



WEEKLY SESSION UPDATE

March 15, 2019

The end of the first deadline week went by with a few marathon committee hearings and a long list of bills on every committee agenda. While many of these pieces of legislation will still not make it to the floor for a vote, this important first step narrows the playing field for a greater focus on the prioritized issues of the session. Several high profile bills made headway this week, including a ban on conversion therapy for those under the age of 18 making its final committee stop in the House, reinsurance which passed off the Senate floor, and the legalize marijuana bill that got voted down in the Senate Judiciary committee. Things are presumed to quiet down next week as the focus will turn more to the Governor's budget recommendation bills as well as the major pieces of omnibus policy that will be brought forward by committees like Commerce and Transportation.

On the note of the Governor's budget, Patrick Coolican with the *StarTribune* [featured a story this week](#) which looks at the funding mechanisms included in the recommendation. When combined, these feed surmount to \$148,000,000 of revenue for the state. This will no doubt be a conversation piece in the coming weeks as The House, Senate, and the Governor each take their corners.

MN Senate Passes Reinsurance – Waiting on the House

Via [St. Paul Pioneer Press](#)

The Republican-controlled Minnesota Senate on Monday advanced a proposal to keep subsidizing health insurance companies for three years, setting up a conflict with DFL Gov. Tim Walz and Democrats. The proposal would maintain the reinsurance program, which lets the state absorb some of the expense to private health insurers to offset the cost of care for some of the pricier claims they cover. The Senate voted 37-28 to advance the bill, with some Democrats voting with their GOP peers in favor. Attempts fell short to align the bill with a health insurance rebate plan put forth by Walz.

Later in the day, the House defeated a motioned to suspend the rules and take up the bill with Democrats arguing that the urgency isn't as dire as many of their GOP colleagues suggested. In the reverse, several GOP members highlighted the success of the program and noted that insurance companies will be setting rates in only a matter of days. The reinsurance bill remains in the House Commerce committee and will most likely see some discussion in the next week.

Reinsurance

GAZELKA: via statement from Senate Majority Leader Gazelka, **VERBATIM:** "Reinsurance works," said Senator **Paul Gazelka** (R-Nisswa). "It has been effective in stabilizing the market and proven to be cost-effective for the state. Insurance premiums were down 20 percent last year, after several years of double-digit increases. When I look back on the priorities we made to control health care costs, I'm proud to say we have delivered on that promise."

HOUSE: via House Minority Leader **Kurt Daudt**, **VERBATIM:** ""The Senate reinsurance bill earned bipartisan support today because it is proven to lower health care premiums and literally saved the

individual insurance market from total collapse. If House Democrats do nothing, rates will skyrocket, and Minnesotans will suffer the consequences. The Senate did their part, now it's time for House Democrats and Governor Walz to do the right thing for Minnesotans and their health care by extending reinsurance."

WALZ: via statement from Gov. **Tim Walz, VERBATIM:** "I am disappointed that Senate Republicans voted today to write a blank check to health insurance companies. The reinsurance program was supposed to be a one-time deal, and continuing it is irresponsible. That is why I have proposed a subsidy program to provide direct, immediate relief to Minnesotans. Instead of giving away millions to insurance companies, I urge Senate Republicans to meaningfully consider my proposal, cut out the middle man, and put the money and the power back into the hands of Minnesotans."

Senate Judiciary Kills Legalized Marijuana

On Monday, after a lengthy hearing with plenty of testimony from opponents and advocates, the Senate Judiciary committee rejected Sen. Melisa Franzen's proposal to legalize marijuana in Minnesota. During the hearing, supporters of the bill tried to change the legislation to call for a task force, taking up an idea that is moving through the House, but this was also defeated with six Republican members of the committee repeatedly outvoted three Democrats who tried to keep the issue alive for the session.

via Tim Pugmire at [MPR](#)

The legislation appeared doomed from the start of the hearing. Sen. Warren Limmer, R-Maple Grove, the committee chair, began the hearing with a 30-minute presentation from a critic of recreational marijuana from Colorado.

Dale Quigley, deputy coordinator of the National Marijuana Initiative, used data from his home state to raise questions about marijuana's impact on traffic accidents, underage use and drug treatment.

When Franzen got a turn, she said it was time for a discussion about recreational marijuana in Minnesota. "Prohibition has not worked thus far. Regulating cannabis and providing the necessary oversight and legal framework moving forward will reduce — not increase — the access to youth."

Earlier in the day, Walz repeated his support for legalization. "I appreciate that we're having the conversation on recreational cannabis. I think it makes sense," he said. "I think Minnesota can get this right. I think we can address the concerns, and at the same time a recognition that prohibition has failed."

Senate Committee on Commerce and Consumer Protection Finance and Policy

Sen. Jensen had two bills in front of the Senate Commerce committee this week, [S.F. 277](#) *Direct primary care service agreements establishment* and [S.F. 1508](#) *Health care provider network changes prior notification requirement*. Both bills focused on patient access and affordability of care. The first bill addressing a direct primary care model garnered in depth debate and discussion from both sides of the aisle. Senator Hayden compared this bill to keeping a doctor on retainer, and the Chamber of Commerce testified in support of the move to this kind of care model. Sen. Wiklund pointed out, however, that a DPC model could also exacerbate the physician shortage already occurring across the state by limiting the number of patients each doctor sees, but Sen. Jensen countered that this would ease much of the burnout rate physicians are currently facing. While there was some concern that this bill did not go in front of the HHS committee, it was passed onto General Orders where it will be available for discussion

and passage on the Senate Floor. The second bill focusing on narrow networks was still being workshopped when it was passed out of committee and onto General Orders. Sen. Jensen shared that there will be an amendment coming forward to address several of the concerns and ideas put forth by providers and the healthcare community, but this will now take place on the Senate Floor.

Regulating Nonprofit HMOs Transitioning to For-Profit

[via news release from the House DFL](#)

“The House Commerce Committee on Wednesday approved a bill requiring any transition of a non-profit health maintenance organization (HMO) to a for-profit enterprise to be reviewed and approved by the Minnesota Attorney General. The legislation, [HF 533](#), authored by Rep. **Jen Schultz** (DFL – Duluth) also prohibits a non-profit HMO from using earnings for any purpose other than providing comprehensive health care – giving the Attorney General oversight if a non-profit seeks to transfer assets to a for-profit arm, and extends the moratorium on HMO conversions to 2029.

SCHULTZ: “Minnesotans expect that money they’ve paid toward health care will go toward just that purpose: providing health care, not enriching insurance company executives and shareholders,” Rep. Schultz said. “The repeal of the for-profit ban was in addition to the \$542 million handout insurance companies received from the reinsurance bill. As we work on real solutions making health care more affordable and improving the quality of care Minnesotans receive, the accountability measures in this bill will help ensure that money for health care is spent on people, not going toward corporate profits.”

Physician noncompete agreements

[HF 557](#) (Mann) was heard in the House Labor Committee this week and received significant discussion. David Racer (author of medical books) testified in favor of the bill, and Mary Krinkie of the MN Hospital Association and Cindy Firkins-Smith (MD) testified in opposition. The bill was amended to apply only for prospective application. The bill was passed and sent to the House Judiciary Committee. The Senate bill ([SF 350](#) – Jensen) was passed out of the HHS committee and sent to the Judiciary committee as well. Below is a summary of the bill from House Research Department:

A noncompete agreement is an agreement between parties, often employer and employee, in which the one party agrees to not work for a competitor or work in the same occupation in a specific geographic area for a specific period of time after the relationship between the parties end. These agreements are allowed, but limited under Minnesota common law. This bill makes void and unenforceable any agreement that prohibits a physician from practicing in a specific geographic area for a specific period of time after the physician ends an employment relationship, void and unenforceable.

3D mammogram coverage update

This week Rep. Kelly Morrison’s bill requiring coverage for 3D mammograms continued its journey and was heard in Ways and Means. The committee passed the bill and sent it to Health and Human Service Finance. We will continue to update you as the bill progresses.

Metastatic cancer step therapy prohibition

On Wednesday, the House Commerce Committee heard [HF 2009](#) (Cantrell), which would get rid of step therapy protocols for people suffering from Stage 4 metastatic cancer. The bill was carried by Rep. Kelly Fenton a few years ago, and has support from the Susan G. Komen foundation. After very brief discussion, the bill was passed and re-referred to HHS Policy.

[Gov. Walz talks provider tax](#)

Via St. Cloud Times

Governor Tim Walz and Lieutenant Governor Peggy Flanagan were in St. Cloud Thursday to call for the preservation of the Health Care Access Fund and a provider tax that is set to expire at the end of the year. The HCAF supports services like MinnesotaCare and Medical Assistance (Minnesota's Medicaid program) as well as public health initiatives. The provider tax is the primary source of funding for the HCAF, providing more than 80 percent of the fund's revenue. CentraCare President and CEO Dr. Ken Holmen joined the governor in supporting the repeal of the provider tax sunset. **Further reading:** [KNSI article – Governor Walz talks health care](#)

[Walz not inclined to keep marijuana debate alive this session](#)

Via MPR

Gov. Tim Walz expressed his disappointment Tuesday that a Minnesota Senate committee rejected a proposal to legalize recreational marijuana use in Minnesota, but says he has no plans to revive the issue. Monday's 6-3 vote in the judiciary and public safety Committee ended the marijuana debate for this legislative session.

[Hospitals, Insurers Set to Resist Price Transparency Proposal](#)

Via Wall Street Journal

Hospitals and insurers are gearing up to battle a Trump administration plan that could require the public disclosure of negotiated prices for medical services, part of an effort to lower U.S. health-care costs. Patient advocates have largely cheered the idea, saying consumers should be able to price shop before they pick a doctor or undergo treatment. But industry groups are attacking the administration's legal authority to mandate price disclosure, which could upend hospitals' negotiations with insurers, and are criticizing any requirement as too complex to implement.

[Bill introductions of interest](#)

[HF 2184](#) (Liebling) – Health and human services budget established; various provisions governing services, treatment, mental health, assisted living, and opioids modified; penalties modified; rulemaking provided; and money appropriated

[HF 2285](#) (Xiong, J.) – Cannabis; individuals 21 years of age or older possession and consumption allowed, regulation for commercial purpose provided, rulemaking and fees authorized, penalties provided, sales taxed, crime expungement provided, and Clean Indoor Air Act modified

[HF 2300](#) (Elkins) – Health plan companies required to develop and implement shared savings incentive program

[HF 2459](#) (Loeffler) – MinnesotaCare provider taxes repeal repealed

[SF 2302](#) (Marty) – Omnibus health and human services budget bill

[SF 2352](#) (Jensen) – Maintenance of certification for physicians as a condition of payment or reimbursement prohibition

[SF 2462](#) (Hayden) – MinnesotaCare provider taxes repealer repeal