

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 2859

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| DATE | D-PG | OFFICIAL STATUS |
|------------|------|---|
| 03/17/2016 | 5106 | Introduction and first reading |
| | | Referred to Health, Human Services and Housing |
| 04/01/2016 | 5436 | Comm report: To pass and re-referred to Finance |

A bill for an act

relating to health care; requiring the commissioner of human services to seek federal waivers to permit individuals whose income is greater than the income eligibility limit for MinnesotaCare to purchase coverage through MinnesotaCare through a separate MinnesotaCare purchase option.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **MINNESOTACARE PURCHASE OPTION; FEDERAL WAIVER REQUEST.**

Subdivision 1. Federal waiver request. (a) The commissioner of human services shall seek necessary federal waiver authority to establish a program that allows individuals with income above the maximum income eligibility limit under Minnesota Statutes, section 256L.04, subdivision 1 or 7, and who otherwise meet the MinnesotaCare eligibility requirements including, but not limited to, Minnesota Statutes, sections 256L.04, 256L.07, and 256L.09, the option of purchasing coverage through MinnesotaCare instead of purchasing a qualified health plan through MNsure as defined under Minnesota Statutes, section 62V.02, or an individual health plan offered outside of MNsure.

(b) The commissioner shall also seek necessary federal waiver authority, for individuals who qualify under paragraph (a) who choose to purchase the MinnesotaCare option, to use advanced tax credits and cost-sharing credits, if eligible, to purchase this option.

(c) The commissioner shall also seek necessary federal waiver authority to permit the MinnesotaCare purchase option to be offered through MNsure as a coverage option and to be compared with qualified health plans offered through MNsure.

Subd. 2. Program establishment and criteria. (a) The MinnesotaCare purchase option shall coordinate the administration of the purchase option with the MinnesotaCare

2.1 program to maximize efficiency and improve the continuity of care, consistent with the
2.2 requirements of Minnesota Statutes, sections 256L.06, 256L.10, 256L.11, 256L.12,
2.3 and 256L.121. The commissioner shall seek to implement mechanisms to ensure the
2.4 long-term financial sustainability of MinnesotaCare and mitigate any adverse financial
2.5 impacts to MNsure. These mechanisms must address issues related to minimizing adverse
2.6 selection, the state financial risk and contribution, and negative impacts to premiums in
2.7 the individual and group insurance market both inside and outside of MNsure.

2.8 (b) The purchase option shall include, at a minimum, the following:

2.9 (1) establishment of an annual per enrollee premium rate similar to the average rate
2.10 paid by the state to managed care plan contractors under Minnesota Statutes, section
2.11 256L.12;

2.12 (2) establishment of a benefit set equal to the benefits covered under MinnesotaCare
2.13 under Minnesota Statutes, section 256L.03;

2.14 (3) limiting annual enrollment to the same annual open enrollment periods
2.15 established for MNsure;

2.16 (4) ability of the commissioner to adjust the purchase option's actuarial value to a
2.17 value no lower than 87 percent;

2.18 (5) reimbursement mechanisms for addressing potential reductions in funding for
2.19 MNsure operations; and

2.20 (6) reimbursement mechanisms for addressing potential increased cost to the
2.21 MinnesotaCare program under Minnesota Statutes, chapter 256L.

2.22 Subd. 3. **Report.** The commissioner shall report to the chairs and ranking minority
2.23 members of the legislative committees with jurisdiction over health and human services
2.24 policy and finance by March 1, 2017, on the progress of receiving a federal waiver and the
2.25 results from actuarial and economic analyses that are necessary for a waiver proposal.
2.26 The commissioner shall also make recommendations on any legislative changes necessary
2.27 to implement the program described in this section. Any implementation of this waiver
2.28 that requires a state financial contribution shall be contingent on further legislative action
2.29 approving the state's contribution.