

2024 Legislative Session Recap

MNASCA Annual Conference

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2024 Session Overview

- Wild, Bizarre, Challenging Session
- DFL Trifecta (only 1 vote majority in the Senate)
- Sen. Dzedzic steps down, Sen. Murphy steps in
- Sen. Mitchell breaking and entering arrest (felony)
- No Republican support/protest for policy/funding agreements
- Dysfunctional/chaos for much of 2024 session



End of Session Melt-down in the House



Healthcare Legislation Passed in 2024

- Prior Authorization Reform
 - Reforms/streamlines healthcare delivery/patient care
 - Focus on critical and time sensitive treatments
 - Prohibits insurers from requiring prior authorization for non-medication treatments related to:
 - Cancer care
 - Outpatient mental health services
 - Substance use disorders
 - Preventative services (recommended by USPS task force)
 - Pediatric hospice
 - Neonatal abstinence programs

Healthcare Legislation Passed in 2024

- Prior Authorization Reform (continued)
 - Medications
 - Allows prior authorization but now requires a decision from an insurer within 48 hours (used to be 5 days)
 - Chronic Conditions
 - Restricts prior authorization for chronic conditions to one-time approval
 - Retroactive Denials
 - Prohibits retroactive coverage denial that did not intentionally require prior authorization
 - Prohibits insurers from denying coverage solely because of lack of prior authorization if the service would have otherwise been covered
 - Most of the prior authorization reform provisions effective 01/01/2026

Healthcare Legislation Passed in 2024

- Prior Authorization Reform (continued)
 - Prior authorization reform applies to private insurance as well as state public programs like M/A and MNCare
 - Automating and streamlining prior authorization requests
 - Requires health insurers/URO's to develop an application programming interface (API) to automate prior authorization requests (excludes prescription drugs)
 - Effective 01/01/2027
 - Annual prior authorization reporting
 - Total number of prior authorizations
 - Number of approvals, denials, and reversed on appeal
 - 25 codes with highest prior authorizations, approvals, denials
 - Reasons for denial
 - Reporting effective 2025



Medical Debt Restrictions

- Legislation sponsored by the Attorney General, legal aid, and supported by the House and Senate DFL
- Legislation encompassed debt collection reform
 - Medical debt was just one part of the bill
 - Policy for collections of medical debt
 - Providers must make available their policy for medical debt collection, posted on their website and provide it to anyone requesting it
 - What medical treatment is covered
 - Any treatment or service that is “medically necessary”
 - The definition of medically necessary treatment is from CMS guidelines



Medical Debt Restrictions

- What medical treatment is covered (cont.)
 - Denial of treatment due to outstanding debt
 - Providers can require patient to enroll in a payment plan for outstanding debt
 - Provider must notify patient that if they are unable to make agreed to payments—the patient must communicate with provider what they can afford
 - If patient doesn't communicate and isn't making payments. Treatment can be stopped
 - No longer report Medicare debt to Credit Reporting Agency
 - Spouse is no longer liable for medical debts of the other spouse
 - Procedure to address billing errors
 - Timeframe on review, notice, and correction
- Effective October 1, 2024

Licensure Compacts

- Physician assistants
- Occupational therapists
- Physical therapists
- Social workers
- Licensed professional counselors
- Audiologists and speech language pathologists
- Dentists and dental hygienists

Goal is to streamline the licensure process, ensure high credentialing standards and reduce administrative burdens

The nurse licensure compact was NOT included in the final bill



Scope of Practice Changes

The legislature passed these scope of practice changes:

- Creates registration for transfer care specialists
- Provides licensure for behavior analysts
- Establishes licensure for veterinary technicians and a veterinary institutional license
- Modifies provisions of veterinary supervision
- Modifies specialty dentist licensure and dental assistant licensure by credentials
- Removes additional collaboration requirements for PAs to provide psychiatric treatment
- Modifies social worker provisional licensure
- Provides guest licensure for marriage and family therapists
- Modifies pharmacy provisions for certain reporting requirements & change of ownership or relocation

Scope of practice changes for optometrists were NOT part of the final package.



Physician Wellness Programs

Addresses physician burnout and wellbeing by protecting confidentiality and providing civil liability immunity for physician wellness programs

- Defines a "physician wellness program"
- Mandates that records of participation in a physician wellness program are confidential and not subject to discovery, subpoena, or reporting requirements to the applicable licensing board
- Grants civil liability immunity to any person, agency, institution, facility, or organization operating a physician wellness program



Surgical Smoke Evacuation Policy

Effective January 1, 2025

- Requires healthcare providers to adopt and implement policies to prevent exposure to surgical smoke by requiring the use of a smoke evacuation systems during procedures that may produce surgical smoke
- Minnesota is the 18th state to enact surgical smoke evacuation legislation

Medical Records Cost Cap

Modifies the maximum charges for medical record requests and per page/retrieval charges

- For x-rays, a total of \$30 for retrieving and reproducing x-rays
- For electronic copies, a total of \$20 for retrieving the records
- Limits paper copies to \$1 per page, plus \$10 for time spent retrieving and copying the records and caps paper records charges:
 - \$10 if there are no records available
 - \$30 for copies of records of up to 25 pages
 - \$50 for copies of records of up to 100 pages
 - \$50, plus an additional 20 cents per page for pages 101 and above
 - \$500 for any request

Health Professions Workforce Advisory Council

- MDH, U of MN, and MN State are required to provide recommendations to the legislature/OHE on establishing a health professions workforce advisory council (membership, funding, structure, reporting)
- What will they look at?
 - Training – need for additional opportunities
 - Workforce needs and trends
 - Legislation impacting health workforce
 - Workforce supply diversity
 - Recruitment
 - Pathways to increase awareness of healthcare professionals among high school, undergraduate, community college students, and more
 - Report due by 02/01/2025

Evaluation of Statewide Healthcare Needs and Capacity – Projections for Future Healthcare Needs

- State Issued RFI
- Looking at Healthcare capacity, geography, service types, centers of excellence, hospital-based services compared to nonhospital services, role of technology and workforce supply issues
- DOH must report to legislature by February 1, 2025, with results of RFI and recommendations for a comprehensive evaluation of healthcare needs and capacity



State Oversight of Health Care Transactions

In 2024, the legislature:

- Required HMO oversight by Minnesota Department of Health
- Prohibited for profit HMOs
- Prohibited nonprofit health coverage entity transactions

These changes are in addition to data reporting and Attorney General oversight of healthcare sales, mergers, and acquisitions that passed in the 2023 session.

Healthcare Delivery and Payments

- New Center for Healthcare Affordability (MDH)
- MDH Health Economics Division
- Subcabinet on Health including MD, Dept. Commerce and Human Services
- Creation of a Prescription Drug Affordability Board (PDAB)
- Request for information for statewide healthcare needs (current needs and capability)

Important Healthcare Bills that Did Not Pass

1. Public Option Health Insurance

- Study completed by Milliman in 2024 recommended two options
 - Utilize MNCare program (expand income eligibility)
 - Offer public option through MNSure as a Qualified Health Plan (QHP)
- Public Option is predicated on the current “reinsurance” program funding, sunseting in 2025, provide health insurance subsidies for private market
- The legislature authorized MN to perform steps necessary to submit ACA 332 waiver in 2023 (innovative strategies to provide residents with health insurance coverage)
- Federal waiver is good for five years
- Cost for public option insurance between \$100M and \$400M per year
- The 2025 legislature determines what direction to go – keep reinsurance or move to public option

Important Healthcare Bills that Did Not Pass

- Universal Healthcare Study
- Report due 01/15/2026
- Analyze costs and savings of a “Minnesota Health Plan” for coverage of health insurance for all Minnesotans
- Private Equity/REIT Healthcare Services Prohibition
 - Bill would prohibit private equity companies and real estate investment trusts (REITs) from operational, financial control, or ownership interests
 - The bill would also not allow for increasing or acquiring operational or financial control over healthcare providers
 - California has passed a bill on private equity
 - Other states like Washington, Oregon, and Massachusetts are looking at policy changes in this area
 - Gov. Newsom recently vetoed their PE bill



Employment and Labor Changes

- Paid Family Medical Leave Fix
 - Starting 01/01/2026, Minnesotans will have access to paid leave benefits
 - All employers are required to participate in Paid Leave unless they are specifically exempt from the law
 - 13th state to launch a statewide paid leave program
 - Paid leave will be run through the Unemployment Insurance (UI) portal and requires employers to register in the UI system if they are not already
- 2024 Session
 - Increased Payroll tax from .7% to .88%
 - Allows ERs to opt out of state plan if they have a qualified private plan



Employment and Labor Changes

- **Earned Sick and Safe Time**
 - Sick and safe time is paid leave employers must provide to employees in Minnesota that can be used for certain reasons, including when an employee is sick, to care for a sick family member or to seek assistance if an employee or their family member has experienced domestic abuse, sexual assault or stalking.
 - You are eligible if you are anticipated to work more than 80 hours a week for an employer and are not an independent contractor
 - An employee earns one hour of sick and safe time for every 30 hours worked and can earn a maximum of 48 hours each year unless the employer agrees to a higher amount
 - Sick and safe time must be paid at the same base rate an employee earns when they are working

Salary Range Posting

Effective January 1, 2025

- Requires employers who employ more than 30 employees to include salary ranges in job postings
- Must include a general description of benefits and other compensation
- If you do not have a salary range, you must post a fixed pay rate

Healthcare Price Transparency

- Effective January 1, 2025 – for ASCs and medical/dental clinics (hospitals on 01/01/2024)
- Requires practice to make the “current standard charges” available to the public
- All ASCs and other medical/dental practices with revenue greater than \$50M per year that derive revenue from the following services:
 - Diagnostic radiology services
 - Diagnostic laboratory testing
 - Orthopedic surgical procedures
 - Ophthalmologic surgical procedures
 - Anesthesia services
 - Oncology services
 - Dental services

Healthcare Price Transparency

- What does share “ current standard charge” mean?
 - Charge for an item or service that is reflected on the practice’s chargemaster list, absent of any discounts
 - Charge that a practice has negotiated with a third-party payer
 - Lowest charge that a practice has negotiated with a third-party payer
 - Highest charge that a practice has negotiated with a third-party payer
 - Charge that applies to an individual who pays cash
 - All of these must be included

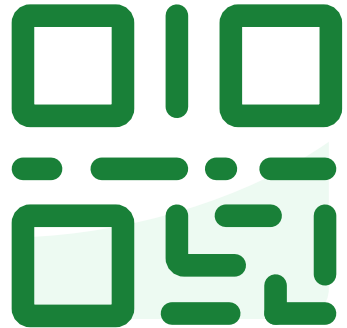
Election Landscape

- DFL Trifecta – House/Senate/Governor
- MN Legislature
 - House
 - All 134 seats up for election
 - DFL – 70
 - GOP – 64
 - Republicans need 4 seats to gain the majority
 - Senate
 - Not up for election (4-year term)
 - 1 special election in November
 - Sen. Morrison resigned and is running for Congress
 - MN Senate tied 33–33 right now
- Presidential Race
 - Governor Walz – VP pick
 - Lt. Governor Flanagan becomes governor
 - Senate President Bobby Joe Champion becomes Lt. Governor
 - 2025 Legislative Session begins 01/14/2025 (Budget Session)



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