HOUSE RESEARCH

Bill Summary

FILE NUMBER: S.F. 367 **DATE:** May 18, 2006

Version: First unofficial engrossment

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Subject: Health care cost containment

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Overview

This bill contains a variety of provisions dealing with the efficiency and cost of health care.

Section

Article 1: Health Care Cost-Containment

This article contains various health care cost-containment initiatives.

1 **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.

2 **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.

3 **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. States that this section does not prohibit denying coverage for services that are investigational, experimental, or not medically necessary.

Section

4 **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 reports;

(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.

5 **Information provision; pharmaceutical assistance programs.** Adds § 147.37. Requires the Board of Medical Practice to encourage licensees to make information on free and discounted prescription drug programs offered by pharmaceutical manufacturers (when provided at no cost to the licensees) available to patients.

6 **License required; qualifications.** Amends § 148.06, subd. 1. Makes technical changes and eliminates obsolete language regarding licensing of chiropractors.

7 **Fees.** Adds § 148.108.

Subd. 1. Fees. Authorizes the Board of Chiropractic Examiners to charge the fees in this section in addition to the fees established in Minnesota Rules, chapter 2500.

Subd. 2. Annual renewal of inactive acupuncture registration. Establishes an annual renewal of inactive acupuncture registration fee of $25.

Subd. 3. Acupuncture reinstatement. Establishes an acupuncture reinstatement fee of $50.

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

Section

information by July 1, 2009. This expands a law enacted in 2005 to include all such licensing boards, and is effective July 1, 2007.

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 **Cost containment efforts.** Adds § 256B.043.

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 and clinical practices of alternative and complementary health care providers and incorporate these methods into the MA, MinnesotaCare, and GAMC programs and provide recommendations as appropriate. Requires the commissioner to post these recommendations on websites according to section 144.0506, subdivision 1 (established in section 6 of this article).

Subd. 2. Access to care. Requires the commissioners of health and human services to study the adequacy of the system of community health 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.

12 **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.

13 **Study of hospital uncompensated care.** Requires the commissioner of health to study and report back to the legislature by January 15, 2007, the following: (1) trends in hospitals' cost of providing uncompensated care; (2) the impact of changes in hospitals' charity care policies and debt collection practices in the past three years on uncompensated care provided and the number of patients receiving uncompensated care; and (3) the value of uncompensated care and community benefit in comparison to tax exemptions received by nonprofit hospitals. Requires the report to include recommendations on the need for uniform charity care policies, debt collection practices, and community benefit reporting.

14 **Study; report.** Requires the medical director for MA and the assistant commissioner for chemical and mental health services, in conjunction with the mental health licensing boards, to evaluate the requirements of licensed mental health practitioners in order to receive MA reimbursement. States that the purpose of the study is to evaluate the qualifications of all licensed mental health practitioners and professionals and make recommendations regarding MA reimbursement requirements. Requires the study to be completed by January 15, 2007.

15 **Appropriation.** Appropriates funds from the state government special revenue fund to the Board of Chiropractic Examiners to correct programming problems due to payment processing changes.

Section

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.

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

Article 3: Private Sector Health Coverage Provisions

This article permits health maintenance organizations to use higher deductibles and out-of-pocket maximums and makes other changes involving insurance.

1 1 **Deductibles.** Allows health maintenance organizations (HMOs) to have yearly deductibles of up to $4,000 per person and $8,000 per family. (Current law allows $2,250/$4,500, except for very small HMOs, which are allowed $3,000/$6,000.)

2 **Annual out-of-pocket maximums.** Allows HMOs to have yearly out-of-pocket maximums of $5,000 per person and $10,000 per family. (Current law allows $3,000/$6,000, except for very small HMOs, which are allowed $4,500/$7,500.)

3 **Distribution of information; administrative efficiency and coverage options.** Adds § 62Q.645. Permits the commissioner (commerce or health, depending upon which commissioner regulates the health plan company) to use the information provided by health plan companies, service cooperatives, and the public employees insurance program (PEIP) to provide information on administrative efficiency and coverage options. Requires the commissioner to compile the information, prepare company-specific report cards, post the report cards on state websites, including minnesotahealthinfo.com, and include information on coverage provided. States that this section does not apply to a health plan company unless its annual Minnesota premiums (including those of its affiliates) exceed $50,000,000 based upon the most recent Minnesota Comprehensive Health Association's assessment base.

4 **Medical malpractice insurance report.** Requires the commissioner of commerce to provide each year to the legislature, a written report on the status of the market for medical malpractice insurance in Minnesota. Specifies criteria for the report and requires insurance companies providing medical malpractice insurance to provide information to the commissioner. Exempts insurance companies that do not do much business in Minnesota.

Section

Article 4: Service Cooperatives

This article specifies certain things that service cooperatives may and may not do in connection with the health coverage they now offer to school districts and other local governments and provides a prohibition extension related to special transportation services management.

1 1 **Educational programs and services.** Requires health coverage programs offered by service cooperatives to rebid health insurance and third-party administrator contracts at least every four years. Permits premiums to be determined for individual employers on a pooled or other basis.

Effective date . States that the section is effective the day following final enactment.

2 2 **Review of special transportation eligibility criteria and potential costs savings.** Amends Laws 2003, 1st Special Session chapter 14, article 12, section 93, as amended. Extends the prohibition on the commissioner using a broker or coordinator to manage special transportation services by one year, until July 1, 2007, if the extension can be done on a budget-neutral basis.

Effective date. States that the section is effective July 1, 2006.