Overview

This bill requires the commissioners of health and commerce to develop uniform billing standards for all Minnesota payers, modifies provisions of the rural hospital planning and transition grant program and appropriates money for the program, requires MA and GAMC to cover telemedicine conferences between providers, and requires certain services at critical access hospitals to be paid on a cost-based system.

1 Uniform billing requirements. Adds § 62J.535. Requires the commissioners of health and commerce to adopt uniform billing standards that comply with the federal Health Insurance Portability and Accountability Act (HIPAA). Specifies that these standards apply to all paper and electronic claims, and to all Minnesota payers, including government programs. Also requires all health care providers, except dental and pharmacy providers, to conform to the uniform billing standards developed under this section.

2 Rural hospital improvement grant program. Amends § 144.147. Modifies provisions of an existing rural hospital planning and transition grant program by changing the name of the program, the purposes for which the grants may be used, the criteria that are considered when grants are allocated, and what factors the commissioner considers when determining grant amounts. The program is renamed the rural hospital improvement grant program.

Subd. 2. Grants authorized. Strikes language specifying the minimum required content of strategic plans to preserve or improve access to health services developed by hospitals using grant funds. Allows hospitals to use grants for planning and implementation of capital improvement projects, and for implementation projects that reflect identified needs, including telemedicine services, diversification of health services, collaborations to integrate services, and critical access hospital conversion activities. Strikes language specifying the activities for which grant funds can be used currently.

Subd. 3. Consideration of grants. To the existing factors that the commissioner considers when determining which hospitals will receive grants, also directs the commissioner to consider the
integration of health care services in the community.

**Subd. 4. Allocation of grants.** Requires hospitals to apply to the commissioner for grants by October 1, rather than September 1, of each year. Strikes language limiting the grant amount a hospital may receive per year to $50,000 and requiring hospitals to certify that one half of the total cost of the project is available from non-state sources. In place of the stricken language, establishes the following factors for the commissioner to consider when determining grant amounts for hospitals.

Grants to hospitals for establishing strategic plans and for implementation projects cannot exceed $100,000 per year and cannot exceed two years. Before receiving a grant, requires a hospital to certify that at least one half of the total cost of the project is available from non-state sources.

Grants to hospitals for capital improvement projects cannot exceed $300,000 per year and cannot exceed two years. Before receiving a grant, requires a hospital to certify that at least one quarter of the total cost of the project is available from non-state sources. Allows grant funds to be used for expenses from planning or implementing transition projects, and prohibits funds from being used to retire debt incurred before the project is initiated (this language is in existing law and is being moved to this clause).

**Subd. 5. Evaluation.** Allows the commissioner to collect quarterly progress reports to evaluate the grant program (the existing language allows the commissioner to collect "the information necessary" to evaluate the grant program).

3  **Telemedicine consultations.** Adds subd. 8d to § 256B.0625. Extends medical assistance (MA) coverage to telemedicine consultations, and provides that payment will be made to both the referring provider and the consulting specialist. Allows telemedicine consultations to occur through either two-way, interactive video or store-and-forward technology.

4  **Hospital outpatient reimbursement.** Amends § 256B.75. Specifies that MA payments for outpatient, emergency, and ambulatory surgery hospital fee services to critical access hospitals must be paid based on a cost-based payment system based on the cost-finding methods and allowable costs of Medicare.

5  **General assistance medical care; services.** Amends § 256D.03, subd. 4. Provides that general assistance medical care (GAMC) covers telemedicine consultations and will reimburse both the referring provider and the consulting physician specialist. Allows telemedicine consultations to occur through either two-way, interactive video or store-and-forward technology.

6  **Appropriations.** Makes a blank appropriation from the general fund to the commissioner of health for the rural hospital improvement grant program.

7  **Repealer.** Repeals § 144.1475 (the rural hospital demonstration project) and § 144.148 (the rural hospital capital improvement grant and loan program).

8  **Effective date.** Makes sections 3 to 5 effective for services provided on or after July 1, 1999.