Overview

This bill contains provisions related to health care programs administered by the department of human services. The bill makes changes in the administration of the senior drug program, allows MA to be paid for disabled individuals who are working, clarifies or modifies MA covered services, changes the threshold for rehabilitation services, makes changes in MA reimbursement policy for special education services, increases MA reimbursement for selected providers and services, changes MinnesotaCare administrative policies, and makes technical and other policy changes.

1 Prescription drug coverage. Amends § 256.955, subd. 3. Limits coverage under the senior drug program to drugs covered under MA that are provided by manufacturers that have signed separate senior drug rebate agreements with the commissioner. (Under current law, manufacturers are to sign one rebate agreement that applies both to MA and the senior drug program.) Strikes language that allows coverage for certain drugs cleared by the FDA.

2 Application procedures and coordination with medical assistance. Amends § 256.955, subd. 4. Specifies that eligibility for the senior drug program begins the month after approval.

3 Cost sharing. Amends § 256.955, subd. 7. Modifies cost sharing requirements for the senior drug program, by eliminating the $120 annual enrollment fee, increasing the annual deductible to $420, and eliminating the option to pay the annual deductible biannually.


5 Program limitation. Amends § 256.955, subd. 9. Requires the commissioner to administer the senior drug program so that costs do not exceed appropriations plus drug rebate proceeds. Appropriates senior drug program rebate revenues to the commissioner. Requires new enrollment to cease if the commissioner determines that program costs will exceed appropriations and rebate proceeds.

6 Administrative reconsideration. Amends § 256.9685, subd. 1a. Codifies a rule provision that allows physicians and hospitals to request reconsideration of decisions that inpatient hospital
services are not medically necessary, by submitting a written request to the commissioner within 30 days of receiving notice of the decision.

7 **Hospital cost index.** Amends § 256.969, subd. 1. Extends the prohibition on inflation adjustments for GAMC hospital payment rates from CY 1999 to CY 2001. Requires the index for CY 2000 for MA hospital payment rates to be reduced by 2.5 percentage points to recover earlier overprojections.

8 **Performance data reporting unit.** Amends § 256B.04, by adding subd. 19. Requires the commissioner to establish a performance data reporting unit to provide performance data reports to individual counties, share expertise, and participate in joint planning to link county data sources.

9 **MFIP-S families; families eligible under prior AFDC rules.** Amends § 256B.055, subd. 3a. Strikes language that requires public assistance clients to meet deprivation requirements, in order to receive MA. (This has the effect of eliminating the requirement that the primary wage earner in two-parent families work less than 100 hours per month to retain MA eligibility.)

10 **Income.** Amends § 256B.056, subd. 4. Effective January 1, 2000, and each successive January, allows SSI recipients to have an income up to the SSI income standard to qualify for MA.

11 **Employed individuals with disabilities.** Amends § 256B.057, by adding subd. 9. (a) Allows MA to be paid for employed individuals who: (1) meet the SSI definition of disabled; (2) have family incomes, excluding unearned income, not exceeding 250 percent of poverty; and (3) pay a premium.

(b) Increases the standard MA asset limit by $20,000, and excludes retirement accounts. (The standard asset limit is $3,000 for an individual/$6,000 per couple/$200 for each additional dependent.)

(c) Requires a premium of 10 percent of income above 250 percent of poverty, but not exceeding the MinnesotaCare premium for one person.

(d) Requires eligibility and premium amounts to be determined by counties, and premiums to be paid to the commissioner.

(e) Specifies requirements for premium determination and redetermination, and procedures for payment of premiums.

(f) Provides that nonpayment will result in denial or termination of MA. Defines nonpayment and allows the commissioner to require a guaranteed form of payment.

12 **Availability of income for institutionalized persons.** Amends § 256B.0575. Adds, to the list of amounts that can be deducted from an institutionalized person's income, all exclusions mandated by federal law.

13 **Physical therapy.** Amends § 256B.0625, subd. 8. Clarifies that MA coverage of physical therapy and related services includes specialized maintenance therapy.

14 **Occupational therapy.** Amends § 256B.0625, subd. 8a. Clarifies that MA coverage of occupational therapy and related services includes specialized maintenance therapy.

15 **Speech language pathology services.** Amends § 256B.0625, by adding subd. 8b. Clarifies that MA covers speech language pathology and related services, including specialized maintenance therapy.

16 **Care management; rehabilitation services.** Amends § 256B.0625, by adding subd. 8c. (a) Effective July 1, 1999, replaces annual thresholds for the provision of rehabilitative services with one-time thresholds.

(b) Requires a care management approach for authorization of services to be instituted in conjunction with the one-time thresholds.
(c) Requires DHS to review within five days authorization requests for recipients who need emergency rehabilitation services and have exhausted their one-time threshold limit.

17 **Telemedicine consultations.** Amends § 256B.0625, by adding subd.3a. Provides MA coverage for telemedicine consultations.

18 **Consultation services by physicians specializing in child abuse and neglect.** Amends § 256B.0625, by adding subd. 3b. Provides MA coverage for consultation services by physicians specializing in child abuse and neglect.

19 **Dental hygienist services.** Amends § 256B.0625, by adding subd. 9a. Authorizes MA coverage for preventive dental services provided by a dental hygienist, if the services are otherwise covered by MA and within scope of practice.

20 **Drugs.** Amends § 256B.0625, subd. 13. Requires the commissioner to set maximum allowable costs for multi-source drugs that are not on the federal upper limit list. Eliminates the requirement that drug manufacturers also sign a drug rebate agreement for the senior drug program in order to have their drugs covered under MA.

21 **Special education services.** Amends § 256B.0625, subd. 26. Makes changes in MA reimbursement policy for local educational agency services.

   Effective July 1, 2000, requires these services to be paid at 95 percent of the federal share of reimbursement.

   Requires DHS to amend its waiver related to individual education plan (IEP) and individualized family service plan (IFSP) services, and effective July 1, 2000 or upon federal approval, excludes these services from the capitation rate for MA and MinnesotaCare.

   Provides that upon federal approval, these claims will be billed and paid on a fee-for-service basis.

   Requires DHS to develop a payment methodology for these services and a cost-based payment structure.

   Provides that MA services provided by local educational agencies shall not count against MA thresholds, effective July 1, 2000.

   Requires the nonfederal share of MA coverage to be paid by the local educational agency.

   Specifies administrative requirements and requires the department of children, families, and learning and DHS to enter into an interagency agreement by July 1, 2000.

22 **Other clinic services.** Amends § 256B.0625, subd. 30. Effective July 1, 1999, eliminates the requirement that federally qualified health centers and rural health clinics become essential community providers in order to receive cost-based reimbursement. Effective January 1, 2000, limits payments to the cost phase-out schedule of the Balanced Budget Act of 1997.

23 **Nutritional products.** Amends § 256B.0625, subd. 32. Strikes obsolete language related to the nutritional supplementation products advisory committee.

24 **Family community support services.** Amends § 256B.0625, subd. 35. To the extent authorized by rules, adds the following services as family community support services: services identified in an individual treatment plan when provided by a trained mental health behavioral aide under supervision, mental health crisis intervention and crisis stabilization services provided outside of hospital inpatient settings, and the therapeutic components of preschool and therapeutic camp programs.

25 **Medical assistance for MFIP-S participants who opt to discontinue monthly cash assistance.** Amends § 256B.0635, subd. 3. Allows persons who opt to discontinue receiving
MFIP-S cash assistance to receive MA, as long as they meet MFIP-S eligibility requirements.

**Conflicts of interest related to Medicaid expenditures.** Adds § 256B.0914. Adopts federal requirements for restricting conflicts of interests in MA procurement and contracting. Defines terms and applicability. Places restrictions on disclosing procurement information, employment negotiations, acceptance of compensation, and representation and communication. Allows waivers and provides exceptions. Establishes criminal and civil penalties and allows administrative corrective action.

**Prohibited practices.** Amends § 256B.48, subd. 1. Allows nursing facilities to require residents to use pharmacies that utilize unit dose packing systems or other medication administration systems, and to use pharmacies that are able to meet nursing facility standards for safe and timely administration of medications. Prohibits a facility from restricting a resident's choice of pharmacy because the pharmacy utilizes a specific system of unit dose packing, as long as the system is consistent with the other systems used by the facility.

**Medical education and research payments.** Amends § 256B.69, by adding subd. 5a. Provides that hospitals that participate in funding the federal share of the MERC trust fund are not liable for amounts attributable to this payment that are above the MA charge limit. Requires the commissioner to assume liability for any corresponding federal share of payments above the limit.

**Hospital outpatient reimbursement.** Amends § 256B.75. Effective January 1, 2000, provides a 10 percent increase for nonsurgical outpatient hospital facility fees and emergency room facility fees, except for those services for which there is a federal maximum allowable payment.

**Physician and dental reimbursement.** Amends § 256B.76. Effective October 1, 1999, provides a 4 percent increase for physician and professional services, except for home health agency services. Requires DHS to present a proposal to the 2000 Legislature on conversion of physician and professional services payments to a resource based relative value scale. Provides that these increases are effective January 1, 2000 for managed care.

Makes the following changes related to dental reimbursement and dental services:

1. increases reimbursement for dental services by 5 percent, effective October 1, 1999;

2. increases payments by 20 percent over the October 1, 1999 fee-for-service rates, for fee-for-service providers for whom public program clients account for 20 percent or more of their practice;

3. directs the commissioner to award grants to community clinics and other nonprofit community organizations to increase the availability of dental services for public program recipients;

4. requires DHS to fund two initiatives that will allow the commissioner to increase rates if the percentage of public program clients with at least one dental visit per year increases; and

5. beginning October 1, 1999, increases payment for tooth sealants and fluoride treatments to the lower of the submitted charge or 80 percent of the 1997 median.

Specifies that the increases in items (1), (2), and (5) are to be implemented January 1, 2000 for managed care.

**Copayments and coinsurance.** Amends § 256L.03, subd. 5. Exempts parents and relative
caretakers of children under age 21 in households with incomes at or below 175 percent of poverty from MinnesotaCare copayments and coinsurance.

32 **Cooperation in establishing third-party liability, paternity, and other medical support.** Amends § 256L.04, subd. 2. Adds relative caretakers to the list of persons who must cooperate with DHS in establishing paternity of enrolled children and obtaining medical care support and payments for the children.

33 **Applicants potentially eligible for medical assistance.** Amends § 256L.04, subd. 8. Allows MinnesotaCare applicants who are potentially eligible for MA, and who do not receive a disability-based pension, to enroll in either MinnesotaCare or MA.

34 **Families with relative caretakers, foster parents, or legal guardians.** Amends § 256L.04, subd. 13. Strikes language that allowed families with a grandparent to apply as a family or separately for the children. (Grandparents can still apply if they meet the definition of relative caretaker.) For caretakers that can apply separately for the children, eliminates the requirement that all children must apply.

35 **Application processing.** Amends § 256L.05, subd. 4. Allows presumptive eligibility once annually at application or reenrollment, and requires timely payment of premiums. Requires enrollees to provide verifications within 30 days of notification of eligibility determination (current law refers to enrollment).

36 **Administration and commissioner's duties.** Amends § 256L.06, subd. 3. Expands the definition of failure to pay a premium, and specifies guaranteed forms of payment. Allows persons disenrolled for nonpayment to be reenrolled retrospectively to the first day of disenrollment, if they pay all premiums due within 20 days of disenrollment.

37 **Eligibility for MinnesotaCare.** Amends § 256L.07. The amendments to subdivisions 1 and 2 change terminology to clarify that MinnesotaCare policies also apply to those paying full premiums and delete obsolete language on income determination procedures. The amendment to subdivision 3 codifies the definition in rule of being underinsured and requires former MA and GAMC recipients to meet the MinnesotaCare insurance barriers related to no employer-subsidized or private insurance coverage.

38 **Premium determination.** Amends § 256L.15, subd. 1. Makes a technical change.

39 **Payments nonrefundable.** Amends § 256L.15, subd. 1b. Specifies that MinnesotaCare premiums paid for future months of coverage for which a health plan capitation fee has not been paid may be refunded.

40 **Sliding fee scale to determine percentage of gross individual or family income.** Amends § 256L.15, subd. 2. The amendment to paragraph (a) clarifies procedures for premium determination based on a sliding scale. The amendment to paragraph (b) requires enrolled individuals and families whose gross annual income increases above 275 percent of poverty to pay the maximum premium. Provides the method of calculating this maximum premium.

41 **Additional waiver request for employed disabled persons.** Amends Laws 1995, chapter 178, article 2, section 46, subdivision 10. Clarifies language passed in 1995 that requires DHS to seek a federal waiver to implement a work incentive for disabled persons.

42 **Home-based mental health services.** Requires the commissioner of human services, by January 1, 2000, to amend Minnesota Rules under the expedited process, to: (1) permit a county board to contract with any agency qualified to provide home-based mental health services; and (2) permit children's mental health collaboratives approved by the children's cabinet to contract with any agency qualified to provide home-based mental health services.

43 **Amending medical assistance rules.** Requires the commissioner of human services, by January 1, 2000, to amend specified rules to implement the changes related to family community support
Programs for senior citizens. Requires the commissioner of human services to study the extent to which programs for senior citizens can be combined, simplified, or coordinated to reduce administrative costs and improve access. Also requires the commissioner to study potential barriers to enrollment related to depletion of resources. Requires a report to the legislature by February 15, 2000.