MESSERLI & KRAMER

MINNESOTA
AMBULATORY SURGERY CENTER
Association

MNASCA Annual Education Conference

April 16 and 17, 2015

Tom Poul - Bio

- 19 years of legislative experience
- Previous experience includes working for a U.S. Representative as well as two Minnesota state agencies
- Expertise in the areas of health care, insurance, tax policy, and government procurement.
- Work includes:
  - Lobbying at the state & local levels
  - Drafting and tracking legislation
  - Providing regulatory support
  - Counseling local units on economic development initiatives
  - Assisting with state and local government procurements
  - Providing strategic advice

2015 Session Overview – Key Dates

- Tuesday, January 6, 2015
  - Legislative Session Began
- Friday, March 20, 2015
  - A bill must have made it out of all committees and to the house or senate floor
- Friday, March 27, 2015
  - The bills from the first deadline must have made it out of the second body
- Friday, April 24, 2015
  - Finance bills must have made it out of committees
- Monday, May 18, 2015
  - Session Adjourns (Constitutional Deadline)

2015-16 Session: General Info

- 2213 bills in House, 2067 bills in Senate
- 4 Weeks Left of the 2015 Session
- Legislature is required to pass a biennial budget (2016-2017)
- There is a $1.87 billion budget surplus
- Significant Renovation at Capitol Building ($300 million project)

2015 Legislative Overview

- Budget session
- $1.9 billion surplus
- Three Approaches to Budget
  - Governor Dayton
  - House GOP
  - Senate DFL

Governor's Budget

- $42.7 billion in spending (8.9% increase over 2014-15)
  - $1.717 billion in new spending
    - E-12 = $694.6 million
    - Higher Ed = $288.3 million
    - Health and Human Services = $341 million
    - Env, Econ Dev and Ag = $82.8 million
    - State Depts and Veterans = $53.4 million
    - Transportation and Public Safety = $29.5 million
    - Judiciary and Public Safety = $149.2 million
    - Debt Service, Cap. Projects and Other = $78.3 million
  - $137.9 million in tax cuts
- Prioritizing investments in education, children and families, and transportation.

House Republican Budget

- $39.9 billion in spending (1.7% increase over 2014-15)
  - No new spending - $881.8 million in cuts
    - E-12 = $156.8 million
    - Higher Ed = $53.5 million
    - Health and Human Services = (-$1,148.5 million)
    - Env, Econ Dev and Ag = (-$35.6 million)
    - State Depts and Veterans = (-$67.4million)
    - Transportation and Public Safety = $148 million
    - Judiciary and Public Safety = $82.4 million
    - Debt Service, Cap. Projects and Other = (-$.8 million)
  - $100 million in the reserve
  - $2.264.8 billion in tax cuts
- Proposing $600 million to road and bridge repairs in the next 2 years.
- Focus on tax relief and prioritizing education, transportation, and aging population.

Senate DFL Budget

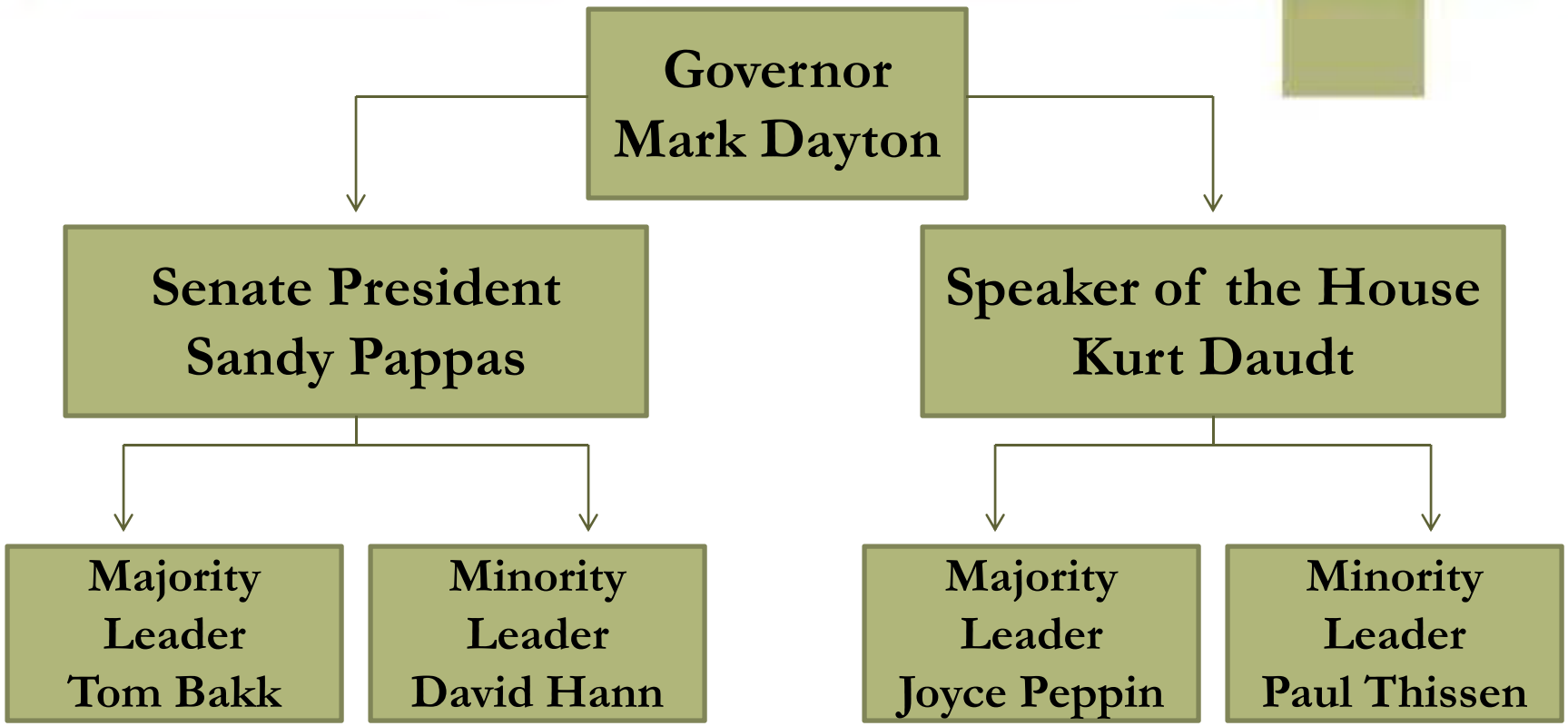
- $42.2 billion in spending (7.6% increase over 2014-15)
  - $1.44 billion in new spending
    - E-12 = $350 million
    - Higher Ed = $205 million
    - Health and Human Services = $341 million
    - Env, Econ Dev and Ag = $45 million
    - State Depts and Veterans = $52 million
    - Transportation and Public Safety = $25 million
    - Judiciary and Public Safety = $117 million
    - Debt Service, Cap. Projects and Other = $9 million
  - $250 million in the reserve
- Focus on education and transportation
  - $555 million in spending on public schools, colleges and universities.
  - $800 million on transportation proposal.

Makeup of the Minnesota Legislature

Divided Government

- 201 Members in the Minnesota Legislature
- 67 Senators
  - 39 DFL
  - 28 Republican
- 134 Representatives
  - 72 Republican
  - 62 DFL
- Governor Dayton (DFL)

Leadership of the MN Legislature



Hot Topics

- Transportation Package
- Bonding Bill
- Sunday Liquor Sales
- Child Welfare System Reform
- Body Cameras, License Plate Readers and Drones
- School Testing/Teacher Licensure
- Water Quality Buffer Zones
- Railroad Safety
- Enhanced Cell Phone Texting Penalties
- Met Council Oversight

Healthcare Leadership

Senate Chairs

Senator Tony Lourey

Health & Human Services Division

District 11 – Kerrick

Senator Kathy Sheran

Health & Human Services Housing

District 19 – Mankato

House Chairs

Representative Matt Dean

Health & Human Services Finance

District 38B – Dellwood

Representative Tara Mack

Health & Human Services Reform

District 57A – Apple Valley

Hot Health Care Topics

- MNsure
  - Option for Federal Exchange
  - Allow Individuals to Purchase in Private Market
  - Change in Governance
- Minnesota Care Program Repeal
- Prior Authorization for Prescription Drug
- Telemedicine

MNsure

- Option for Federal Exchange
  - If the U.S. Supreme Court rules that federal advanced premium tax credits are not available to persons receiving coverage through a federally facilitated marketplace, require the state to convert to a federally facilitated marketplace for coverage.
- Allow Individuals to Purchase in Private Market
  - Allow individuals to purchase qualified health plans directly from health plan companies, and receive advanced premium tax credits and cost-sharing reductions.
  - Governor to appoint executive director of MNsure, add members to the MNsure board, eliminate the authority for the board to select health plans for the exchange, subject navigators to background checks, and require the board to report specified information to the legislative oversight committee.
- Change in Governance
  - Change the structure of governance from a quasi-private entity governed by an independent seven-member board and make MNsure a state agency like the Department of Transportation or Department of Human Services

Minnesota Care Program Repeal

- Authored by Rep. Dean, Chair of the House Health and Human Services Finance Committee
- Establishes a MNsure premium payment state tax credit
- MinnesotaCare program is repealed

Prior Authorization for Prescription Drugs

- Modifies the utilization review and prior authorization process for prescription drugs
- Creates prescription drug benefit transparency and management coverage requirements.

Telemedicine

- Create the Minnesota Telemedicine Act.
- Would require that private insurance and medical assistance cover telemedicine services in the same way that the insurance would cover in-person services for a patient.
- Would also require reimbursement to the physician at the site that originated the telemedicine, in addition to the physician that provided the care via telemedicine.

Key Initiatives

- No Fault Auto Reform and Task Force
- Workers'Compensation
- Interstate Medical Licensure Compact
- AAAHC Accreditation
- Electronic Health Records
- Health Plan Contracting
- Charity Care Tax Credit

No Fault Auto

- Reform
  - Commissioner of commerce to assess penalties and order restitution for insurance fraud.
  - Create an administrative penalty for insurance fraud.
  - Require a separate and specific writing that acknowledges that the claimant has received notice of their legal right to consult with an attorney
- Task Force
  - Task force on no-fault auto insurance to review:
    - Treatment Standards and Fee Schedules
    - Health Provider Oversight
    - Arbitration Process
    - IME Process
  - Members of the task force would include a representative from the Minnesota Ambulatory Surgery Center Association (MNASCA).

Workers' Compensation

- Agreement on inpatient hospitals.
  - Payment
    - Workers' compensation payment for inpatient services and supplies will be based on the patient's diagnosis, using the Medicare MS-DRG (Diagnosis Related Group) system.
    - Maximum payment will be 200% of the amount paid by Medicare for the applicable DRG.
  - Exceptions
    - If the hospital's charge exceeds $175,000 [indexed], payment will be 75% of the hospital's usual and customary charge.
    - Critical Access Hospitals (79 of them) will be paid at 100% of the hospital's usual and customary charges.
  - Prompt Payment
    - When hospitals submit an electronic bill, and a DRG applies, work comp payers must, within 30 days, deny the entire bill or pay 200% of the Medicare payment amount.
  - Effective Date
    - Effective for hospital discharges on or after January 1, 2016.
  - DLI Study
    - Analyzing the impact of the reforms. DLI is authorized to adopt or amend rules if necessary to implement the DRG system for workers' compensation.

Workers' Compensation

- Changes for ASCs
  - ASCs are not included in the current agreement, only inpatient hospitals.
  - The Department of Labor and Industry will give ASCs time to reach an agreement with interested parties on a fee schedule approach. The goal is to have agreement on reimbursement methodology to take to the legislature in 2016.
  - If no agreement can be reached, the Department will use rulemaking to adopt a reimbursement methodology under the HOPPS or other fee schedule, which would not take effect before January 1, 2017.

Interstate Licensure Compact

- Would establish Minnesota as a member of the Interstate Medical Licensure Compact.
- Would allow an alternative process for licensure, whereby a physician treating a patient in another state would be subject to the regulations and jurisdiction of the visiting state's medical board.
- Would enable physicians to practice across state lines – physically or via telecommunication – while still being subject to the state's licensure standards.
- Medical practice boards in participating states do not surrender any authority to regulate, but must share complaints and investigations.
- 10 other states are considering the compact and at least 10 must adopt before it goes into effect.

AAAHC Accreditation Bill

- Bill to add AAAHC to the list of nationally recognized independent organizations in Minnesota.
- Would recognize the organization as one that sets specific national standards governing the health care quality assurance process, utilization review, provider credentialing, marketing, and other topics covered by statute and audit.
- MNASCA wrote letter in support for this legislation, noting support for the inclusion of that AAAHC so long as this change does not ultimately exclude of any other accrediting bodies that are currently recognized.

Electronic Health Records

- Bill introduced to remove the mandate of the use of an interoperable electronic health records system within a hospital or clinical practice setting.
- Current mandate is unclear and not being fully enforced.

Health Care Contracting

- Alter dates relating to when changes need to be disclosed to a provider if changes are made in a contract between a health plan company and a provider.
- Amends statute to require that any change to existing contracts between a health plan company and a provider be disclosed to the provider at least 165 days before the change would be effective. Current law requires 45 days.
- It would require that any change in a contract that alters the fee schedule or materially alters the written policies or procedures between the provider and the health plan company must be disclosed to the provider not less than 165 days before the change would be effective. Again, current law requires 45 days.
- Adds “clinic” to the definition of “health care provider.”

Charity Care Tax Credit

- Would allow an income tax subtraction for charity health care provided by doctors, dentists, and chiropractors
- Would be effective beginning in tax year 2016.

Get Involved

- How to Contact your Legislator
  - Make a Phone Call
  - Send an Email
  - Write a letter
- Contact a Senator: http://www.senate.leg.state.mn.us/members
- Contact a Representative: http://www.house.leg.state.mn.us/members

Questions?

Hodge Podge Panel

Questions You've Had But Didn't Know Who to Ask!