

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill contains a variety of provisions designed to reduce the cost and increase the quality of health care.

#### Section

##### **Article 1: Health Care Cost-Containment**

This article contains various health care cost-containment initiatives.

#### **1 Evidence-based practice standards and guidelines.** Adds 62J.431.

##### **Subd. 1. Health-related boards and provider organizations; practice standards.**

Permits health-related boards or professional provider organizations to establish practice standards for treating patients within their respective scopes of practice. Allows the boards or provider organizations to use the services of appropriate public or private entities in developing or reviewing the standards and the evidence-based guidelines. Requires boards or provider organizations that have established standards to report them to the legislature by January 15, 2007, and any subsequent changes annually thereafter. States that nothing in this section requires a health plan company to cover treatments, testing, or imaging based on standards developed under this section.

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**Subd. 2. Criteria for evidence-based guidelines.** Requires guidelines under this section to meet certain criteria.

- 2 **Electronic billing assistance.** Adds § 62J.62. Requires the commissioner of human services to encourage and assist providers to adopt and use electronic billing for state programs, including training, out of existing resources.
- 3 **Provision of information on pharmaceutical assistance programs.** Adds § 62J.85. Requires a medical clinic to make available to patients brochures on prescription programs offered by pharmaceutical manufacturers. Only brochures that are provided free of charge are required to be provided. States that information describing a website (if developed) would also comply with this requirement.
- 4 **Prior authorization.** Adds § 62M.071. Requires health plan companies, in cooperation with health care providers, to review prior authorization procedures to ensure the cost-effectiveness of prior authorization and the minimization of administrative burden.
- 5 **Use of evidence-based standards.** Adds § 62M.072. Prohibits an insurer or utilization review organization from denying coverage of treatment, testing, or imaging, based solely on the grounds that the treatment, testing, or imaging does not meet an evidence-based standard, if no independently developed evidence-based standard exists for that treatment, testing or imaging.
- 6 **Agency web sites.** Adds § 144.0506.

**Subd. 1. Information to be posted.** Permits the commissioner of health to post the following information on agency web sites, including minnesotahealthinfo.com:

- (1) healthy lifestyle and preventive health care information;
- (2) health plan company administrative efficiency report cards;
- (3) health care provider charges for common procedures;
- (4) evidence-based medicine guidelines and related information;
- (5) resources and web-links related to efficiency in medical clinics and health care professional practices; and
- (6) lists of nonprofit and charitable entities that accept donations of used medical equipment and supplies.

**Subd. 2. Other internet resources.** Requires the commissioner, in implementing subdivision 1, to include web links and materials from private sector and other government sources, to avoid duplication and reduce costs.

**Subd. 3. Cooperation with commissioner of commerce.** Requires the commissioner of health to consult and cooperate with the commissioner of commerce, when posting information from health plan companies regulated by that commissioner.

- 7 **Reporting on uncompensated care.** Amends § 144.698 by adding subd. 6. Provides more specifics regarding a current requirement for reporting of uncompensated care and other community benefits by hospitals and outpatient surgery centers. Incorporates into statute the

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instructions in Department of Health rules involving reporting charity care and bad debt.  
Makes the section effective for facility fiscal years ending on or after December 31, 2006.

- 8 **Explanation of pharmacy benefits.** Amends § 151.214, subd. 1. Clarifies that pharmacists are to inform patients of that pharmacy's usual and customary price of a prescription.
- 9 **Health boards; directory of licensees.** Amends § 214.071. Requires each health-related licensing board to establish a directory of licensees that includes certain specified information. This expands a law enacted in 2005 to include all such licensing boards.
- 10 **Price disclosure reminder.** Adds § 214.121. Requires each health-related licensing board to inform and remind its licensees of the price disclosure requirements of section 62J.052 or 151.214 through the board's regular means of communication.
- 11 **Reporting of acquired infections.** Allows the commissioner of health to consult with infection control specialists, health care facility representatives and consumers to obtain recommendations regarding the need to implement health care associated infection control reporting, and if warranted consult with the group on: the selection of reporting measures; the process for the reporting system; and the flexibility/adaptability of the measures. Requires the commissioner to provide the legislature with written recommendations if the commissioner determines there is a need for action.
- 12 **Cost containment studies.**

**Subd. 1. Alternative and complementary health care.** Requires the commissioner of human services, through the medical director and in consultation with the health services policy committee, to study the potential for improving quality and obtaining cost savings through greater use of treatment methods performed by alternative and complementary health care providers that are supported by findings of evidence-based medicine and incorporate these methods into the MA, MinnesotaCare and GAMC programs.

**Subd. 2. Studies related to universal participation and access to care.** Requires the commissioners of health and human services to study the adequacy of the system of community health care clinics and centers in the state with significant disparities in health status and access to services across racial and ethnic groups and provides the evaluation criteria.

**Article 2: Charity Care by Health Care Providers**

This article makes changes to legislation enacted in 2005 relating to charity care provided by health care providers.

- 1 1 **Reduced payment amounts permitted .** Adds § 62J.83. Permits a health care provider to provide care to a patient at a discounted payment amount, including providing the care for free, unless prohibited by federal law.
- 2 **Discounted payments by health care providers; effect on use of usual and customary payments.** Prohibits an insurer from considering certain discounted payment situations when determining a health care provider's usual and customary payment, standard payment, or allowable payment used to determine the provider's payment by the insurer.
- 3 **Repealer.** Repeals § 62Q.251. Eliminates discounted payment provisions enacted in 2005 that are replaced by sections 1 and 2 of this article.

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**4**        **Effective date.** States that sections 1 to 3 are effective the day following final enactment.