical needs.

12.8 (d) Providers who accept any payment from the Minnesota Health Plan for a covered
 12.9 health care service shall not bill the patient for the covered health care service.

12.10 (e) Providers shall be paid within 30 business days for claims filed following
 12.11 procedures established by the board.

12.12 Subd. 3. **Payments to institutional providers.** (a) The board shall establish annual
 12.13 budgets for institutional providers. These budgets shall consist of an operating and a
 12.14 capital budget. An institution's annual budget shall be negotiated to cover its anticipated
 12.15 health care services for the next year based on past performance and projected changes in
 12.16 prices and health care service levels.

12.17 (b) Providers who accept any payment from the Minnesota Health Plan for a covered
 12.18 health care service shall not bill the patient for the covered health care service.

12.19 Subd. 4. **Capital management plan.** (a) The board shall periodically develop a
 12.20 capital investment plan that will serve as a guide in determining the annual budgets of
 12.21 institutional providers and in deciding whether to approve applications for approval of
 12.22 capital expenditures by noninstitutional providers.

12.23 (b) Providers who propose to make capital purchases in excess of \$500,000 must
 12.24 obtain board approval. The board may alter the threshold expenditure level that triggers
 12.25 the requirement to submit information on capital expenditures. Institutional providers
 12.26 shall propose these expenditures and submit the required information as part of the annual
 12.27 budget they submit to the board. Noninstitutional providers shall submit applications
 12.28 for approval of these expenditures to the board. The board must respond to capital
 12.29 expenditure applications in a timely manner.

12.30 **ARTICLE 6**

12.31 **GOVERNANCE**

12.32 Section 1. Minnesota Statutes 2014, section 14.03, subdivision 2, is amended to read:

12.33 Subd. 2. **Contested case procedures.** The contested case procedures of the
 12.34 Administrative Procedure Act provided in sections 14.57 to 14.69 do not apply to (a)
 12.35 proceedings under chapter 414, except as specified in that chapter, (b) the commissioner of

13.1 corrections, (c) the unemployment insurance program and the Social Security disability
 13.2 determination program in the Department of Employment and Economic Development,
 13.3 (d) the commissioner of mediation services, (e) the Workers' Compensation Division in
 13.4 the Department of Labor and Industry, (f) the Workers' Compensation Court of Appeals,
 13.5 ~~or~~ (g) the Board of Pardons, or (h) the Minnesota Health Plan.

13.6 Sec. 2. Minnesota Statutes 2014, section 15A.0815, subdivision 2, is amended to read:

13.7 Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision
 13.8 shall not exceed 133 percent of the salary of the governor. This limit must be adjusted
 13.9 annually on January 1. The new limit must equal the limit for the prior year increased
 13.10 by the percentage increase, if any, in the Consumer Price Index for all urban consumers
 13.11 from October of the second prior year to October of the immediately prior year. The
 13.12 commissioner of management and budget must publish the limit on the department's Web
 13.13 site. This subdivision applies to the following positions:

13.14 Commissioner of administration;

13.15 Commissioner of agriculture;

13.16 Commissioner of education;

13.17 Commissioner of commerce;

13.18 Commissioner of corrections;

13.19 Commissioner of health;

13.20 Chief executive officer of the Minnesota Health Plan;

13.21 Commissioner, Minnesota Office of Higher Education;

13.22 Commissioner, Housing Finance Agency;

13.23 Commissioner of human rights;

13.24 Commissioner of human services;

13.25 Commissioner of labor and industry;

13.26 Commissioner of management and budget;

13.27 Commissioner of natural resources;

13.28 Commissioner, Pollution Control Agency;

13.29 Executive director, Public Employees Retirement Association;

13.30 Commissioner of public safety;

13.31 Commissioner of revenue;

13.32 Executive director, State Retirement System;

13.33 Executive director, Teachers Retirement Association;

13.34 Commissioner of employment and economic development;

13.35 Commissioner of transportation; and

14.1 Commissioner of veterans affairs.

14.2 Sec. 3. **[62W.06] MINNESOTA HEALTH BOARD.**

14.3 Subdivision 1. **Establishment.** The Minnesota Health Board is established to
14.4 promote the delivery of high quality, coordinated health care services that enhance health;
14.5 prevent illness, disease, and disability; slow the progression of chronic diseases; and
14.6 improve personal health management. The board shall administer the Minnesota Health
14.7 Plan. The board shall oversee:

14.8 (1) the Office of Health Quality and Planning under section 62W.09; and

14.9 (2) the Minnesota Health Fund under section 62W.19.

14.10 Subd. 2. **Board composition.** The board shall consist of 15 members, including
14.11 a representative selected by each of the five rural regional health planning boards under
14.12 section 62W.08 and three representatives selected by the metropolitan regional health
14.13 planning board under section 62W.08. These members shall select the following:

14.14 (1) one patient member and one employer member appointed by the board members;

14.15 and

14.16 (2) five providers appointed by the board members that include one physician, one
14.17 registered nurse, one mental health provider, one dentist, and one facility director.

14.18 Subd. 3. **Term and compensation; selection of chair.** Board members shall
14.19 serve four years. Board members shall set the board's compensation not to exceed the
14.20 compensation of Public Utilities Commission members. The board shall select the chair
14.21 from its membership.

14.22 Subd. 4. **General duties.** The board shall:

14.23 (1) ensure that all of the requirements of section 62W.01 are met;

14.24 (2) hire a chief executive officer for the Minnesota Health Plan to administer all
14.25 aspects of the plan as directed by the board;

14.26 (3) hire a director for the Office of Health Quality and Planning;

14.27 (4) hire a director of the Minnesota Health Fund;

14.28 (5) provide technical assistance to the regional boards established under section
14.29 62W.08;

14.30 (6) conduct necessary investigations and inquiries and require the submission of
14.31 information, documents, and records the board considers necessary to carry out the
14.32 purposes of this chapter;

14.33 (7) establish a process for the board to receive the concerns, opinions, ideas, and
14.34 recommendations of the public regarding all aspects of the Minnesota Health Plan and
14.35 the means of addressing those concerns;

15.1 (8) conduct other activities the board considers necessary to carry out the purposes
 15.2 of this chapter;

15.3 (9) collaborate with the agencies that license health facilities to ensure that facility
 15.4 performance is monitored and that deficient practices are recognized and corrected in a
 15.5 timely manner;

15.6 (10) adopt rules as necessary to carry out the duties assigned under this chapter;

15.7 (11) establish conflict of interest standards prohibiting providers from any financial
 15.8 benefit from their medical decisions outside of board reimbursement;

15.9 (12) establish conflict of interest standards related to pharmaceutical marketing to
 15.10 providers; and

15.11 (13) provide financial help and assistance in retraining and job placement to
 15.12 Minnesota workers who may be displaced because of the administrative efficiencies of the
 15.13 Minnesota Health Plan.

15.14 There is currently a serious shortage of providers in many health care professions,
 15.15 from medical technologists to registered nurses, and many potentially displaced health
 15.16 administrative workers already have training in some medical field. To alleviate these
 15.17 shortages, the dislocated worker support program should emphasize retraining and
 15.18 placement into health care related positions if appropriate. As Minnesota residents, all
 15.19 displaced workers shall be covered under the Minnesota Health Plan.

15.20 Subd. 5. **Waiver request duties.** Before submitting a waiver application under
 15.21 section 1332 of the Patient Protection and Affordable Care Act, Public Law Number
 15.22 111-148, as amended, the board shall do the following, as required by federal law:

15.23 (1) conduct or contract for any necessary actuarial analyses and actuarial
 15.24 certifications needed to support the board's estimates that the waiver will comply with the
 15.25 comprehensive coverage, affordability, and scope of coverage requirements in federal law;

15.26 (2) conduct or contract for any necessary economic analyses needed to support
 15.27 the board's estimates that the waiver will comply with the comprehensive coverage,
 15.28 affordability, scope of coverage, and federal deficit requirements in federal law. These
 15.29 analyses must include:

15.30 (i) a detailed ten-year budget plan; and

15.31 (ii) a detailed analysis regarding the estimated impact of the waiver on health
 15.32 insurance coverage in the state;

15.33 (3) establish a detailed draft implementation timeline for the waiver plan; and

15.34 (4) establish quarterly, annual, and cumulative targets for the comprehensive
 15.35 coverage, affordability, scope of coverage, and federal deficit requirements in federal law.

15.36 Subd. 6. **Financial duties.** The board shall:

16.1 (1) establish and collect premiums and the business health tax according to section
 16.2 62W.20, subdivision 1;

16.3 (2) approve statewide and regional budgets that include budgets for the accounts
 16.4 in section 62W.19;

16.5 (3) negotiate and establish payment rates for providers;

16.6 (4) monitor compliance with all budgets and payment rates and take action to
 16.7 achieve compliance to the extent authorized by law;

16.8 (5) pay claims for medical products or services as negotiated, and may issue requests
 16.9 for proposals from Minnesota nonprofit business corporations for a contract to process
 16.10 claims;

16.11 (6) seek federal approval to bill other states for health care coverage provided to
 16.12 residents from out-of-state who come to Minnesota for long-term care or other costly
 16.13 treatment when the resident's home state fails to provide such coverage, unless a reciprocal
 16.14 agreement with those states to provide similar coverage to Minnesota residents relocating
 16.15 to those states can be negotiated;

16.16 (7) administer the Minnesota Health Fund created under section 62W.19;

16.17 (8) annually determine the appropriate level for the Minnesota Health Plan reserve
 16.18 account and implement policies needed to establish the appropriate reserve;

16.19 (9) implement fraud prevention measures necessary to protect the operation of
 16.20 the Minnesota Health Plan; and

16.21 (10) work to ensure appropriate cost control by:

16.22 (i) instituting aggressive public health measures, early intervention and preventive
 16.23 care, health and wellness education, and promotion of personal health improvement;

16.24 (ii) making changes in the delivery of health care services and administration that
 16.25 improve efficiency and care quality;

16.26 (iii) minimizing administrative costs;

16.27 (iv) ensuring that the delivery system does not contain excess capacity; and

16.28 (v) negotiating the lowest possible prices for prescription drugs, medical equipment,
 16.29 and medical services.

16.30 If the board determines that there will be a revenue shortfall despite the cost control
 16.31 measures mentioned in clause (10), the board shall implement measures to correct the
 16.32 shortfall, including an increase in premiums and other revenues. The board shall report to
 16.33 the legislature on the causes of the shortfall, reasons for the inadequacy of cost controls,
 16.34 and measures taken to correct the shortfall.

16.35 Subd. 7. **Minnesota Health Board management duties.** The board shall:

16.36 (1) develop and implement enrollment procedures for the Minnesota Health Plan;

- 17.1 (2) implement eligibility standards for the Minnesota Health Plan;
17.2 (3) arrange for health care to be provided at convenient locations, including
17.3 ensuring the availability of school nurses so that all students have access to health care,
17.4 immunizations, and preventive care at public schools and encouraging providers to open
17.5 small health clinics at larger workplaces and retail centers;
17.6 (4) make recommendations, when needed, to the legislature about changes in the
17.7 geographic boundaries of the health planning regions;
17.8 (5) establish an electronic claims and payments system for the Minnesota Health Plan;
17.9 (6) monitor the operation of the Minnesota Health Plan through consumer surveys
17.10 and regular data collection and evaluation activities, including evaluations of the adequacy
17.11 and quality of services furnished under the program, the need for changes in the benefit
17.12 package, the cost of each type of service, and the effectiveness of cost control measures
17.13 under the program;
17.14 (7) disseminate information and establish a health care Web site to provide
17.15 information to the public about the Minnesota Health Plan including providers and
17.16 facilities, and state and regional health planning board meetings and activities;
17.17 (8) collaborate with public health agencies, schools, and community clinics;
17.18 (9) ensure that Minnesota Health Plan policies and providers, including public
17.19 health providers, support all Minnesota residents in achieving and maintaining maximum
17.20 physical and mental health; and
17.21 (10) annually report to the chairs and ranking minority members of the senate
17.22 and house of representatives committees with jurisdiction over health care issues on
17.23 the performance of the Minnesota Health Plan, fiscal condition and need for payment
17.24 adjustments, any needed changes in geographic boundaries of the health planning regions,
17.25 recommendations for statutory changes, receipt of revenue from all sources, whether
17.26 current year goals and priorities are met, future goals and priorities, major new technology
17.27 or prescription drugs, and other circumstances that may affect the cost or quality of health
17.28 care.
- 17.29 **Subd. 8. Policy duties.** The board shall:
17.30 (1) develop and implement cost control and quality assurance procedures;
17.31 (2) ensure strong public health services including education and community
17.32 prevention and clinical services;
17.33 (3) ensure a continuum of coordinated high-quality primary to tertiary care to all
17.34 Minnesota residents; and
17.35 (4) implement policies to ensure that all Minnesota residents receive culturally
17.36 and linguistically competent care.

18.1 Subd. 9. **Self-insurance.** The board shall determine the feasibility of self-insuring
 18.2 providers for malpractice and shall establish a self-insurance system and create a special
 18.3 fund for payment of losses incurred if the board determines self-insuring providers would
 18.4 reduce costs.

18.5 Sec. 4. **[62W.07] HEALTH PLANNING REGIONS.**

18.6 A metropolitan health planning region consisting of the seven-county metropolitan
 18.7 area is established. By October 1, 2016, the commissioner of health shall designate five
 18.8 rural health planning regions from the greater Minnesota area composed of geographically
 18.9 contiguous counties grouped on the basis of the following considerations:

- 18.10 (1) patterns of utilization of health care services;
 18.11 (2) health care resources, including workforce resources;
 18.12 (3) health needs of the population, including public health needs;
 18.13 (4) geography;
 18.14 (5) population and demographic characteristics; and
 18.15 (6) other considerations as appropriate.

18.16 The commissioner of health shall designate the health planning regions.

18.17 Sec. 5. **[62W.08] REGIONAL HEALTH PLANNING BOARD.**

18.18 Subdivision 1. **Regional planning board composition.** (a) Each regional board
 18.19 shall consist of one county commissioner per county selected by the county board and
 18.20 two county commissioners per county selected by the county board in the seven-county
 18.21 metropolitan area. A county commissioner may designate a representative to act as a
 18.22 member of the board in the member's absence. Each board shall select the chair from
 18.23 among its membership.

18.24 (b) Board members shall serve for four-year terms and may receive per diems for
 18.25 meetings as provided in section 15.059, subdivision 3.

18.26 Subd. 2. **Regional health board duties.** Regional health planning boards shall:

- 18.27 (1) recommend health standards, goals, priorities, and guidelines for the region;
 18.28 (2) prepare an operating and capital budget for the region to recommend to the
 18.29 Minnesota Health Board;
 18.30 (3) collaborate with local public health care agencies to educate consumers and
 18.31 providers on public health programs, goals, and the means of reaching those goals;
 18.32 (4) hire a regional health planning director;
 18.33 (5) collaborate with public health care agencies to implement public health and
 18.34 wellness initiatives; and

19.1 (6) ensure that all parts of the region have access to a 24-hour nurse hotline and
19.2 24-hour urgent care clinics.

19.3 **Sec. 6. [62W.09] OFFICE OF HEALTH QUALITY AND PLANNING.**

19.4 Subdivision 1. **Establishment.** The Minnesota Health Board shall establish an
19.5 Office of Health Quality and Planning to assess the quality, access, and funding adequacy
19.6 of the Minnesota Health Plan.

19.7 Subd. 2. **General duties.** (a) The Office of Health Quality and Planning shall make
19.8 annual recommendations to the board on the overall direction on subjects including:

19.9 (1) the overall effectiveness of the Minnesota Health Plan in addressing public
19.10 health and wellness;

19.11 (2) access to health care;

19.12 (3) quality improvement;

19.13 (4) efficiency of administration;

19.14 (5) adequacy of budget and funding;

19.15 (6) appropriateness of payments for providers;

19.16 (7) capital expenditure needs;

19.17 (8) long-term health care;

19.18 (9) mental health and substance abuse services;

19.19 (10) staffing levels and working conditions in health care facilities;

19.20 (11) identification of number and mix of health care facilities and providers required
19.21 to best meet the needs of the Minnesota Health Plan;

19.22 (12) care for chronically ill patients;

19.23 (13) educating providers on promoting the use of advance directives with patients to
19.24 enable patients to obtain the health care of their choice;

19.25 (14) research needs; and

19.26 (15) integration of disease management programs into health care delivery.

19.27 (b) Analyze shortages in health care workforce required to meet the needs of the
19.28 population and develop plans to meet those needs in collaboration with regional planners
19.29 and educational institutions.

19.30 (c) Analyze methods of paying providers and make recommendations to improve
19.31 quality and control costs.

19.32 (d) Assist in coordination of the Minnesota Health Plan and public health programs.

19.33 Subd. 3. **Assessment and evaluation of benefits.** (a) The Office of Health Quality
19.34 and Planning shall:

20.1 (1) consider health care benefit additions to the Minnesota Health Plan and evaluate
 20.2 them based on evidence of clinical efficacy;

20.3 (2) establish a process and criteria by which providers may request authorization to
 20.4 provide health care services and treatments that are not included in the Minnesota Health
 20.5 Plan benefit set, including experimental health care treatments;

20.6 (3) evaluate proposals to increase the efficiency and effectiveness of the health care
 20.7 delivery system, and make recommendations to the board based on the cost-effectiveness
 20.8 of the proposals; and

20.9 (4) identify complementary and alternative health care modalities that have been
 20.10 shown to be safe and effective.

20.11 (b) The board may convene advisory panels as needed.

20.12 **Sec. 7. [62W.10] ETHICS AND CONFLICT OF INTEREST.**

20.13 (a) All provisions of section 43A.38 apply to employees and the chief executive
 20.14 officer of the Minnesota Health Plan, the members and directors of the Minnesota Health
 20.15 Board, the regional health boards, the director of the Office of Health Quality and
 20.16 Planning, the director of the Minnesota Health Fund, and the ombudsman for patient
 20.17 advocacy. Failure to comply with section 43A.38 shall be grounds for disciplinary action
 20.18 which may include termination of employment or removal from the board.

20.19 (b) In order to avoid the appearance of political bias or impropriety, the Minnesota
 20.20 Health Plan chief executive officer shall not:

20.21 (1) engage in leadership of, or employment by, a political party or a political
 20.22 organization;

20.23 (2) publicly endorse a political candidate;

20.24 (3) contribute to any political candidates or political parties and political
 20.25 organizations; or

20.26 (4) attempt to avoid compliance with this subdivision by making contributions
 20.27 through a spouse or other family member.

20.28 (c) In order to avoid a conflict of interest, individuals specified in paragraph (a) shall
 20.29 not be currently employed by a medical provider or a pharmaceutical, medical insurance,
 20.30 or medical supply company. This paragraph does not apply to the five provider members
 20.31 of the board.

20.32 **Sec. 8. [62W.11] CONFLICT OF INTEREST COMMITTEE.**

20.33 (a) The board shall establish a conflict of interest committee to develop standards
 20.34 of practice for individuals or entities doing business with the Minnesota Health Plan,

21.1 including but not limited to, board members, providers, and medical suppliers. The
 21.2 committee shall establish guidelines on the duty to disclose the existence of a financial
 21.3 interest and all material facts related to that financial interest to the committee.

21.4 (b) In considering the transaction or arrangement, if the committee determines
 21.5 a conflict of interest exists, the committee shall investigate alternatives to the proposed
 21.6 transaction or arrangement. After exercising due diligence, the committee shall
 21.7 determine whether the Minnesota Health Plan can obtain with reasonable efforts a more
 21.8 advantageous transaction or arrangement with a person or entity that would not give
 21.9 rise to a conflict of interest. If this is not reasonably possible under the circumstances,
 21.10 the committee shall make a recommendation to the board on whether the transaction
 21.11 or arrangement is in the best interest of the Minnesota Health Plan, and whether the
 21.12 transaction is fair and reasonable. The committee shall provide the board with all material
 21.13 information used to make the recommendation. After reviewing all relevant information,
 21.14 the board shall decide whether to approve the transaction or arrangement.

21.15 **Sec. 9. [62W.12] OMBUDSMAN OFFICE FOR PATIENT ADVOCACY.**

21.16 Subdivision 1. **Creation of office; generally.** (a) The Ombudsman Office for
 21.17 Patient Advocacy is created to represent the interests of the consumers of health care. The
 21.18 ombudsman shall help residents of the state secure the health care services and health care
 21.19 benefits they are entitled to under the laws administered by the Minnesota Health Board
 21.20 and advocate on behalf of and represent the interests of enrollees in entities created by
 21.21 this chapter and in other forums.

21.22 (b) The ombudsman shall be a patient advocate appointed by the governor, who
 21.23 serves in the unclassified service and may be removed only for just cause. The ombudsman
 21.24 must be selected without regard to political affiliation and must be knowledgeable about
 21.25 and have experience in health care services and administration.

21.26 (c) The ombudsman may gather information about decisions, acts, and other matters
 21.27 of the Minnesota Health Board, health care organization, or a health care program. A
 21.28 person may not serve as ombudsman while holding another public office.

21.29 (d) The budget for the ombudsman's office shall be determined by the legislature and
 21.30 is independent from the Minnesota Health Board. The ombudsman shall establish offices
 21.31 to provide convenient access to residents.

21.32 (e) The Minnesota Health Board has no oversight or authority over the ombudsman
 21.33 for patient advocacy.

21.34 Subd. 2. **Ombudsman's duties.** The ombudsman shall:

21.35 (1) ensure that patient advocacy services are available to all Minnesota residents;

22.1 (2) establish and maintain the grievance process according to section 62W.13;

22.2 (3) receive, evaluate, and respond to consumer complaints about the Minnesota
 22.3 Health Plan;

22.4 (4) establish a process to receive recommendations from the public about ways to
 22.5 improve the Minnesota Health Plan;

22.6 (5) develop educational and informational guides according to communication
 22.7 services under section 15.441, describing consumer rights and responsibilities;

22.8 (6) ensure the guides in clause (5) are widely available to consumers and specifically
 22.9 available in provider offices and health care facilities; and

22.10 (7) prepare an annual report about the consumer perspective on the performance of
 22.11 the Minnesota Health Plan, including recommendations for needed improvements.

22.12 Sec. 10. **[62W.13] GRIEVANCE SYSTEM.**

22.13 Subdivision 1. **Grievance system established.** The ombudsman shall establish a
 22.14 grievance system for all complaints. The system shall provide a process that ensures
 22.15 adequate consideration of Minnesota Health Plan enrollee grievances and appropriate
 22.16 remedies.

22.17 Subd. 2. **Referral of grievances.** The ombudsman may refer any grievance that
 22.18 does not pertain to compliance with this chapter to the federal Centers for Medicare and
 22.19 Medicaid Services or any other appropriate local, state, and federal government entity
 22.20 for investigation and resolution.

22.21 Subd. 3. **Submittal by designated agents and providers.** A provider may join
 22.22 with, or otherwise assist, a complainant to submit the grievance to the ombudsman.
 22.23 A provider or an employee of a provider who, in good faith, joins with or assists a
 22.24 complainant in submitting a grievance is subject to the protections and remedies under
 22.25 sections 181.931 to 181.935.

22.26 Subd. 4. **Review of documents.** The ombudsman may require additional
 22.27 information from health care providers or the board.

22.28 Subd. 5. **Written notice of disposition.** The ombudsman shall send a written
 22.29 notice of the final disposition of the grievance, and the reasons for the decision, to the
 22.30 complainant, to any provider who is assisting the complainant, and to the board, within 30
 22.31 calendar days of receipt of the request for review unless the ombudsman determines that
 22.32 additional time is reasonably necessary to fully and fairly evaluate the relevant grievance.
 22.33 The ombudsman's order of corrective action shall be binding on the Minnesota Health
 22.34 Plan. A decision of the ombudsman is subject to de novo review by the district court.

23.1 Subd. 6. **Data.** Data on enrollees collected because an enrollee submits a complaint
 23.2 to the ombudsman are private data on individuals as defined in section 13.02, subdivision
 23.3 12, but may be released to a provider who is the subject of the complaint or to the board
 23.4 for purposes of this section.

23.5 Sec. 11. **[62W.14] AUDITOR GENERAL FOR THE MINNESOTA HEALTH**
 23.6 **PLAN.**

23.7 Subdivision 1. **Establishment.** There is within the Office of the Legislative Auditor
 23.8 an auditor general for health care fraud and abuse for the Minnesota Health Plan who is
 23.9 appointed by the legislative auditor.

23.10 Subd. 2. **Duties.** The auditor general shall:

23.11 (1) investigate, audit, and review the financial and business records of individuals,
 23.12 public and private agencies and institutions, and private corporations that provide services
 23.13 or products to the Minnesota Health Plan, the costs of which are reimbursed by the
 23.14 Minnesota Health Plan;

23.15 (2) investigate allegations of misconduct on the part of an employee or appointee
 23.16 of the Minnesota Health Board and on the part of any provider of health care services
 23.17 that is reimbursed by the Minnesota Health Plan, and report any findings of misconduct
 23.18 to the attorney general;

23.19 (3) investigate fraud and abuse;

23.20 (4) arrange for the collection and analysis of data needed to investigate the
 23.21 inappropriate utilization of these products and services; and

23.22 (5) annually report recommendations for improvements to the Minnesota Health
 23.23 Plan to the board.

23.24 Sec. 12. **[62W.15] MINNESOTA HEALTH PLAN POLICIES AND**
 23.25 **PROCEDURES; RULEMAKING.**

23.26 Subdivision 1. **Exempt rules.** The Minnesota Health Plan policies and procedures
 23.27 are exempt from the Administrative Procedure Act but, to the extent authorized by law to
 23.28 adopt rules, the board may use the provisions of section 14.386, paragraph (a), clauses (1)
 23.29 and (3). Section 14.386, paragraph (b), does not apply to these rules.

23.30 Subd. 2. **Rulemaking procedures.** (a) Whenever the board determines that a rule
 23.31 should be adopted under this section establishing, modifying, or revoking a policy or
 23.32 procedure, the board shall publish in the State Register the proposed policy or procedure
 23.33 and shall afford interested persons a period of 30 days after publication to submit written
 23.34 data or comments.

24.1 (b) On or before the last day of the period provided for the submission of written
 24.2 data or comments, any interested person may file with the board written objections to the
 24.3 proposed rule, stating the grounds for objection and requesting a public hearing on those
 24.4 objections. Within 30 days after the last day for filing objections, the board shall publish
 24.5 in the State Register a notice specifying the policy or procedure to which objections have
 24.6 been filed and a hearing requested and specifying a time and place for the hearing.

24.7 Subd. 3. **Rule adoption.** Within 60 days after the expiration of the period provided
 24.8 for the submission of written data or comments, or within 60 days after the completion
 24.9 of any hearing, the board shall issue a rule adopting, modifying, or revoking a policy or
 24.10 procedure, or make a determination that a rule should not be adopted. The rule may contain
 24.11 a provision delaying its effective date for such period as the board determines is necessary.

24.12 Sec. 13. Minnesota Statutes 2014, section 14.03, subdivision 3, is amended to read:

24.13 Subd. 3. **Rulemaking procedures.** (a) The definition of a rule in section 14.02,
 24.14 subdivision 4, does not include:

24.15 (1) rules concerning only the internal management of the agency or other agencies
 24.16 that do not directly affect the rights of or procedures available to the public;

24.17 (2) an application deadline on a form; and the remainder of a form and instructions
 24.18 for use of the form to the extent that they do not impose substantive requirements other
 24.19 than requirements contained in statute or rule;

24.20 (3) the curriculum adopted by an agency to implement a statute or rule permitting
 24.21 or mandating minimum educational requirements for persons regulated by an agency,
 24.22 provided the topic areas to be covered by the minimum educational requirements are
 24.23 specified in statute or rule;

24.24 (4) procedures for sharing data among government agencies, provided these
 24.25 procedures are consistent with chapter 13 and other law governing data practices.

24.26 (b) The definition of a rule in section 14.02, subdivision 4, does not include:

24.27 (1) rules of the commissioner of corrections relating to the release, placement, term,
 24.28 and supervision of inmates serving a supervised release or conditional release term, the
 24.29 internal management of institutions under the commissioner's control, and rules adopted
 24.30 under section 609.105 governing the inmates of those institutions;

24.31 (2) rules relating to weight limitations on the use of highways when the substance
 24.32 of the rules is indicated to the public by means of signs;

24.33 (3) opinions of the attorney general;

24.34 (4) the data element dictionary and the annual data acquisition calendar of the
 24.35 Department of Education to the extent provided by section 125B.07;

- 25.1 (5) the occupational safety and health standards provided in section 182.655;
- 25.2 (6) revenue notices and tax information bulletins of the commissioner of revenue;
- 25.3 (7) uniform conveyancing forms adopted by the commissioner of commerce under
- 25.4 section 507.09;
- 25.5 (8) standards adopted by the Electronic Real Estate Recording Commission
- 25.6 established under section 507.0945; ~~or~~
- 25.7 (9) the interpretive guidelines developed by the commissioner of human services to
- 25.8 the extent provided in chapter 245A; or
- 25.9 (10) policies and procedures adopted by the Minnesota Health Board under chapter
- 25.10 62W.

25.11 ARTICLE 7

25.12 IMPLEMENTATION

25.13 Section 1. **APPROPRIATION.**

25.14 \$..... is appropriated in fiscal year 2016 from the general fund to the Minnesota

25.15 Health Fund under the Minnesota Health Plan to provide start-up funding for the

25.16 provisions of this act.

25.17 Sec. 2. **EFFECTIVE DATE AND TRANSITION.**

25.18 Subdivision 1. **Notice and effective date.** This act is effective the day following final

25.19 enactment. The commissioner of management and budget shall notify the chairs of the

25.20 house of representatives and senate committees with jurisdiction over health care when the

25.21 Minnesota Health Fund has sufficient revenues to fund the costs of implementing this act.

25.22 Subd. 2. **Timing to implement.** The Minnesota Health Plan must be operational

25.23 within two years from the date of final enactment of this act.

25.24 Subd. 3. **Prohibition.** On and after the day the Minnesota Health Plan becomes

25.25 operational, a health plan, as defined in Minnesota Statutes, section 62Q.01, subdivision 3,

25.26 may not be sold in Minnesota for services provided by the Minnesota Health Plan.

25.27 Subd. 4. **Transition.** (a) The commissioners of health and human services shall

25.28 prepare an analysis of the state's capital expenditure needs for the purpose of assisting

25.29 the board in adopting the statewide capital budget for the year following implementation.

25.30 The commissioners shall submit this analysis to the board.

25.31 (b) The following timelines shall be implemented:

25.32 (1) the commissioner of health shall designate the health planning regions utilizing

25.33 the criteria specified in Minnesota Statutes, section 62W.07, three months after the date

25.34 of enactment of this act;

- 26.1 (2) the regional boards shall be established six months after the date of enactment
26.2 of this act; and
- 26.3 (3) the Minnesota Health Board shall be established nine months after the date of
26.4 enactment of this act; and
- 26.5 (4) the commissioner of health, or the commissioner's designee, shall convene the
26.6 first meeting of each of the regional boards and the Minnesota Health Board within 30
26.7 days after each of the boards has been established.

APPENDIX
Article locations in 15-4126

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