



## **S.F. No. 1407 (1<sup>st</sup> Engrossment) – Evaluation process modification for mandated health benefit proposals**

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**Date:** March 24, 2025

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### Bill Overview

**S.F. 1407** modifies Minnesota Statutes, section 62J.26, to revise the evaluation process for mandated health benefit proposals (known as a “62J evaluation”). The bill narrows the set of legislative proposals which would fall within the definition of a “mandated health benefit proposal,” requires the commissioner of commerce to develop forms used in the evaluation process, and clarifies that enacted mandates remain effective even if certain procedural steps are not followed. Additionally, the bill amends Minnesota Statutes, section 256B.0625, to clarify that a newly enacted mandated benefit does not automatically apply to medical assistance fee-for-service unless explicitly stated by law.

### Section Summaries

**Section 1 (amends Minn. Stat. § 62J.26, subd. 1)** Existing state law requires “mandated health benefit proposals” to undergo an extensive evaluation process administered by the Department of Commerce. This section modifies the definition of “mandated health benefit proposal” to remove from the definition legislative proposals to impose on a health plan particular benefit designs, cost-sharing conditions, or limits or conditions on provider contracts. It also clarifies that proposals applying solely to Minnesota health care programs are not included in this definition.

**Section 2 (amends Minn. Stat. § 62J.26, subd. 2)** This section clarifies that a thorough evaluation of the mandated health benefit proposal’s impact on the state’s public health care programs must be included in the evaluation and accordingly includes the commissioner of human services in the evaluation process. It also requires the commissioner of commerce to publish each completed evaluation on a publicly available website within 30 days of its completion.

**Section 3 (amends Minn. Stat. § 62J.26, subd. 3)** This section exempts freshman members from the 62J evaluation timeline, as such members would not typically be seated by the existing August 1 deadline for notice under the law. It also requires the commissioner to complete an evaluation of any enacted mandate for which an evaluation was not conducted before enactment, with the evaluation due by December 31 of the same year in which the mandate was passed.

**Section 4 (adds Minn. Stat. § 62J.26, subd. 6)** This new subdivision clarifies that a mandated health benefit proposal enacted into law remains effective regardless of whether the process in section 62J.26 was properly followed.

**Section 5 (adds Minn. Stat. § 62J.26, subd. 7)** This new subdivision of law requires the commissioner of commerce to adopt, by July 1, 2026, standardized forms for the legislator's notice to the committee chair (due by August 1 preceding the legislative session in which the legislator intends to offer the mandated health benefit proposal) and the committee chair's notice to the commissioner (due within 15 days after receipt of notification of the mandated health benefit proposal). The forms must include all information needed for the commissioner to conduct the 62J evaluation.

**Section 6 (adds Minn. Stat. § 256B.0625, subd. 77)** This section provides that a newly enacted mandated health benefit does not apply to medical assistance fee-for-service unless the mandate (or a later enactment) explicitly applies it to medical assistance fee-for-service. This provision aligns with existing practice, and does not alter any existing coverage or benefit designs currently in effect under medical assistance or MinnesotaCare.



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