State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1181

02/23/2015 Authored by Laine, Bly, Fischer, Schultz, Pinto and others
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

A bill for an act

relating to health; preparing for a Minnesota innovation waiver under section 1332 of the Affordable Care Act; developing a health care system that best serves Minnesotans; requiring a cost analysis; appropriating money.

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

Section 1. **INVESTIGATING OPPORTUNITIES FOR HEALTH CARE INNOVATION.**

Subdivision 1. **Purpose.** Section 1332 of title 1 of the Affordable Care Act offers states the opportunity to use new, innovative ways of delivering health care. States can apply for an innovation waiver starting in 2017, as long as the proposal provides better, more comprehensive coverage to at least as many people and is more affordable than the Affordable Care Act. Minnesota has a long tradition of health care innovation and it has long been a state goal to cover all Minnesotans with high-quality health care as efficiently and effectively as possible. Consequently, the state should investigate different approaches to see whether there is a better health care delivery system Minnesota could implement which would increase access, affordability, and quality of care.

Subd. 2. **Values.** All Minnesotans deserve access to high-quality, affordable health care for all of their medical needs. Furthermore, decisions about appropriate care should be made by patients and their providers.

Sec. 2. **SECTION 1332 WAIVER COST AND BENEFIT ANALYSIS.**

Subdivision 1. **Contract for analysis of proposals.** In preparation for a section 1332 waiver request, the commissioner of management and budget shall contract with the University of Minnesota School of Public Health and the Carlson School of Management,

to conduct an analysis of the costs and benefits of up to three specific proposals that seek to create a better health care system which would increase access, affordability, and quality of care in comparison to the current system.

Subd. 2. **Plans.** After consulting with interested legislators, the commissioner of health shall submit to the University of Minnesota the following proposals:

(1) a free-market insurance-based competition approach;

(2) a universal health care plan designed to meet the following principles:

(i) ensure all Minnesotans receive quality health care;

(ii) not restrict, delay, or deny care or reduce the quality of care to hold down costs, but instead reduce costs through prevention, efficiency, and reduction of bureaucracy;

(iii) cover all necessary care, including all coverage currently required by law, complete mental health services, chemical dependency treatment, prescription drugs, medical equipment and supplies, dental care, long-term care, and home care services;

(iv) allow patients to choose their own providers;

(v) be funded through premiums based on ability to pay and other revenue sources;

(vi) focus on preventive care and early intervention to improve the health of all Minnesota residents and reduce costs from untreated illnesses and diseases;

(vii) ensure an adequate number of qualified health care professionals and facilities to guarantee availability of and timely access to quality care throughout the state;

(viii) continue Minnesota's leadership in medical education, training, research, and technology;

(ix) provide adequate and timely payments to providers; and

(x) reduce the costly bureaucratic complexity of the health care system; and

(3) a third alternative may be submitted by the commissioner that offers a different approach.

Subd. 3. **Proposal analysis.** (a) The analysis of each proposal must measure the impact on total public and private health care spending in Minnesota that would result from each proposal. "Total public and private health care spending" means spending on all medical care, including dental care, prescription drugs, medical equipment and supplies, complete mental health services, chemical dependency treatment, long-term care, and home care services as well as all of the costs for administering, delivering, and paying for the care. The analysis of total health care spending shall include whether there are savings or additional costs compared to the existing system due to:

(1) increased or reduced insurance, billing, underwriting, marketing, and other administrative functions;

(2) timely and appropriate use of medical care;

(3) market-driven or negotiated prices on medical services and products, including pharmaceuticals;

(4) shortages or excess capacity of medical facilities and equipment;

(5) increased or decreased utilization, better health outcomes, increased wellness due to prevention, early intervention, and health-promoting activities;

(6) payment reforms;

(7) coordination of care; and

(8) non-health care impacts on state and local expenditures such as reduced out-of-home placement or crime costs due to mental health or chemical dependency coverage.

(b) The analysis must also estimate for each proposal job losses or gains in health care and elsewhere in the economy due to implementation of the reforms.

(c) The analysts shall work with the authors of each proposal to gain understanding or clarification of the specifics of each proposal. The analysis shall assume that the provisions in each proposal are not preempted by federal law or that the federal government gives a waiver to the preemption.

(d) The proposals must be submitted to the University of Minnesota analysts within 30 days after final enactment of this legislation. The analysis shall be completed by August 1, 2016.

Sec. 3. **APPROPRIATION.**

$..... is appropriated in fiscal year 2015 from the general fund to the commissioner of management and budget to contract with the University of Minnesota to conduct an economic analysis of costs and benefits of section 1332 waiver health care system proposals specified in section 2.

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective the day following final enactment.