

1.1 Sec. .... Minnesota Statutes 2008, section 62U.05, is amended to read:

1.2 **62U.05 PROVIDER PRICING FOR BASKETS OF CARE; ACCOUNTABLE**  
1.3 **CARE ORGANIZATIONS.**

1.4 Subdivision 1. **Establishment of definitions.** (a) By July 1, 2009, the commissioner  
1.5 of health shall establish uniform definitions for baskets of care beginning with a minimum  
1.6 of seven baskets of care. In selecting health conditions for which baskets of care should  
1.7 be defined, the commissioner shall consider coronary artery and heart disease, diabetes,  
1.8 asthma, and depression. In selecting health conditions, the commissioner shall also  
1.9 consider the prevalence of the health conditions, the cost of treating the health conditions,  
1.10 and the potential for innovations to reduce cost and improve quality.

1.11 (b) The commissioner shall convene one or more work groups to assist in  
1.12 establishing these definitions. Each work group shall include members appointed by  
1.13 statewide associations representing relevant health care providers and health plan  
1.14 companies, and organizations that work to improve health care quality in Minnesota.

1.15 (c) To the extent possible, the baskets of care must incorporate a patient-directed,  
1.16 decision-making support model.

1.17 (d) By January 1, 2012, the commissioner shall establish uniform definitions for the  
1.18 total cost of providing all necessary services to a patient through an accountable care  
1.19 organization meeting the standards specified in section 3022 of the Patient Protection and  
1.20 Affordable Care Act (Public Law No. 111-148) and shall develop a standard method  
1.21 and format for accountable care organizations to use for submitting package prices for  
1.22 the total cost of care. This method shall be published in the State Register and must be  
1.23 made available to all providers.

1.24 Subd. 2. **Package prices.** (a) Beginning January 1, 2010, health care providers may  
1.25 establish package prices for the baskets of care defined under subdivision 1. Beginning  
1.26 July 1, 2012, accountable care organizations may establish package prices for the total  
1.27 cost of care defined under subdivision 1.

1.28 (b) Beginning January 1, 2010, no health care provider or group of providers that  
1.29 has established a package price for a basket of care under this section, and beginning  
1.30 July 1, 2012, no accountable care organization that has established a package price for  
1.31 the total cost of care under this section, shall vary the payment amount that the provider  
1.32 or organization accepts as full payment for a health care service based upon the identity of  
1.33 the payer, upon a contractual relationship with a payer, upon the identity of the patient,  
1.34 or upon whether the patient has coverage through a group purchaser. This paragraph  
1.35 applies only to health care services provided to Minnesota residents or to non-Minnesota  
1.36 residents who obtain health insurance through a Minnesota employer. This paragraph does

2.1 not apply to services paid for by Medicare, state public health care programs through  
2.2 fee-for-service or prepaid arrangements, workers' compensation, or no-fault automobile  
2.3 insurance. This paragraph does not affect the right of a provider to provide charity care  
2.4 or care for a reduced price due to financial hardship of the patient or due to the patient  
2.5 being a relative or friend of the provider.

2.6 Subd. 3. **Quality measurements for baskets of care.** (a) The commissioner shall  
2.7 establish quality measurements for the defined baskets of care by December 31, 2009.  
2.8 The commissioner shall establish quality measures for the total cost of care for services  
2.9 delivered through an accountable care organization by June 30, 2012. The commissioner  
2.10 may contract with an organization that works to improve health care quality to make  
2.11 recommendations about the use of existing measures or establishing new measures where  
2.12 no measures currently exist.

2.13 (b) Beginning July 1, 2010, the commissioner or the commissioner's designee shall  
2.14 publish comparative price and quality information on the baskets of care in a manner  
2.15 that is easily accessible and understandable to the public, as this information becomes  
2.16 available. Beginning January 1, 2013, the commissioner or the commissioner's designee  
2.17 shall publish comparative price and quality information on the total cost of care for  
2.18 services delivered through an accountable care organization in a manner that is easily  
2.19 accessible and understandable to the public, as this information becomes available.

2.20 Sec. .... Minnesota Statutes 2008, section 256B.0754, is amended by adding a  
2.21 subdivision to read:

2.22 Subd. 3. **Accountable care organizations.** By July 1, 2012, the commissioner of  
2.23 human services shall deliver services to enrollees in state health care programs through  
2.24 accountable care organizations, and shall provide incentive payments to accountable care  
2.25 organizations that meet or exceed annual quality and performance targets. Accountable  
2.26 care organizations and incentive payments must meet the standards specified in the Patient  
2.27 Protection and Affordable Care Act (Public Law No. 111-148).