SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 32

(SENATE AUTHORS: HANN and Chamberlain)

DATE	D-PG	OFFICIAL STATUS
01/13/2011	49	Introduction and first reading Referred to Health and Human Services
01/18/2011	59	Author added Chamberlain
02/02/2011	136a	Comm report: To pass as amended and re-refer to Commerce and Consumer Protection
02/17/2011	253a	Comm report: To pass as amended and re-refer to Finance
02/24/2011	282	Comm report: To pass
	284	Second reading
05/03/2011	1707	HF substituted on General Orders HF8 See SF760, Art. 5, Sec. 6, 18, 72 (vetoed) See HF25, Art. 6, Sec. 2, 25 (First Special Session)

A bill for an act

relating to human services; establishing the healthy Minnesota contribution program; requiring plan to redesign service delivery for lower-income MinnesotaCare enrollees; amending Minnesota Statutes 2010, sections 62E.14, by adding a subdivision; 256B.04, subdivision 18; 256L.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256L.

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

Section 1. Minnesota Statutes 2010, section 62E.14, is amended by adding a subdivision to read:

Subd. 4f. **Waiver of preexisting conditions for persons covered by healthy Minnesota contribution program.** A person may enroll in the comprehensive plan with a waiver of the preexisting condition limitation in subdivision 3 if the person is eligible for the healthy Minnesota contribution program, and has been denied coverage as described under section 256L.031, subdivision 6.

Sec. 2. Minnesota Statutes 2010, section 256B.04, subdivision 18, is amended to read:

Subd. 18. **Applications for medical assistance.** (a) The state agency may take applications for medical assistance and conduct eligibility determinations for MinnesotaCare enrollees.

(b) The commissioner of human services shall modify the Minnesota health care programs application form to add a question asking applicants: "Are you a U.S. military veteran?"

Sec. 3. **[256L.031] HEALTHY MINNESOTA CONTRIBUTION PROGRAM.**

Subdivision 1. **Defined contributions to enrollees.** (a) Beginning January 1, 2012, the commissioner shall provide each MinnesotaCare enrollee eligible under section 256L.04, subdivision 7, with gross family income equal to or greater than 133 percent of the federal poverty guidelines, with a monthly defined contribution to purchase health coverage under a health plan as defined in section 62A.011, subdivision 3. Beginning January 1, 2012, or upon federal approval, whichever is later, the commissioner shall provide each MinnesotaCare enrollee eligible under section 256L.04, subdivision 1, with gross family income equal to or greater than 133 percent of the federal poverty guidelines, with a monthly defined contribution to purchase health coverage under a health plan as defined in section 62A.011, subdivision 3, offered by a health plan company as defined in section 62Q.01, subdivision 4.

(b) Enrollees eligible under paragraph (a) shall not be charged premiums under section 256L.15 and are exempt from the managed care enrollment requirement of section 256L.12.

(c) Sections 256L.03; 256L.05, subdivision 3; and 256L.11 do not apply to enrollees eligible under paragraph (a). Covered services, cost sharing, disenrollment for nonpayment of premium, enrollee appeal rights and complaint procedures, and the effective date of coverage for enrollees eligible under paragraph (a) shall be as provided under the terms of the health plan purchased by the enrollee.

(d) Unless otherwise provided in this section, all MinnesotaCare requirements related to eligibility, income and asset methodology, income reporting, and program administration, continue to apply to enrollees obtaining coverage under this section.

Subd. 2. **Use of defined contribution.** An enrollee may use up to the monthly defined contribution to pay premiums for coverage under a health plan as defined in section 62A.011, subdivision 3.

Subd. 3. **Determination of defined contribution amount.** (a) The commissioner shall determine the defined contribution sliding scale using the base contribution specified in paragraph (b) for the specified age ranges. The commissioner shall use a sliding scale for defined contributions that provides:

(1) persons with household incomes equal to 133 percent of the federal poverty guidelines with a defined contribution of 150 percent of the base contribution;

(2) persons with household incomes equal to 175 percent of the federal poverty guidelines with a defined contribution of 100 percent of the base contribution;

(3) persons with household incomes equal to or greater than 250 percent of the federal poverty guidelines with a defined contribution of 80 percent of the base contribution; and

(4) persons with household incomes in evenly spaced increments between the percentages of the federal poverty guidelines specified in clauses (1) to (3) with a base contribution that is a percentage interpolated from the defined contribution percentages specified in clauses (1) to (3).

Age	Monthly Per-Person Base Contribution
Under 21	$122.79
21-29	122.79
30-31	129.19
32-33	132.38
34-35	134.31
36-37	136.06
38-39	141.02
40-41	151.25
42-43	159.89
44-45	175.08
46-47	191.71
48-49	213.13
50-51	239.51
52-53	266.69
54-55	293.88
56-57	323.77
58-59	341.20
60+	357.19

(b) The commissioner shall multiply the defined contribution amounts developed under paragraph (a) by 1.20 for enrollees who are denied coverage under an individual health plan by a health plan company and who purchase coverage through the Minnesota Comprehensive Health Association.

(c) Notwithstanding paragraphs (a) and (b), the monthly defined contribution shall not exceed 90 percent of the monthly premium for the health plan purchased by the enrollee. If the enrollee purchases coverage under a health plan that does not include mental health services and chemical dependency treatment services, the monthly defined contribution amount determined under this subdivision shall be reduced by five percent.

Subd. 4. **Administration by commissioner.** The commissioner shall administer the defined contributions. The commissioner shall:

(1) calculate and process defined contributions for enrollees; and

(2) pay the defined contribution amount to health plan companies or the Minnesota Comprehensive Health Association, as applicable, for enrollee health plan coverage.

Subd. 5. **Assistance to enrollees.** The commissioner of human services, in consultation with the commissioner of commerce, shall develop an efficient and

cost-effective method of referring eligible applicants to professional insurance agent associations.

Subd. 6. **Minnesota Comprehensive Health Association (MCHA).** Beginning January 1, 2012, MinnesotaCare enrollees who are denied coverage under an individual health plan by a health plan company are eligible for coverage through a health plan offered by the Minnesota Comprehensive Health Association and may enroll in MCHA in accordance with section 62E.14. Any difference between the revenue and covered losses to the MCHA related to implementation of this section shall be paid to the MCHA from the health care access fund.

Subd. 7. **Federal approval.** The commissioner shall seek all federal waivers and approvals necessary to implement coverage under this section for MinnesotaCare enrollees eligible under section 256L.04, subdivision 1, with gross family incomes equal to or greater than 133 percent of the federal poverty guidelines, while continuing to receive federal matching funds.

Subd. 8. **Sunset.** This section shall expire upon the full implementation of the Patient Protection and Affordable Care Act (ACA), Public Law 111-148. For purposes of this section, full implementation of the ACA means premium credits and cost-sharing subsidies are available for health plans offered in Minnesota through an insurance exchange established under sections 1311, 1321, 1401, and 1402 of the ACA, as amended by the Health Care Education Reconciliation Act of 2010, Public Law 111-152.

Sec. 4. Minnesota Statutes 2010, section 256L.05, is amended by adding a subdivision to read:

Subd. 6. **Referral of veterans.** The commissioner shall ensure that all applicants for MinnesotaCare with incomes less than 133 percent of the federal poverty guidelines who identify themselves as veterans are referred to a county veterans service officer for assistance in applying to the U.S. Department of Veterans Affairs for any veterans benefits for which they may be eligible.

Sec. 5. **COVERAGE FOR LOWER-INCOME MINNESOTACARE ENROLLEES.**

The commissioner of human services shall develop and present to the legislature, by December 15, 2011, a plan to redesign service delivery for MinnesotaCare enrollees eligible under Minnesota Statutes, section 256L.04, subdivisions 1 and 7, with incomes less than 133 percent of the federal poverty guidelines. The plan must be designed to improve continuity and quality of care, reduce unnecessary emergency room visits, and

reduce average per-enrollee costs. In developing the plan, the commissioner shall consider innovative methods of service delivery including, but not limited to, increasing the use and choice of private sector health plan coverage and encouraging the use of community health clinics, as defined in the federal Community Health Care Act of 1964, as health care homes.

Sec. 6. **DIRECTION TO COMMISSIONER; FEDERAL WAIVER.**

The commissioner of human services shall apply to the Centers for Medicare and Medicaid Services for federal waivers to cover:

(1) families with children eligible under Minnesota Statutes, section 256L.04, subdivision 1; and

(2) adults eligible under Minnesota Statutes, section 256L.04, subdivision 1, under the MinnesotaCare healthy Minnesota contribution program established under Minnesota Statutes, section 256L.031, by July 1, 2011. The commissioner shall report to the legislative committees with jurisdiction over health and human services policy and finance whether or not the federal waiver application was accepted within ten working days of receipt of the decision.

EFFECTIVE DATE. This section is effective the day following final enactment.