

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 813

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| DATE | D-PG | OFFICIAL STATUS |
|------------|------|--|
| 02/12/2015 | 278 | Introduction and first reading Referred to Health, Human Services and Housing |
| 03/16/2015 | 879a | Comm report: To pass as amended and re-refer to Finance |

1.1 A bill for an act
1.2 relating to health; preparing for a Minnesota innovation waiver under section
1.3 1332 of the Affordable Care Act; developing a health care system that best serves
1.4 Minnesotans; requiring a cost analysis; appropriating money.

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

1.6 Section 1. **SECTION 1332 WAIVER COST AND BENEFIT ANALYSIS.**

1.7 Subdivision 1. **Contract for analysis of proposals.** In preparation for a section
1.8 1332 waiver request, the commissioner of management and budget shall contract with the
1.9 University of Minnesota School of Public Health and the Carlson School of Management,
1.10 to conduct an analysis of the costs and benefits of up to three specific proposals that
1.11 seek to create a better health care system which would increase access, affordability, and
1.12 quality of care in comparison to the current system.

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

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

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

1.17 (i) ensure all Minnesotans receive quality health care;

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

1.21 (iii) allow patients to choose their own providers; and

1.22 (iv) use premiums based on ability to pay; and

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

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

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

2.11 (2) timely and appropriate use of medical care;

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

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

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

2.17 (6) payment reforms;

2.18 (7) coordination of care; and

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

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

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

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

2.31 **Sec. 2. APPROPRIATION.**

2.32 \$..... is appropriated in fiscal year 2015 from the general fund to the commissioner
2.33 of management and budget to contract with the University of Minnesota to conduct
2.34 an economic analysis of costs and benefits of section 1332 waiver health care system
2.35 proposals specified in section 1.

3.1 Sec. 3. **EFFECTIVE DATE.**

3.2 Sections 1 and 2 are effective the day following final enactment.