

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 2667

(SENATE AUTHORS: ABELER and Benson)

DATE
03/25/2019

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OFFICIAL STATUS
Introduction and first reading
Referred to Health and Human Services Finance and Policy

1.1 A bill for an act

1.2 relating to finance; appropriating money; repealing the health care access fund;

1.3 amending Minnesota Statutes 2018, sections 43A.317, subdivision 8; 144.1501,

1.4 subdivision 5; 256B.0755, subdivision 4; 295.58; 297I.05, subdivision 5; repealing

1.5 Minnesota Statutes 2018, sections 16A.724; 62U.10, subdivisions 1, 4, 8; 295.52,

1.6 subdivision 8; 295.581.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2018, section 43A.317, subdivision 8, is amended to read:

1.9 Subd. 8. **Premiums.** (a) **Payments.** Employers enrolled in the program shall pay

1.10 premiums according to terms established by the commissioner. If an employer fails to make

1.11 the required payments, the commissioner may cancel coverage and pursue other civil

1.12 remedies.

1.13 (b) **Rating method.** The commissioner shall determine the premium rates and rating

1.14 method for the program. The rating method for eligible small employers must meet or exceed

1.15 the requirements of chapter 62L. The rating methods must recover in premiums all of the

1.16 ongoing costs for state administration and for maintenance of a premium stability and claim

1.17 fluctuation reserve. ~~On June 30, 1999, after paying all necessary and reasonable expenses,~~

1.18 ~~the commissioner must apply up to \$2,075,000 of any remaining balance in the Minnesota~~

1.19 ~~employees' insurance trust fund to repayment of any amounts drawn or expended for this~~

1.20 ~~program from the health care access fund.~~

1.21 (c) **Taxes and assessments.** To the extent that the program operates as a self-insured

1.22 group, the premiums paid to the program are not subject to the taxes imposed by chapter

1.23 297I, but the program is subject to a Minnesota Comprehensive Health Association

1.24 assessment under section 62E.11.

2.1 **EFFECTIVE DATE.** This section is effective January 1, 2020.

2.2 Sec. 2. Minnesota Statutes 2018, section 144.1501, subdivision 5, is amended to read:

2.3 Subd. 5. **Penalty for nonfulfillment.** If a participant does not fulfill the required
 2.4 minimum commitment of service according to subdivision 3, the commissioner of health
 2.5 shall collect from the participant the total amount paid to the participant under the loan
 2.6 forgiveness program plus interest at a rate established according to section 270C.40. The
 2.7 commissioner shall deposit the money collected in the ~~health care access~~ general fund to
 2.8 be credited to the health professional education loan forgiveness program account established
 2.9 in subdivision 2. The commissioner shall allow waivers of all or part of the money owed
 2.10 the commissioner as a result of a nonfulfillment penalty if emergency circumstances
 2.11 prevented fulfillment of the minimum service commitment.

2.12 **EFFECTIVE DATE.** This section is effective January 1, 2020.

2.13 Sec. 3. Minnesota Statutes 2018, section 256B.0755, subdivision 4, is amended to read:

2.14 Subd. 4. **Payment system.** (a) In developing a payment system for integrated health
 2.15 partnerships, the commissioner shall establish a total cost of care benchmark or a risk/gain
 2.16 sharing payment model to be paid for services provided to the recipients enrolled in an
 2.17 integrated health partnership.

2.18 (b) The payment system may include incentive payments to integrated health partnerships
 2.19 that meet or exceed annual quality and performance targets realized through the coordination
 2.20 of care.

2.21 ~~(e) An amount equal to the savings realized to the general fund as a result of the~~
 2.22 ~~demonstration project shall be transferred each fiscal year to the health care access fund.~~

2.23 ~~(d)~~ (c) The payment system shall include a population-based payment that supports care
 2.24 coordination services for all enrollees served by the integrated health partnerships, and is
 2.25 risk-adjusted to reflect varying levels of care coordination intensiveness for enrollees with
 2.26 chronic conditions, limited English skills, cultural differences, are homeless, or experience
 2.27 health disparities or other barriers to health care. The population-based payment shall be a
 2.28 per member, per month payment paid at least on a quarterly basis. Integrated health
 2.29 partnerships receiving this payment must continue to meet cost and quality metrics under
 2.30 the program to maintain eligibility for the population-based payment. An integrated health
 2.31 partnership is eligible to receive a payment under this paragraph even if the partnership is
 2.32 not participating in a risk-based or gain-sharing payment model and regardless of the size

3.1 of the patient population served by the integrated health partnership. Any integrated health
 3.2 partnership participant certified as a health care home under section 256B.0751 that agrees
 3.3 to a payment method that includes population-based payments for care coordination is not
 3.4 eligible to receive health care home payment or care coordination fee authorized under
 3.5 section 62U.03 or 256B.0753, subdivision 1, or in-reach care coordination under section
 3.6 256B.0625, subdivision 56, for any medical assistance or MinnesotaCare recipients enrolled
 3.7 or attributed to the integrated health partnership under this demonstration.

3.8 **EFFECTIVE DATE.** This section is effective January 1, 2020.

3.9 Sec. 4. Minnesota Statutes 2018, section 295.58, is amended to read:

3.10 **295.58 DEPOSIT OF REVENUES AND PAYMENT OF REFUNDS.**

3.11 The commissioner shall deposit all revenues, including penalties and interest, derived
 3.12 from the taxes imposed by sections 295.50 to 295.57 and from the insurance premiums tax
 3.13 imposed by section 297I.05, subdivision 5, on health maintenance organizations, community
 3.14 integrated service networks, and nonprofit health service plan corporations in the ~~health~~
 3.15 ~~care access~~ general fund. There is annually appropriated from the ~~health care access~~ general
 3.16 fund to the commissioner of revenue the amount necessary to make refunds under this
 3.17 chapter.

3.18 **EFFECTIVE DATE.** This section is effective January 1, 2020.

3.19 Sec. 5. Minnesota Statutes 2018, section 297I.05, subdivision 5, is amended to read:

3.20 Subd. 5. **Health maintenance organizations, nonprofit health service plan**
 3.21 **corporations, and community integrated service networks.** (a) A tax is imposed on health
 3.22 maintenance organizations, community integrated service networks, and nonprofit health
 3.23 care service plan corporations. The rate of tax is equal to one percent of gross premiums
 3.24 less return premiums on all direct business received by the organization, network, or
 3.25 corporation or its agents in Minnesota, in cash or otherwise, in the calendar year.

3.26 (b) The commissioner shall deposit all revenues, including penalties and interest, collected
 3.27 under this chapter from health maintenance organizations, community integrated service
 3.28 networks, and nonprofit health service plan corporations in the ~~health care access~~ general
 3.29 fund. Refunds of overpayments of tax imposed by this subdivision must be paid from the
 3.30 ~~health care access~~ general fund. There is annually appropriated from the ~~health care access~~
 3.31 general fund to the commissioner the amount necessary to make any refunds of the tax
 3.32 imposed under this subdivision.

4.1 **EFFECTIVE DATE.** This section is effective January 1, 2020.

4.2 Sec. 6. **TRANSFER.**

4.3 On January 1, 2020, the commissioner of management and budget shall transfer any
4.4 balance in the health care access fund to the general fund.

4.5 Sec. 7. **APPROPRIATIONS; COMMISSIONER OF HUMAN SERVICES.**

4.6 (a) \$26,772,000 in fiscal year 2020 and \$29,526,000 in fiscal year 2021 are appropriated
4.7 from the general fund to the commissioner of human services for MinnesotaCare.

4.8 (b) \$438,848,000 in fiscal year 2020 and \$438,848,000 in fiscal year 2021 are
4.9 appropriated from the general fund to the commissioner of human services for the medical
4.10 assistance program.

4.11 (c) \$35,497,000 in fiscal year 2020 and \$35,497,000 in fiscal year 2021 are appropriated
4.12 from the general fund to the commissioner of human services for operations related to
4.13 administration of MinnesotaCare.

4.14 Sec. 8. **APPROPRIATIONS; COMMISSIONER OF HEALTH.**

4.15 (a) \$244,000 in fiscal year 2020 and \$244,000 in fiscal year 2021 are appropriated from
4.16 the general fund to the commissioner of health for health policy management.

4.17 (b) \$1,476,000 in fiscal year 2020 and \$1,476,000 in fiscal year 2021 are appropriated
4.18 from the general fund to the commissioner of health for the health economics program.

4.19 (c) \$675,000 in fiscal year 2020 and \$675,000 in fiscal year 2021 are appropriated from
4.20 the general fund to the commissioner of health for the health care access survey.

4.21 (d) \$938,000 in fiscal year 2020 and \$938,000 in fiscal year 2021 are appropriated from
4.22 the general fund to the commissioner of health for data management and technology.

4.23 (e) \$1,819,000 in fiscal year 2020 and \$1,819,000 in fiscal year 2021 are appropriated
4.24 from the general fund to the commissioner of health for administration of health care homes
4.25 under Minnesota Statutes, section 256B.0751.

4.26 (f) \$2,047,000 in fiscal year 2020 and \$2,047,000 in fiscal year 2021 are appropriated
4.27 from the general fund to the commissioner of health for rural health and primary care under
4.28 Minnesota Statutes, section 144.1483.

5.1 (g) \$100,000 in fiscal year 2020 and \$100,000 in fiscal year 2021 are appropriated from
5.2 the general fund to the commissioner of health for matching funds for the federal National
5.3 Health Service Program.

5.4 (h) \$133,000 in fiscal year 2020 and \$133,000 in fiscal year 2021 are appropriated from
5.5 the general fund to the commissioner of health for the international medical graduate
5.6 education program under Minnesota Statutes, section 144.1911.

5.7 (i) \$529,000 in fiscal year 2020 and \$529,000 in fiscal year 2021 are appropriated from
5.8 the general fund to the commissioner of health for health information technology under
5.9 Minnesota Statutes, section 62J.495.

5.10 (j) \$231,000 in fiscal year 2020 and \$231,000 in fiscal year 2021 are appropriated from
5.11 the general fund to the commissioner of health for all payer claims database public use files
5.12 under Minnesota Statutes, section 62U.04.

5.13 (k) \$2,656,000 in fiscal year 2020 and \$2,656,000 in fiscal year 2021 are appropriated
5.14 from the general fund to the commissioner of health for health care transformation.

5.15 (l) \$180,000 in fiscal year 2020 and \$180,000 in fiscal year 2021 are appropriated from
5.16 the general fund to the commissioner of health for chronic conditions outcomes reporting.

5.17 (m) \$1,000,000 in fiscal year 2020 and \$1,000,000 in fiscal year 2021 are appropriated
5.18 from the general fund to the commissioner of health for medical education and research
5.19 costs grants under Minnesota Statutes, section 62J.692.

5.20 (n) \$3,240,000 in fiscal year 2020 and \$3,240,000 in fiscal year 2021 are appropriated
5.21 from the general fund to the commissioner of health for health professional education loan
5.22 forgiveness programs under Minnesota Statutes, section 144.1501.

5.23 (o) \$250,000 in fiscal year 2020 and \$250,000 in fiscal year 2021 are appropriated from
5.24 the general fund to the commissioner of health for community clinic grants under Minnesota
5.25 Statutes, section 145.9268.

5.26 (p) \$300,000 in fiscal year 2020 and \$300,000 in fiscal year 2021 are appropriated from
5.27 the general fund to the commissioner of health for rural hospital transition grants under
5.28 Minnesota Statutes, section 144.147.

5.29 (q) \$1,000,000 in fiscal year 2020 and \$1,000,000 in fiscal year 2021 are appropriated
5.30 from the general fund to the commissioner of health for greater Minnesota residency grants
5.31 under Minnesota Statutes, section 144.1912.

6.1 (r) \$300,000 in fiscal year 2020 and \$300,000 in fiscal year 2021 are appropriated from
6.2 the general fund to the commissioner of health for health care intern grants under Minnesota
6.3 Statutes, section 144.1464.

6.4 (s) \$219,000 in fiscal year 2020 and \$219,000 in fiscal year 2021 are appropriated from
6.5 the general fund to the commissioner of health for federally qualified health center grants
6.6 under Minnesota Statutes, section 145.9269.

6.7 (t) \$867,000 in fiscal year 2020 and \$867,000 in fiscal year 2021 are appropriated from
6.8 the general fund to the commissioner of health for international medical residency grants
6.9 under Minnesota Statutes, section 144.1911.

6.10 (u) \$63,000 in fiscal year 2020 and \$63,000 in fiscal year 2021 are appropriated from
6.11 the general fund to the commissioner of health for grants to safety net providers under
6.12 Minnesota Statutes, section 145.929, subdivision 1, for dental services.

6.13 (v) \$219,000 in fiscal year 2020 and \$219,000 in fiscal year 2021 are appropriated from
6.14 the general fund to the commissioner of health for grants to safety net providers under
6.15 Minnesota Statutes, section 145.929, subdivision 2, for mental health services.

6.16 (w) \$725,000 in fiscal year 2020 and \$725,000 in fiscal year 2021 are appropriated from
6.17 the general fund to the commissioner of health for grants to safety net hospitals under
6.18 Minnesota Statutes, section 145.929, subdivision 3.

6.19 (x) \$14,634,000 in fiscal year 2020 and \$14,634,000 in fiscal year 2021 are appropriated
6.20 from the general fund to the commissioner of health for the statewide health improvement
6.21 program grants under Minnesota Statutes, section 145.986.

6.22 (y) \$2,945,000 in fiscal year 2020 and \$2,945,000 in fiscal year 2021 are appropriated
6.23 from the general fund to the commissioner of health for administration of the statewide
6.24 health improvement program under Minnesota Statutes, section 144.148.

6.25 (z) \$68,000 in fiscal year 2020 and \$68,000 in fiscal year 2021 are appropriated from
6.26 the general fund to the commissioner of health for the information clearinghouse under
6.27 Minnesota Statutes, section 62J.2930.

6.28 **Sec. 9. APPROPRIATION; UNIVERSITY OF MINNESOTA.**

6.29 \$2,157,000 in fiscal year 2020 and \$2,157,000 in fiscal year 2021 are appropriated from
6.30 the general fund to the University of Minnesota for primary care education initiatives.

7.1 Sec. 10. **APPROPRIATION; LEGISLATIVE COORDINATING COMMISSION.**

7.2 \$128,000 in fiscal year 2020 and \$128,000 in fiscal year 2021 are appropriated from the
7.3 general fund to the Legislative Coordinating Commission.

7.4 Sec. 11. **APPROPRIATION; COMMISSIONER OF REVENUE.**

7.5 \$..... in fiscal year 2020 and \$..... in fiscal year 2021 are appropriated from the general
7.6 fund to the commissioner of revenue for administration of taxes under Minnesota Statutes,
7.7 section 297I.05.

7.8 Sec. 12. **REPEALER.**

7.9 Minnesota Statutes 2018, sections 16A.724; 62U.10, subdivisions 1, 4, and 8; 295.52,
7.10 subdivision 8; and 295.581, are repealed.

7.11 **EFFECTIVE DATE.** This section is effective January 1, 2020.

16A.724 HEALTH CARE ACCESS FUND.

Subdivision 1. **Creation of fund.** A health care access fund is created in the state treasury. The fund is a direct appropriated special revenue fund. The commissioner shall deposit to the credit of the fund money made available to the fund. Notwithstanding section 11A.20, after June 30, 1997, all investment income and all investment losses attributable to the investment of the health care access fund not currently needed shall be credited to the health care access fund.

Subd. 2. **Transfers.** (a) Notwithstanding section 295.581, to the extent available resources in the health care access fund exceed expenditures in that fund, effective for the biennium beginning July 1, 2007, the commissioner of management and budget shall transfer the excess funds from the health care access fund to the general fund on June 30 of each year, provided that the amount transferred in fiscal year 2016 shall not exceed \$48,000,000, the amount in fiscal year 2017 shall not exceed \$122,000,000, and the amount in any fiscal biennium thereafter shall not exceed \$244,000,000. The purpose of this transfer is to meet the rate increase required under Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision 6.

(b) For fiscal years 2006 to 2011, MinnesotaCare shall be a forecasted program, and, if necessary, the commissioner shall reduce these transfers from the health care access fund to the general fund to meet annual MinnesotaCare expenditures or, if necessary, transfer sufficient funds from the general fund to the health care access fund to meet annual MinnesotaCare expenditures.

Subd. 3. **MinnesotaCare federal receipts.** All federal funding received by Minnesota for implementation and administration of MinnesotaCare as a basic health program, as authorized in section 1331 of the Affordable Care Act, Public Law 111-148, as amended by Public Law 111-152, is appropriated to the commissioner of human services to be used only for the MinnesotaCare program under chapter 256L. Federal funding that is received for implementing and administering MinnesotaCare as a basic health program shall be used only for that program to purchase health care coverage for enrollees and reduce enrollee premiums and cost-sharing or provide additional enrollee benefits.

Subd. 4. **MinnesotaCare funding.** The commissioner of human services may expend money appropriated from the health care access fund for MinnesotaCare in either year of the biennium.

62U.10 HEALTH CARE TRANSFER, SAVINGS, AND REPAYMENT.

Subdivision 1. **Health care access fund transfer.** On June 30, 2009, the commissioner of management and budget shall transfer \$50,000,000 from the health care access fund to the general fund.

Subd. 4. **Repayment of transfer.** When accumulated savings accruing to state-administered health care programs, as calculated under subdivision 3, meet or exceed \$50,000,000, the commissioner of health shall certify that event to the commissioner of management and budget. In the next fiscal year following the certification, the commissioner of management and budget shall transfer \$50,000,000 from the general fund to the health care access fund. The amount necessary to make the transfer is appropriated from the general fund to the commissioner of management and budget.

Subd. 8. **Transfers.** When accumulated annual savings accruing to state-administered health care programs, as calculated under subdivision 7, meet or exceed \$50,000,000 for all health indicators in aggregate statewide, the commissioner of health shall certify that event to the commissioner of management and budget, no later than December 15 of each year. In the next fiscal year following the certification, the commissioner of management and budget shall transfer \$50,000,000 from the general fund to the health care access fund. This transfer shall repeat in each fiscal year following subsequent certifications of additional cumulative savings, up to \$50,000,000 per year. The amount necessary to make the transfer is appropriated from the general fund to the commissioner of management and budget.

295.52 TAXES IMPOSED.

Subd. 8. **Contingent reduction in tax rate.** (a) By December 1 of each year, beginning in 2011, the commissioner of management and budget shall determine the projected balance in the health care access fund for the biennium.

(b) If the commissioner of management and budget determines that the projected balance in the health care access fund for the biennium reflects a ratio of revenues to expenditures and transfers greater than 125 percent, and if the actual cash balance in the fund is adequate, as determined by the commissioner of management and budget, the commissioner, in consultation with the

APPENDIX
Repealed Minnesota Statutes: 19-4715

commissioner of revenue, shall reduce the tax rates levied under subdivisions 1, 1a, 2, 3, and 4, for the subsequent calendar year sufficient to reduce the structural balance in the fund. The rate may be reduced to the extent that the projected revenues for the biennium do not exceed 125 percent of expenditures and transfers. The new rate shall be rounded to the nearest one-tenth of one percent. The rate reduction under this paragraph expires at the end of each calendar year and is subject to an annual redetermination by the commissioner of management and budget.

(c) For purposes of the analysis defined in paragraph (b), the commissioner of management and budget shall include projected revenues, notwithstanding the repeal of the tax imposed under this section effective January 1, 2020.

295.581 PROHIBITION ON NON-MINNESOTACARE TRANSFERS FROM FUND.

Notwithstanding any law to the contrary, and notwithstanding section 645.33, money in the health care access fund shall be appropriated only for purposes that are consistent with past and current MinnesotaCare appropriations in Laws 1992, chapter 549; Laws 1993, chapter 345; Laws 1994, chapter 625; and Laws 1995, chapter 234, or for initiatives that are part of the section 1115 of the Social Security Act health care reform waiver submitted to the federal Centers for Medicare and Medicaid Services by the commissioner of human services as appropriated in Laws 1995, chapter 234.