

HOUSE RESEARCH

Bill Summary

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Subject: Withhold for Reduction in Emergency Room Utilization

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Overview

This bill establishes a performance target for managed care and county-based purchasing plans serving state health care program enrollees that is related to reducing emergency room utilization.

Section

- 1** **Managed care contracts.** Amends § 256B.69, subd. 5a. A new (e) requires the commissioner, effective for services rendered on or after January 1, 2010, to include as a performance target for managed care and county-based purchasing plans a reduction in the plan's emergency room utilization rate for state health care program enrollees of five percent from the previous calendar year. Requires the withheld funds to be returned no sooner than July 1 and no later than July 31 of the following calendar year if the plan achieves the reduction. Requires the withhold to continue for each consecutive contract period until the plan's emergency room utilization rate for state program enrollees is reduced by 25 percent from the CY 2008 rate.

A new (f) reinstates language previously stricken that allows amounts withheld that are reasonably expected to be returned as admitted assets.

The amendment to paragraph (c) clarifies that the withhold of five percent of managed care payments applies to county-based purchasing plans.

- 2** **Rate setting; performance withholds.** Amends § 256L.12, subd. 9. A new (c) requires the commissioner, effective for services rendered on or after January 1, 2010, to include as a performance target for managed care and county-based purchasing plans a reduction in the plan's emergency room utilization rate for state health care program enrollees of five percent from the previous calendar year. Requires the withheld funds to be returned no sooner than July 1 and no later than July 31 of the following calendar year if the plan achieves the reduction. Requires the withhold to continue for each consecutive contract period until the plan's emergency room utilization rate for state program enrollees is

reduced by 25 percent from the CY 2008 rate.

A new (d) reinstates language previously stricken that allows amounts withheld that are reasonably expected to be returned as admitted assets.

The section also strikes obsolete language and language that is later reinstated, and clarifies that the withhold of five percent of managed care plan payments also applies to county-based purchasing plans.