

1.1 ..... moves to amend H.F. No. 927, the delete everything amendment  
1.2 (A11-0177), as follows:

1.3 Page 168, after line 6, insert

1.4 "Sec. 71. Minnesota Statutes 2010, section 256B.69, is amended by adding a  
1.5 subdivision to read:

1.6 Subd. 33. **Compensation freeze.** (a) From the effective date of this subdivision  
1.7 until implementation of compensation required under paragraph (b), a managed care or  
1.8 county-based purchasing plan must not increase the compensation of any employee.  
1.9 This subdivision prohibits any increase including, but not limited to, across-the-board  
1.10 increases; cost-of-living adjustments; increases based on longevity; increases as a result of  
1.11 step and lane changes; increases in the form of lump-sum payments; increases in employer  
1.12 contributions to deferred compensation plans; and any increase in employer contributions  
1.13 toward the cost of medical, dental, life, or other insurance. This subdivision does not  
1.14 prohibit an increase in the rate of salary and wages for an employee who is promoted or  
1.15 transferred to a position with greater job responsibilities.

1.16 (b) The commissioner of management and budget must contract for a compensation  
1.17 study for managed care and county-based purchasing plan position descriptions. The  
1.18 study must compare the total compensation, including salary and benefits, of each position  
1.19 description with positions in the public sector in which the skill, effort, responsibilities,  
1.20 and working conditions are similar. The commissioner must report the results of the  
1.21 study to the legislature by March 1, 2012. By July 1, 2012, each plan must implement  
1.22 compensation for each position for its employees that, as nearly as practicable, is  
1.23 comparable to the compensation of public sector positions with similar skill, effort,  
1.24 responsibilities, and working conditions, as determined by the commissioner under this  
1.25 paragraph.

2.1 (c) This subdivision does not prohibit a change in compensation required by a  
2.2 contract or collective bargaining agreement in effect before the effective date of this  
2.3 subdivision. However, a plan may not:

2.4 (1) enter into a new contract or collective bargaining agreement that changes  
2.5 compensation in a manner that conflicts with this subdivision; or

2.6 (2) extend an expired contract or collective bargaining agreement or any other  
2.7 arrangement that conflicts with this subdivision.

2.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.9 Sec. 72. Minnesota Statutes 2010, section 256B.69, is amended by adding a  
2.10 subdivision to read:

2.11 Subd. 34. **Required reduction.** (a) The number of full-time equivalent employees  
2.12 employed by a managed care or county-based purchasing plan to deliver services to  
2.13 medical assistance and MinnesotaCare enrollees, and the costs directly associated with  
2.14 employing those persons, must be reduced by at least 15 percent by June 30, 2015, and  
2.15 thereafter, compared to the number of full-time equivalent positions and the costs directly  
2.16 associated with those positions on July 1, 2011.

2.17 (b) A plan may use any or all of the following to achieve this requirement: attrition,  
2.18 a hard hiring freeze, early retirement incentives, restructuring of benefit or pension  
2.19 programs, furloughs, and layoffs.

2.20 (c) For purposes of this section, "costs directly associated" with employing people  
2.21 means the cost of salaries and benefits, including the costs of employer contributions  
2.22 to pension plans."

2.23 Renumber the sections in sequence and correct the internal references

2.24 Amend the title accordingly