



2021

BILL SUMMARIES



MEDICAL ALLEY
ASSOCIATION

HF 1412 (Morrison) / SF 1160 (Rosen)

Conference committee agreement: HF 33 (Liebling) / SF 37 (Benson) - 1st

Special Session

Status: Signed into Law: 1st Special Session Chapter 7

BILL SUMMARY

The changes made to Minnesota's telehealth statute this session were significant. At the end of this section we will link to a nonpartisan Senate summary of the Health and Human Services omnibus finance bill that covers every detail, but we will first break down a number of the major provisions in the telehealth article that was recently signed into law by the Governor.

One change that is seen throughout the bill is the update in terminology from telemedicine to telehealth. Our association advocated for this change and supported it along the way as the term telehealth more accurately reflects this form of care delivery and how far it has come since the 2015 law was passed.

Another critical definition that the Medical Alley Association supported was the definition of originating site. This definition clarified that originating site meant the location of the patient when they were receiving telehealth services. This was a key definition because it will hopefully expand access and utilization of telehealth as a patient does not need to be in a/their home when receiving services.

The inclusion of the definition, and clarification of coverage for, telemonitoring was another policy priority Medical Alley Association had in this policy space. Telemonitoring is a critical tool that care providers can use to monitor their patients safely from their own homes. By refining this definition and making it clear that it is covered under this revamped section of statute, payers and providers can

continue to offer and encourage telemonitoring when it is medically appropriate and safe for patients.

Language was also included in the final agreement that would study the impact of telehealth expansion. The hope is to gather information on the utilization and expansion of telehealth from this study and use it to reexamine statute if needed.

There were a number of other technical components in the telehealth article of the Health and Human Services omnibus bill, and other sections that weren't technical but dealt with specific types of services or service providers. Our association is pleased that many of our policy priorities in the telehealth space were included in the final version of the Health and Human Services finance omnibus bill. You can view the bill [here](#).

SESSION NARRATIVE

Many legislators that the Medical Alley Association spoke with this session affirmed this point: the increased utilization of telehealth has been one bright spot to come out of the COVID-19 pandemic. Telehealth increases access for patients to quality, clinically appropriate care right where they are located. The hope is that individuals continue to utilize telehealth even as the battle against COVID-19 winds down. It is also Medical Alley Association's hope that providers continue to innovate in the telehealth and care delivery space. There are significant opportunities to continue to use technology to provide more and more appropriate care for certain patients and for certain conditions. This is what we advocated for all session long.

Legislators in both bodies, both Republican and Democrat, seemed to be generally supportive of revisiting the telehealth law passed in Minnesota in 2015. Members had varying levels of comfort with reopening this statute for a number of different reasons. A consistent theme with the House majority was the concern of opening up this statute and making too many, and too significant of changes without knowing the outcome. Essentially, some House DFL members we spoke with didn't want to change this statute too much based on pandemic trends and data, assuming telehealth usage trends downward after the pandemic is over.

Senator Julie Rosen and Representative Kelly Morrison were the chief authors of the legislation and

were two of the fiercest advocates for the bill. They were able to work with each other and their respective caucuses to find resolution. In the end this language was negotiated as part of the Health and Human Services omnibus finance bill and ended up being included in the final deal.

FINAL DISPOSITION

Though at times the future of this legislation was uncertain, in the end, Governor Walz signed the omnibus Health and Human Services finance bill into law which contained a significant update to Minnesota's telehealth statutes. The final version of the language was a compromise between the House and Senate positions in regard to telehealth changes. This statute will allow for continued use of this form of care delivery for patients and will allow providers to continue to innovate in the telehealth space.

Excessive Drug Price Increase

HF 1183 (Stephenson) / SF 1265 (Draheim)

Status: Was not included; Bill was not signed into law

BILL SUMMARY

This bill required state agencies (and entities under contract with the state) providing or purchasing a pharmacy benefit to notify the manufacturer, attorney general, and Board of Pharmacy of any violation of the prohibition of excessive drug prices.

Under this legislation, manufacturers were required to provide information on drug costs to the attorney general so that an investigation may be conducted into possible violations of affordability. It also allowed the attorney general to petition the court to issue orders for various remedies.

The bill also prevented a manufacturer from withdrawing a drug from sale in the state to avoid the prohibition on excessive price increases. The bill also made a violation by a manufacturer of the prohibition on excessive price increases, and related requirements, as grounds for disciplinary action by the Board of Pharmacy.

LEGISLATIVE NARRATIVE

This year, a bill was introduced targeting excessive drug prices. The House Democrats have spent several legislative sessions pushing pharmaceutical reform legislation to address the cost of prescription medications, but were ultimately unsuccessful. During the committee process in the House, the bill's author added an amendment specifically targeting generic manufactures. Similar bills were introduced in other states targeting branded drugs which were brought to court and deemed non-constitutional.

The new amendment, which addressed generic manufactures, would have had a chilling effect on the growth of companies headquartered in Minnesota. These are companies already experiencing

experience negative growth in a competitive market.

While our association understood the author's intent of the amendment, MAA believed there was a lack of understanding within the biotech industry on the creation and manufacturing of drugs. With this in mind, MAA planned and hosted an educational webinar addressing the life cycle of a drug from an idea to the counter. The webinar was an opportunity to address the negative consequences the legislation may have on a patient's access or outcomes. During the House committee hearings, the association submitted letters of concern. The bill was not heard in the Senate.

FINAL DISPOSITION

The bill was not included into the final special session Health and Human Services Finance and Policy Omnibus Bill.



Medical Assistance Postpartum Coverage Extension

HF 521 (Morrison) / SF 735 (Wiklund)

See Also: HF 33 HHS Omnibus (Rep. Liebling, Sen. Benson), Article 1, Sec. 4 (256B.055), Subd. 6

Status: Signed into law; 1st Special Session Chapter 7

BILL SUMMARY

This bill expands Medical Assistance (MA) eligibility for pregnant women from 60 to 365 days postpartum and directs the Commissioner of Human Services to seek necessary federal waivers and approval, as well as making necessary conforming changes.

LEGISLATIVE NARRATIVE

Maternal health outcomes in the U.S. are profoundly negative. In order to combat the growing maternal and infant health disparities, Medical Alley Association strongly supported the extension of Minnesota's Medical Assistance coverage from 60 days to 12 months postpartum.

With more than half of pregnancy-related deaths occurring in the postpartum period, this critical legislation delivers the care needed to address the serious risks many women face in the weeks and months after giving birth. This bill is a strong step toward improving access to maternal and infant health by reaching communities that need it the most.

FINAL DISPOSITION

This bill consistently received bipartisan support in both the House and Senate. During final negotiations, legislators were able to free up the necessary funds to extend postpartum coverage from 6 months to 12 months. That language was included in the health and human services omnibus, which was signed into law on June 29, 2021.



Prescription Drug Affordability Board

HF 801 (Morrison) / SF 1121 (Franzen)

Status: Did not pass: Was not signed into law

BILL SUMMARY

The Prescription Drug Affordability act would create a price commission and an advisory council to address the high cost of drug prices. The commission would be established to protect consumers, state and local governments, health plan companies, providers, pharmacies, and other healthcare systems from excessive cost of prescription drugs.

Under this act, The attorney general would have the authority to take action over entities who fail to comply with reimbursement levels, or drug manufacturers who fail to comply with reporting. The commission would be made up of seven members that have knowledge and demonstrated expertise in healthcare economics and finance and do not impose any conflict of interest. Three members would be appointed by the governor and the other four are appointed by each majority and minority leaders in the two chambers. The advisory council would be established to provide recommendations to the commission. The advisory council would be created to provide recommendations to the council on prescription drugs for which reimbursement structures may impose affordability challenges.

SESSION NARRATIVE

The Prescription Drug Affordability Act was an outcome from the attorney general's taskforce on lowering prescription drug prices in 2020. The bill did not pass during the 2020 legislative session so it was reintroduced in 2021 to address the cost of prescription drugs. Representative Morrison was the chief bill author in the House. The bill traveled through the committee process in the House, but never had a hearing in the Senate. The Medical Alley Association sent a joint letter to the House committees raising concern about the bill, specifically that the commission would unilaterally set the prices for certain prescription drugs for all non-exempt public and private purchasers in the state, which would set a precedent for government intervention and have further unintended consequences.

FINAL DISPOSITION

The bill was heard in the House but did not receive a hearing in the Senate. The provision was included in the House Health and Human Services Finance and Policy Omnibus bill but not in the senate's version. The legislation was not included in the HHS omnibus bill which passed during the first special session



SciTech Internship Program

HF 2020 (Kotzya-Witthuhn) / SF 581 (Jasinski)

See also: 1st Special Session 2021, HF 1 (Noor) / SF 9 (Pratt), Jobs and
Economic Development Omnibus Bill

Status: Bill was signed into law, 1st Special Session Chapter 10

BILL SUMMARY

This bill appropriates funding to the DEED Commissioner to provide a grant to the Minnesota High Tech Association (MHTA) to support SciTechsperience. This program supplies paid internships to STEM undergraduate and graduate students in their fields of study at for-profit companies located in Minnesota, paying up to 50% of the intern's wages, capped at \$3,000. Only 15% of the interns may be graduate students.

SESSION NARRATIVE

The House and Senate Jobs committees held hearings in which Medical Alley Association submitted a letter of support. The House and Senate omnibus jobs and economic development finance bills included funding for SciTechsperience as part of a standalone item. The program received direct funding via the regular and special session Jobs and Economic Development Omnibus bills.

FINAL DISPOSITION

This program received direct funding as part of the special session Jobs and Economic Development omnibus bill. The program must fund at least 200 students of whom no more than 15% may be graduate students.

Launch MN

HF 2066(Koegel) / SF 2083 (Champion)

See also: 1st Special Session 2021, HF 1 (Noor) / SF 9 (Pratt), Art. 1,
Sec. 2, Sub. 3(l)

Status: Bill signed into law; 1st Special Session Chapter 10

BILL SUMMARY

The creation of Launch Minnesota was initially established in 2019 as a resource for entrepreneurs to turn to for education, grants, and other resources.; It focuses on growing Minnesota's innovation economy by accelerating the growth of our startup ecosystem and attracting top technology talent to the state. The program has an advisory board, made up largely of private sector representatives, who make recommendations on grants and guide the activities to ensure Launch Minnesota properly serves the startup community.

SESSION NARRATIVE

Launch MN ran into roadblocks during the regular session. The pilot program was initially pitched back in 2019 with the hopes that after two years of funding, Launch MN would spin off to be a self-sustaining program. The House and Senate had differentiating views on the status of the program and the need for continued funding. The House Democrats included funding for the program in the Omnibus Jobs bill. The senate held a lengthy hearing on the program. During the committee process several legislators stated the high volume of emails they have received in support of the program as part of a grass roots approach for Minnesota entrepreneurs.

Medical Alley submitted a letter of support for the program. We believe it is an important step in continuing to grow Minnesota's innovative ecosystem by cultivating a collaborative environment throughout all of Minnesota, including underserved and Greater Minnesota communities. The bill was included in the regular session House Jobs Omnibus bill but did not receive funding in the Senate's

version. During the first special session, after much discussion behind the scenes, the program was included in the final agreement.

FINAL DISPOSITION

This provision was passed and signed into law as part of the special session Jobs and Economic Development Omnibus bill. The program was funded for 4 years.

Federal Tax Conformity

HF 501 (Marquart) / SF 263 (Bakk)

See also: 1st Special Session 2021, HF 9 (Marquart) / SF 26 (Nelson)

Status: Bill signed into law; 1st Special Session Chapter 14

BILL SUMMARY

Federal tax conformity was a major discussion at the legislature this session. In the final agreed upon tax bill, a few notable conformity items were included that are worth delving into. It is important to note that the final tax bill included a number of federal conformity items, but the two most discussed were Paycheck Protection Program Loans and Unemployment Insurance Benefits.

H.F. 9 conforms to the exclusion of Paycheck Protection Program (PPP) loan forgiveness for tax years 2020 and 2021. H.F. 9 also conforms to the exclusion of up to \$10,200 of unemployment insurance benefits in tax year 2020.

SESSION NARRATIVE

Since the pandemic began, the federal government has attempted to help states by providing federal aid/COVID relief. This began with the Trump administration and continued with the Biden administration as both presidents battled the economic effects of the pandemic. Minnesota is not a rolling conformity state regarding tax law. In other words, Minnesota's tax law does not automatically update with federal law changes.

This became somewhat complicated with federal COVID aid. Some of the relief packages provided tax relief to individuals and small businesses, so in order to not be taxed on those benefits at the state level, Minnesota had to pass language allowing for those exclusions and conforming to recently passed federal tax laws. Here are the specific issues that became most notable at the state level, particularly in discussions at the Capitol.

Unemployment insurance benefits: In the American Rescue Plan Act, language allowed for up to \$10,200 of unemployment benefits to be nontaxable income (up to a certain income level). Minnesotans who received up to \$10,200 of unemployment insurance benefits needed the state to pass language to allow for them to exclude these payments from taxable income.

Paycheck Protection Program Loans: Many small businesses received Paycheck Protection Program Loans (PPP loans) from the CARES Act. The federal government determined with the passage of the CARES Act that forgiven PPP loans were not considered taxable income. So, small businesses in Minnesota that received a PPP loan and had it forgiven needed language to be passed at the state level to ensure these forgiven loans were not considered taxable income.

Both of these issues become highly political at the legislature this session. Large efforts were made by stakeholders to pressure legislators to pass these tax changes before the 2021 tax filing deadline. There wasn't much opposition to either tax conformity issue, but there were disagreements among legislators about when to pass these conformity items and whether or not full federal conformity should be considered given the significant financial impact that would come to the state.

The Medical Alley Association closely monitored this legislation as it was heard in both bodies and as it moved through the Senate. Later on in this document you can read our written testimony supporting conformity for forgiven PPP loans.

FINAL DISPOSITION

This is another issue where stakeholders and legislators seemed to be pleased with the final outcome. As previously stated, both bodies and all four caucuses, understood the importance of conforming to federal tax law in regard to PPP loans and unemployment insurance payments, as well as other conformity items. There was never disagreement on the need, but there were very different strategies in terms of timing.

Ultimately, the Governor signed the tax bill into law and that included critical federal conformity items including exclusion of up to \$10,200 of unemployment insurance benefits in tax year 2020 and exclusion of Paycheck Protection Program Loan forgiveness for tax years 2020-21.

Angel Tax Credit

HF 1816 (Kotzya-Witthuhn) / SF 1314 (Nelson)

See also: 1st Special Session 2021, HF 9 (Marquart) / SF 26 (Nelson)

Status: Bill signed into law; 1st Special Session Chapter 14

BILL SUMMARY

This bill originally made \$20 million in tax credits available, per tax year, through the Angel Tax Credit Program (ATCP). Qualifying investors making an investment in a qualified company would be eligible to receive a 25% refundable income tax credit for that investment. Each investor would have been able to claim up to \$125,000 in tax credits through this program per tax year; companies could receive a lifetime total \$4 million in investment through the program (meaning all investors can claim a cumulative total of \$1 million in tax credits for investing in one company). Each year, 50% of available credits would be reserved for investments, until September 30, in targeted businesses – meaning businesses located in Greater Minnesota or that are owned or managed by women, veterans or members of a minority group.

SESSION NARRATIVE

Governor Walz has been a supporter of the program prior to him winning his gubernatorial campaign. Funding for the program was included in Gov. Walz's budget bill at 7 million dollars for one year.

Shortly after the 2021 Legislative session begin, members of the Medical Alley Association Board of Directors met with members of the Minnesota Legislature during our day at the Capitol advocating for the program as the ATCP is important in keeping Minnesota competitive and supporting entrepreneurial ventures. There program received much support including that of the Department of Employment and Economic Development Commissioner Steve Grove. The bills received initial legislative hearings in both the House and Senate Tax Committees. During these hearings the Medical Alley Association testified in support and sent a letter of support for the program. Along with MAA testifying, a number of our members shared their support and need for the program from Lonny Stormo of POPS! Diabetes Care, Ping Yeh from StemoniX, Al Brenning from Ambient Clinical

Analytics, Jon Pearce from Zipnosis and Raj Shah from MyMeds. Funding for the ATCP was included in both the House and Senate tax bills for \$10 million for tax year 2022. As part of the special session omnibus tax bill, the AITC was funded at \$5 million for tax year 2022.

FINAL DISPOSITION

Funding for the AITC was signed into law as part of the special session omnibus tax bill. It received \$5 million in funding for each of tax year 2022.



Research and Development Tax Credit

HF 227 (Robbins) / SF 930 (Nelson)

Status: Bill was not included in final tax omnibus bill. Bill did not pass.

BILL SUMMARY

Companies are able to claim an alternative simplified credit (ASC) under the state's research and development credit (R&D credit). Under this bill, the proposed ASC would apply a flat rate of 6% to the difference between a taxpayer's current year qualified research expenditures (QREs – essentially R&D expenses) and an alternative base amount. The base amount would be the greater of 50 percent of the taxpayer's three-year average of QREs in the preceding three years or 50 percent of their current taxable year QREs.

SESSION NARRATIVE

Medical Alley Association continued advocating for improved access to Minnesota's Research and Development (R&D) tax credit this session. Advocates and supportive legislators seek improvements to the current tax credit to not only make it more cost-effective for companies to claim – specifically through making it easier to file and reducing the chance of audits by simplifying the calculation process – but to also foster a more attractive business environment, increasing investment and opportunity needed for health innovation and care organizations to succeed.

FINAL DISPOSITION

Our team delivered testimony in both House and Senate Tax Committee hearings, but unfortunately the R&D tax credit updates were not included in final tax omnibus bill.



Net Operating Loss

HF 1910 (Davids) / SF 1242 (Rest)

Status: Bill was not heard in either legislative body

BILL SUMMARY

Under the current system, Minnesota law penalizes FDA-regulated companies who are waiting, often years, for clearance to sell their products. These companies are disallowed any Net Operating Losses (NOLs) because they technically have no sales. By removing the “innovation penalty,” this bill would help startups stay afloat and continue growing while not yet profitable, encourage an environment of competition, and help the next generation of healthcare companies grow here in Minnesota.

SESSION NARRATIVE

Unfortunately, this bill did not receive a hearing in either body. Our team met with legislators on this issue early in session and will continue to identify educational opportunities as we work to pass this much needed update.

FINAL DISPOSITION

Neither the House nor Senate Net Operating Loss bill went beyond introduction.



Statewide Freight Network Optimization Tool

HF 273 (Elkins) / SF 289 (Jasinkski)

Conference Committee Report: HF1684 (Hornstein)/ SF 1159 (Newman)

See also: 1st Special Session: HF 10 (Hornstein) / SF 10 (Newman)

Status: Bill was signed into law; 1st Special Session Chapter 5

BILL SUMMARY

This legislation directs the commissioner of transportation, in cooperation with the commissioner of DEED, to contract with a vendor for up to \$1 million to create a statewide freight optimization tool. This tool would help state agencies and the transportation and logistics industry reduce inefficiencies and costs in the state's transportation system. It would take public data collected by the federal government, as well as private shipping data, to look at the impact of various logistics strategies on the cost of transportation throughout the state. Other states, such as Iowa, have leveraged tools like this as an economic development incentive by providing it to companies that move to, or expand in, their state. A similar tactic could be used by Minnesota once this tool is developed.

SESSION NARRATIVE

The measure received a hearing in the Senate Transportation Finance and Policy committee in which Medical Alley Association submitted a letter of support. After a quick committee discussion, the bill was laid over for possible inclusion in an omnibus transportation finance bill.

FINAL DISPOSITION

The bill was included Special Session transportation finance bill. It was signed into law



Broadband Grant Program

HF 14 (Eklund) / SF 22 (Bakk)

See also: 1st Special Session 2021, HF 1 (Noor) / SF 9 (Pratt)

Status: Bill signed into law; 1st Special Session Chapter 10

BILL SUMMARY

The Governor signed the Omnibus Jobs and Economic Development bill shortly after it passed during the first special session. This bill included the largest broadband investment to date, \$70 million for the upcoming biennium. The \$70 million investment is split evenly between both years of the biennium. The funding comes from the American Rescue Plan Act; the legislature agreed to have this funding come from federal aid dollars.

SESSION NARRATIVE

Border-to-border broadband funding is often a priority at the Capitol for both parties and both bodies. Broadband is an essential service that allows Minnesotans to engage in education, work remotely, and access critical healthcare services. The Medical Alley Association consistently advocates for funding for broadband and this session was no exception. Our association is also pleased to be a part of the Minnesota Rural Broadband Coalition, leveraging voices from many organizations and associations to advocate for expanded broadband services.

A number of broadband proposals were introduced this legislative session with varied levels of funding, showing how big a priority this issue was to all caucuses. A few different proposals were heard during the course of the legislative session, and coalitions, associations, and other stakeholders weighed in voicing support for broadband funding.

Another important component in this conversation this session was the opportunity to utilize federal aid to expand broadband services throughout the state. The state had access to an incredible amount of federal aid from the American Rescue Plan Act. Ultimately, legislators agreed to use funding from the ARPA – Capital Projects to fund this legislative priority.

FINAL DISPOSITION

Legislators and advocates seemed pleased with this session's broadband investment: it was the largest investment in the Border-to-Border Broadband Grant Program to date. This investment in broadband will help reach unserved and underserved communities throughout the state. As the pandemic winds down, we continue to see the unprecedented need for reliable technology. As students learn from home and many individuals log on to their work from home, and as patients rely on virtual care delivery, the need for reliable broadband services has never been higher. Legislators answered the call and passed \$70 million for the Border-to-Border Broadband Grant Program.



Seizure Training and Seizure Action Plan Required in Schools

HF 469 (Moller) / SF 654 (Lang)

See also: 1st Special Session HF 2 (Davnie)/ SF 23 (Chamberlain),

Article 6, Sec. 2, Subd. 1-2

Status: Bill was signed into law; Special Session Law Chapter 13

BILL SUMMARY

This bill requires school districts and charter schools to create and adopt a seizure action plan for students with epilepsy or who are prone to seizures. It also ensures staff are provided with training materials on how to recognize and respond to seizures.

SESSION NARRATIVE

Many teachers, staff, and students across Minnesota lack the tools and awareness they need to respond appropriately to seizures that happen at school. Thanks to this bipartisan legislation, that knowledge gap will be bridged. By creating individualized seizure action plans and educating staff and school nurses on how to recognize and respond to seizures, students living with epilepsy or seizure disorders can feel safe and reach their full academic potential. Medical Alley Association is proud to have advocated for this legislation alongside MAA member company Epilepsy Foundation of Minnesota.

FINAL DISPOSITION

After receiving bipartisan support in both legislative bodies, the Seizure Smart Schools legislation was included in the final K-12 Education omnibus bill (SF 23) and signed into law.



Regenerative Medicine Research

HF 51 (Erickson) / SF 964 (Rarick)

See also: 1st Special Session 2021; HF 7 (Bernardy) / SF 18 (Tomassoni)

Higher Education Omnibus Article 1 Sec. 7, Subd. 4

Status: Bill was signed into law; Special Session Law Chapter 2

BILL SUMMARY

This bill appropriates funding to continue the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics, as well as regenerative medicine research, clinical translation, and commercialization. It also mandates that Regenerative Medicine Minnesota must submit an annual expenditure report to the governor and the chairs of the legislative committees responsible for higher education finance by June 30 of each fiscal year.

SESSION NARRATIVE

The Regenerative Medicine Minnesota (RMM) research program plays an important role in furthering Minnesota's reputation as the Global Epicenter of Health Innovation and Care®. There were initial discrepancies between the House and Senate higher education omnibus bills, specifically that the Senate version did not include funding for the RMM program. To lose funding for such a cutting-edge program would have negatively impacted our state and future innovations. However, through a combined advocacy effort between Medical Alley Association and Mayo Clinic, funding was secured in the final higher education omnibus bill: \$7,491,000 in fiscal year 2022 and \$7,491,000 in fiscal year 2023.

FINAL DISPOSITION

Although funding was not initially included in the Senate's higher education omnibus, program funding was ultimately secured and included in the final omnibus bill that was signed into law.