SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 474

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DATE	D-PG	OFFICIAL STATUS
02/02/2015	187	Introduction and first reading Referred to Health, Human Services and Housing
02/12/2015	252a	Comm report: To pass as amended and re-refer to State and Local Government
03/02/2015	462a	Comm report: To pass as amended and re-refer to Commerce

A bill for an act

relating to health care; creating a task force to review and evaluate the licensure structure of health plan companies and other entities; appropriating money.

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

Section 1. **HEALTH CARE REGULATORY REVIEW TASK FORCE.**

Subdivision 1. **General.** (a) The Health Care Regulatory Review Task Force is convened to review and assess the state regulatory and oversight structure for health plan companies and other related entities, including, but not limited to, indemnity carriers licensed under Minnesota Statutes, chapter 60A; nonprofit health service plan corporations licensed under Minnesota Statutes, chapter 62C; health plan maintenance organizations licensed under Minnesota Statutes, chapter 62D; community integrated service networks licensed under Minnesota Statutes, chapter 62N; health care cooperatives organized under Minnesota Statutes, chapter 62R; and county-based purchasing plans authorized under Minnesota Statutes, section 256B.692.

(b) The task force shall also review and assess the regulatory standards and requirements for each of these entities under Minnesota Statutes, chapters 62A, 62J, 62K, 62L, 62M, and 62Q.

Subd. 2. **Membership.** (a) The task force shall consist of 22 members appointed as follows:

(1) two members of the senate, one appointed by the majority leader, and one appointed by the minority leader;

(2) two members of the house of representatives, one appointed by the speaker of the house, and one appointed by the minority leader;

(3) four members representing consumers appointed by the governor, one of whom must be from a nonprofit organization with legal expertise representing low-income consumers;

(4) four members representing the health insurance industry, including two members appointed by the Minnesota Council of Health Plans, one member appointed by the Insurance Federation of Minnesota, and one member representing county-based purchasing plans appointed by the Minnesota Association of County Health Plans;

(5) four members representing health care providers, including one member appointed by the Minnesota Hospital Association, one member appointed by the Minnesota Medical Association, and two members appointed by the governor to represent providers other than hospitals and physicians;

(6) one member representing employers appointed by the Minnesota Chamber of Commerce;

(7) one member representing the labor unions and appointed by the governor; and

(8) the commissioners of commerce, health, human services, and management and budget, or their designees.

(b) Appointments must be made by August 1, 2015. The senate member appointed by the majority leader of the senate shall convene the first meeting of the task force no later than September 15, 2015. Members of the task force shall elect a chair at the first meeting.

(c) Minnesota Statutes, section 15.059, except for section 15.059, subdivision 2, shall apply to the task force and to all task force member appointments, except for the members who are commissioners.

Subd. 3. **Staff.** The commissioner of health shall provide staff and administrative services for the task force. The task force may request technical support from the commissioners of human services, commerce, and management and budget. The commissioner of health may enter into contracts with nonprofit private entities to provide evaluation and analysis as needed, including a legal summary and analysis of current regulatory and operational requirements for health plan companies and other related entities, and any pertinent case law.

Subd. 4. **Duties.** (a) The task force shall conduct a review and an assessment of the current state regulatory and oversight structures for indemnity carriers, health maintenance organizations, nonprofit health service plan corporations, preferred provider organizations, county-based purchasers, health care cooperatives, accountable care organizations, integrated health partnerships, health care delivery systems authorized under Minnesota Statutes, section 256B.0755, and other related entities. The review and assessment shall be conducted in terms of maximizing administrative efficiency

and regulatory simplification and streamlining the regulatory process while maintaining quality health outcomes, regulatory stability, and price stability.

(b) As part of this review, the task force shall examine the various types of operational licenses for health plan companies and the differences in the statutory and regulatory requirements for each license, including, but not limited to, licensure requirements involving financial solvency, tax liabilities, rate review, data and quality reporting, claims payment practices, utilization management, provider contracts, network adequacy, geographic accessibility, actuarial value, consumer protections, and quality assurance.

(c) As part of the evaluation of the different operational structures, the task force shall consider the following:

(1) whether there is justification to maintain different licensure requirements when health plan companies are becoming more operationally similar and there is an increasing degree of uniformity required under both state and federal laws;

(2) whether the different licensure requirements create the likelihood of different standards being applied to different health plan companies or other entities that are operationally similar, but are regulated under different licensure and regulatory requirements, thereby creating an uneven and arguably unfair competitive marketplace; and

(3) whether the current regulatory structure allows for the state to have sufficient oversight of new operational health care delivery models and payment systems that have been created or may be created in the future including, but not limited to, accountable care organizations, integrated health partnerships, or other health care delivery systems and, if not, whether the legislature should create a review process in order to ensure regulatory oversight.

(d) The task force shall also review the statutory provisions in Minnesota Statutes, chapters 62A, 62C, 62D, 62L, 62M, and 62Q for redundant and unnecessary provisions and make recommendations on whether a recodification of these chapters would create a more uniform regulatory scheme in terms of market stability, efficiency, and simplification.

Subd. 5. **Report.** The task force shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over commerce and health and human services of the results of the review and assessment and any recommendations, including draft legislation by January 15, 2017.

Subd. 6. **Expiration.** The task force expires the day after submitting the report required under subdivision 5.

Sec. 2. **APPROPRIATION.**

$..... is appropriated for fiscal year 2016 from the general fund to the commissioner of health for administrative services to the Health Care Regulatory Review Task Force for any necessary technical support from state agencies, and for contracts to provide evaluation or analysis services as deemed necessary by the task force.