

Spotlight on State: Minnesota

This is part of a [series of summaries](#) that highlight notable legislation and initiatives in health policy and reform of all 50 states. Check back on The Source as we roll out additional states each week.

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Minnesota's active legislative efforts aimed to increase healthcare price transparency and cost containment demonstrate the state's commitment to improve its health care system. A leader in price transparency, the state has an [active](#) All-Payer Claims Database (APCD), which has been expanded to study cost, quality, and utilization. The state mandates that the Minnesota Hospital Association provide a hospital-specific performance and charge database for the 50 most common inpatient diagnosis-related groups. Minnesota also earns top grades for protecting patients from surprise and balance billing. In both emergency and non-emergency situations, a network provider is prohibited from billing an enrollee for any amount in excess of the allowable amount the health carrier has contracted for with the provider as total payment for the health care service. In recent terms, the state has introduced legislation that would require health plan companies to develop and implement a right to shop/shared savings incentive program.

In addition to promoting price transparency, Minnesota regulates anticompetitive practices in insurer and provider contracts in several ways. To encourage greater price transparency, the Patient Protection Act prohibits gag clauses in insurer-provider contracts and requires providers to give consumers a "good faith estimate" of the cost of common medical procedures within 10 days of request. Minnesota is also one of the few states that bans most favored nation clauses in provider contracts as well as exclusive contracting

practices between health care network cooperative and healthcare providers.

Minnesota has promoted the use of telehealth well before its popularity brought on by the coronavirus pandemic. The Minnesota Telemedicine Act, enacted in 2015, provides parity between telemedicine and in-person services and requires health carriers to reimburse telehealth services on the same basis and at the same rate as the health carrier would apply to those services if the services had been delivered in person.

To help constituents deal with skyrocketing insurance costs, the Minnesota Legislature passed a bill in 2017 that allocated \$271 million to form a publicly funded reinsurance pool that would help health insurance companies pay the most expensive medical claims, thereby lowering overall insurance premiums. In [Minnesota's reinsurance program](#), health insurers are eligible for reimbursements from the state for claims between \$50,000 and \$250,000. The insurers are responsible for amounts over \$250,000. The reinsurance pool has performed exceptionally well and has decreased premiums by 15% in the first year. The state also continues to introduce state market initiatives including proposals to implement a public option via MinnesotaCare Buy-In, as well as proposed studies to analyze the cost and benefit of a potential universal health care system compared to the current healthcare financing system.