

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 717

(SENATE AUTHORS: NIENOW)

DATE	D-PG	OFFICIAL STATUS
03/10/2011	481	Introduction and first reading Referred to Health and Human Services

1.1 A bill for an act
1.2 relating to human services; specifying applicability of antitrust laws to the
1.3 prepaid medical assistance program; amending Minnesota Statutes 2010, section
1.4 256B.69, subdivision 5k.

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

1.6 Section 1. Minnesota Statutes 2010, section 256B.69, subdivision 5k, is amended to
1.7 read:

1.8 Subd. 5k. **Actuarial soundness.** (a) Rates paid to managed care plans and
1.9 county-based purchasing plans shall satisfy requirements for actuarial soundness. In order
1.10 to comply with this subdivision, the rates must:

1.11 (1) be neither inadequate nor excessive;

1.12 (2) satisfy federal requirements;

1.13 (3) in the case of contracts with incentive arrangements, not exceed 105 percent of
1.14 the approved capitation payments attributable to the enrollees or services covered by
1.15 the incentive arrangement;

1.16 (4) be developed in accordance with generally accepted actuarial principles and
1.17 practices;

1.18 (5) be appropriate for the populations to be covered and the services to be furnished
1.19 under the contract; ~~and~~

1.20 (6) be certified as meeting the requirements of federal regulations by actuaries who
1.21 meet the qualification standards established by the American Academy of Actuaries and
1.22 follow the practice standards established by the Actuarial Standards Board; and

2.1 (7) not be based upon or the result of any violation of sections 325D.49 to 325D.66
2.2 by any managed care plan or county-based purchasing plan. The exemption in section
2.3 325D.55, subdivision 2, paragraph (a), does not apply to this section.

2.4 (b) Each year within 30 days of the establishment of plan rates the commissioner
2.5 shall report to the chairs and ranking minority members of the senate Health and Human
2.6 Services Budget Division and the house of representatives Health Care and Human
2.7 Services Finance Division to certify how each of these conditions have been met by
2.8 the new payment rates.