

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 2518

(SENATE AUTHORS: JENSEN, Rosen, Sheran, Schmit and Dahms)

DATE	D-PG	OFFICIAL STATUS
03/10/2016	4953	Introduction and first reading Referred to Health, Human Services and Housing
04/04/2016	5499a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act
 1.2 relating to human services; modifying county-based purchasing plan contract
 1.3 negotiations; amending Minnesota Statutes 2014, sections 256B.69, subdivision
 1.4 35; 256B.692, subdivisions 5, 6, 7, by adding a subdivision; 256B.694.

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

1.6 Section 1. Minnesota Statutes 2014, section 256B.69, subdivision 35, is amended to
 1.7 read:

1.8 Subd. 35. **Statewide procurement.** (a) For calendar year 2015, the commissioner
 1.9 may extend a demonstration provider's contract under this section for a sixth year after
 1.10 the most recent procurement. For calendar year 2015, section 16B.98, subdivision 5,
 1.11 paragraph (b), and section 16C.05, subdivision 2, paragraph (b), shall not apply to
 1.12 contracts under this section.

1.13 (b) For calendar year 2016 contracts under this section, the commissioner shall
 1.14 procure through a statewide procurement, which includes all 87 counties, demonstration
 1.15 providers, and participating entities as defined in section 256L.01, subdivision 7. The
 1.16 commissioner shall publish a request for proposals by January 5, 2015. As part of the
 1.17 procurement process, the commissioner shall:

1.18 (1) seek each individual county's input;

1.19 (2) organize counties into regional groups, and consider single counties for the
 1.20 largest and most diverse counties; and

1.21 (3) seek regional and county input regarding the respondent's ability to fully and
 1.22 adequately deliver required health care services, offer an adequate provider network,
 1.23 provide care coordination with county services, and serve special populations, including
 1.24 enrollees with language and cultural needs.

2.1 (c) Any statewide procurement process occurring after calendar year 2016, shall not
2.2 include counties participating in a county-based purchasing plan. Procurement for these
2.3 counties shall be governed by section 256B.692, subdivision 5a.

2.4 Sec. 2. Minnesota Statutes 2014, section 256B.692, subdivision 5, is amended to read:

2.5 Subd. 5. **County proposals.** (a) A county board that wishes to purchase or provide
2.6 health care under this section must submit a preliminary proposal that substantially
2.7 demonstrates the county's ability to meet all the requirements of this section in response
2.8 to criteria for proposals issued by the department. Counties submitting preliminary
2.9 proposals must establish a local planning process that involves input from medical
2.10 assistance recipients, recipient advocates, providers and representatives of local school
2.11 districts, labor, and tribal government to advise on the development of a final proposal
2.12 and its implementation.

2.13 (b) The county board must submit a final proposal that demonstrates the ability to
2.14 meet all the requirements of this section.

2.15 (c) For a county in which the prepaid medical assistance program is in existence, the
2.16 county board must submit a preliminary proposal at least 15 months prior to termination of
2.17 health plan contracts in that county and a final proposal six months prior to the health plan
2.18 contract termination date in order to begin enrollment after the termination. Nothing in
2.19 this section shall impede or delay implementation or continuation of the prepaid medical
2.20 assistance program in counties for which the board does not submit a proposal, or submits
2.21 a proposal that is not in compliance with this section.

2.22 (d) Once a county or group of counties has elected to implement county-based
2.23 purchasing and continues to elect, through a procurement process, to purchase or provide
2.24 health care services as provided in this section, the commissioner shall not terminate or
2.25 fail to renew the county-based purchasing plan in that county or group of counties, except
2.26 as permitted in subdivision 6, paragraph (b).

2.27 Sec. 3. Minnesota Statutes 2014, section 256B.692, is amended by adding a
2.28 subdivision to read:

2.29 Subd. 5a. **Procurement.** (a) Procurement for a county or group of counties that has
2.30 implemented a county-based purchasing plan shall occur every five years or earlier upon
2.31 the request of the county or group of counties.

2.32 (b) The county or group of counties shall be defined as a distinct geographic region
2.33 for the purposes of defining the procurement's service areas. The technical specifications
2.34 shall be specific to the service area and place a priority on initiatives within the region.

3.1 (c) Requests for proposal under this procurement shall be consistent with the
 3.2 requirements of section 256B.69, but shall also consider the unique nature of county-based
 3.3 purchasing plans and evaluate the plans on provider network access, coordination,
 3.4 and integration with the counties for the provision of health care with other local
 3.5 community-based services. The existence of programs or services already developed and
 3.6 in place in the counties shall be considered.

3.7 (d) Requests for proposal shall require responders to submit a price bid as part of the
 3.8 procurement, but the price bid shall not be considered as part of the evaluation criteria.
 3.9 The commissioner may consider a request from the county or group of counties to include
 3.10 price in the evaluation criteria.

3.11 (e) Each county or group of counties that has elected to participate in a county-based
 3.12 purchasing plan under the authority of this section shall have the authority, after reviewing
 3.13 all proposals, to continue to provide health care services directly through a county-based
 3.14 purchasing plan.

3.15 (f) In each county or group of counties that elects to purchase or provide health care
 3.16 services under this section, the county-based purchasing plan shall be the single plan
 3.17 providing the services. If plan choice is required by federal regulation, the number of
 3.18 plans shall be limited to two plans in the county with the county-based purchasing plan
 3.19 being the default plan when assignments are made due to enrollees not making a plan
 3.20 choice at the time of enrollment.

3.21 (g) The requirements under this subdivision do not apply to procurement for the
 3.22 MinnesotaCare program as defined in sections 256L.12 and 256L.121. The commissioner
 3.23 shall coordinate the procurement of MinnesotaCare to the extent practicable with medical
 3.24 assistance in accordance with this subdivision.

3.25 Sec. 4. Minnesota Statutes 2014, section 256B.692, subdivision 6, is amended to read:

3.26 Subd. 6. **Commissioner's authority.** (a) The commissioner may:

3.27 (1) reject any preliminary or final proposal that:

3.28 (a) (1) substantially fails to meet the requirements of this section, or

3.29 (b) that (2) the commissioner determines would substantially impair the state's
 3.30 ability to purchase health care services in other areas of the state, or

3.31 (c) (3) would substantially impair an enrollee's choice of care systems when
 3.32 reasonable choice is possible, or

3.33 (d) (4) would substantially impair the implementation and operation of the
 3.34 Minnesota senior health options demonstration project authorized under section 256B.69,
 3.35 subdivision 23; and

4.1 ~~(2) assume operation of a county's purchasing of health care for enrollees in medical~~
 4.2 ~~assistance in the event that the contract with the county is terminated.~~

4.3 (b) If a county or group of counties is providing health care through a county-based
 4.4 purchasing plan and the county, group of counties, or the plan substantially fails to comply
 4.5 with the applicable requirements of this section or section 256B.69, or the county or group
 4.6 of counties elects to cease providing health care through a county-based purchasing plan,
 4.7 the commissioner may terminate the contract with the county or group of counties and
 4.8 shall assume the operation of purchasing health care for enrollees covered under the
 4.9 county-based purchasing plan upon the termination of the contract subject to subdivision 7.

4.10 Sec. 5. Minnesota Statutes 2014, section 256B.692, subdivision 7, is amended to read:

4.11 Subd. 7. **Dispute resolution.** In the event the commissioner rejects a proposal
 4.12 under subdivision 6, paragraph (a), or the commissioner intends to terminate the contract
 4.13 with the county under subdivision 6, paragraph (b), the county board or a single entity
 4.14 representing a group of county boards, may request the recommendation of a three-person
 4.15 mediation panel. The commissioner shall resolve all disputes after taking into account the
 4.16 recommendations of the mediation panel. The panel shall be composed of one designee
 4.17 of the ~~president of the~~ Association of Minnesota Counties, in consultation with the
 4.18 requesting county board or the single entity representing a group of county boards, one
 4.19 designee of the commissioner of human services, and one person selected jointly by the
 4.20 designee of the commissioner of human services and the designee of the Association of
 4.21 Minnesota Counties. Within a reasonable period of time before the hearing, the panelists
 4.22 and parties to the mediation, must be provided all documents and information relevant to
 4.23 the mediation. The parties to the mediation must be given 30 days' notice of a hearing
 4.24 before the mediation panel.

4.25 Sec. 6. Minnesota Statutes 2014, section 256B.694, is amended to read:

4.26 **256B.694 SOLE-SOURCE OR SINGLE-PLAN MANAGED CARE**
 4.27 **CONTRACT.**

4.28 The commissioner shall consider, and may approve, contracting on a single-health
 4.29 plan basis with ~~county-based purchasing plans, or with other qualified~~ health plans that
 4.30 have coordination arrangements with counties, to serve persons enrolled in state public
 4.31 health care programs, in order to promote better coordination or integration of health
 4.32 care services, social services and other community-based services, provided that all
 4.33 requirements applicable to health plan purchasing, including those in ~~sections~~ section
 4.34 256B.69 and 256B.692, are satisfied.

5.1 Sec. 7. **FEDERAL APPROVAL.**

5.2 The commissioner of human services shall seek all federal waiver authority
5.3 necessary to implement sections 1 to 6.

5.4 Sec. 8. **EFFECTIVE DATE.**

5.5 Sections 1 to 6 are effective January 1, 2017, or upon federal approval, whichever
5.6 occurs later. Section 7 is effective the day following final enactment.