

HEALTH INSURANCE IN MINNESOTA

House Commerce Finance and Policy Committee
January 13, 2021

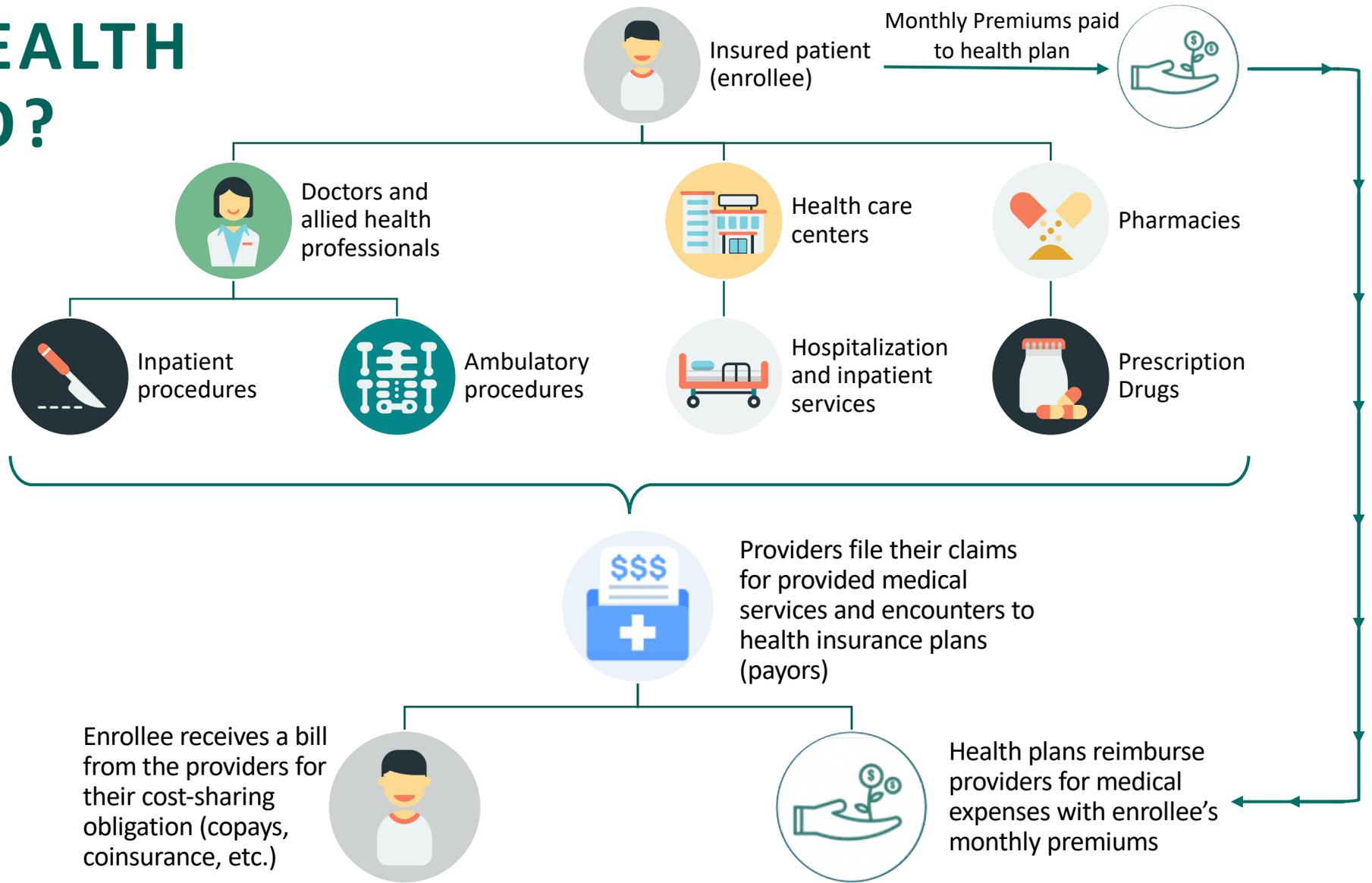


OUR SEVEN HEALTH PLANS



WHAT DOES HEALTH INSURANCE DO?

- Health insurance pools the risk of a group of individuals and combines it to spread the medical costs.
- The larger the pool of people, the more predictable and stable the premiums can be.



REQUIREMENTS FOR HEALTH PLANS

- Actuarial soundness
 - *Rate review and solvency*
- Medical Loss Ratio (MLR)
 - *Small group & individual plans: 80% MLR*
 - *Large group plans: 85% MLR*
 - *Medicaid: 85% MLR*
- Network adequacy
 - *In order to offer insurance in a county, a network of providers needs to be deemed adequate by regulators*
- A defined set of services is paid by the insurer on the individual's behalf
 - *ACA Essential Health Benefits*
 - *MN has over 60 additional mandated health benefits*



PRIVATE INSURANCE: HOW IT WORKS IN MN

Fully-insured plans



Self-insured plans

Offered by large employers.

Employer takes on financial risk of insuring employees.

An insurance company is hired to administer health plan services.

Employer-sponsored

Small group plans (2-50 employees) & Large group plans (50+ employees)

Health insurance companies take on financial risk of insuring businesses' employees.

MNSure plans

This is Minnesota's Health Insurance Exchange, also called "Marketplace".

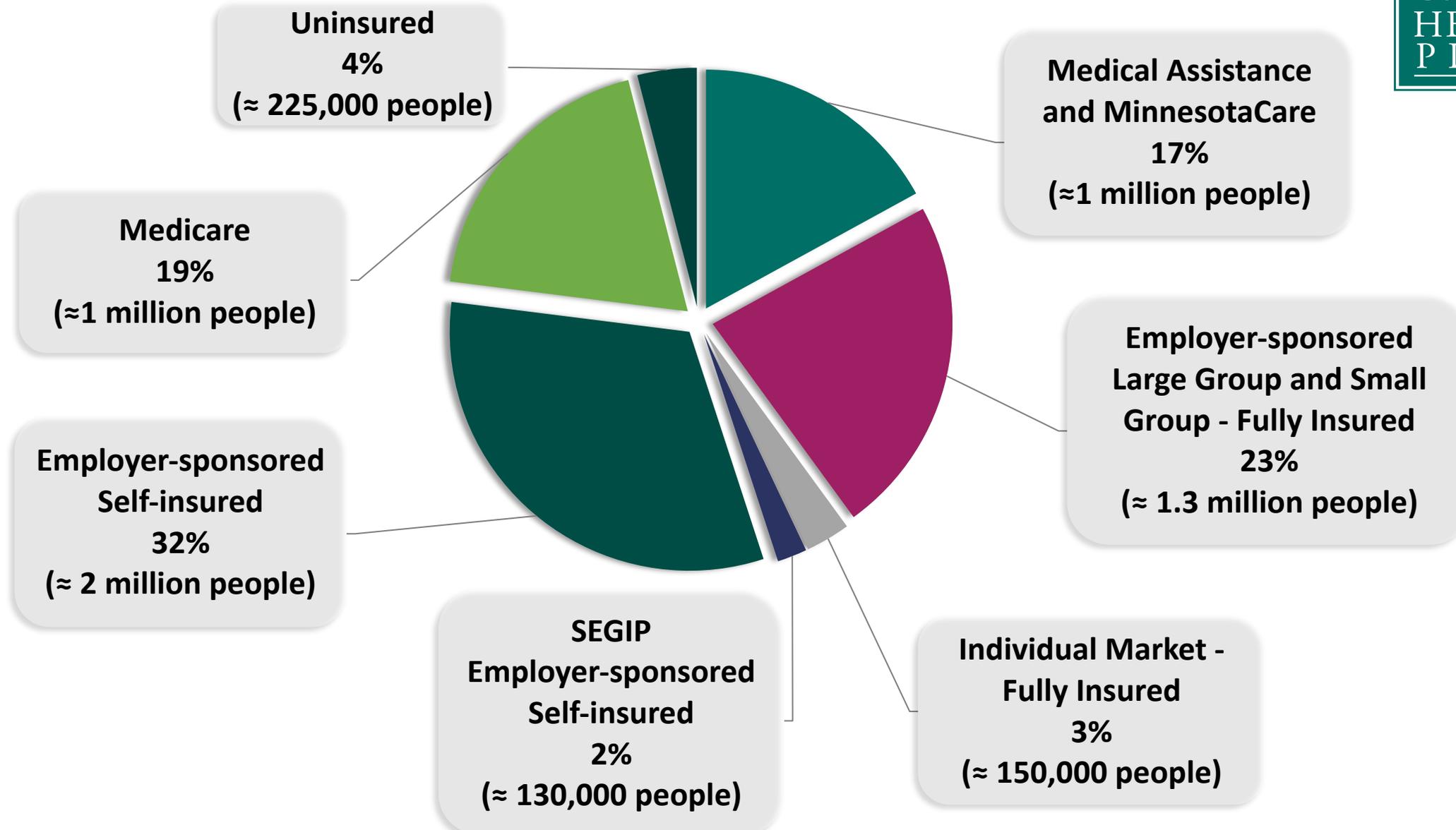
People can obtain premium subsidies and cost-sharing reductions.

Individual Market

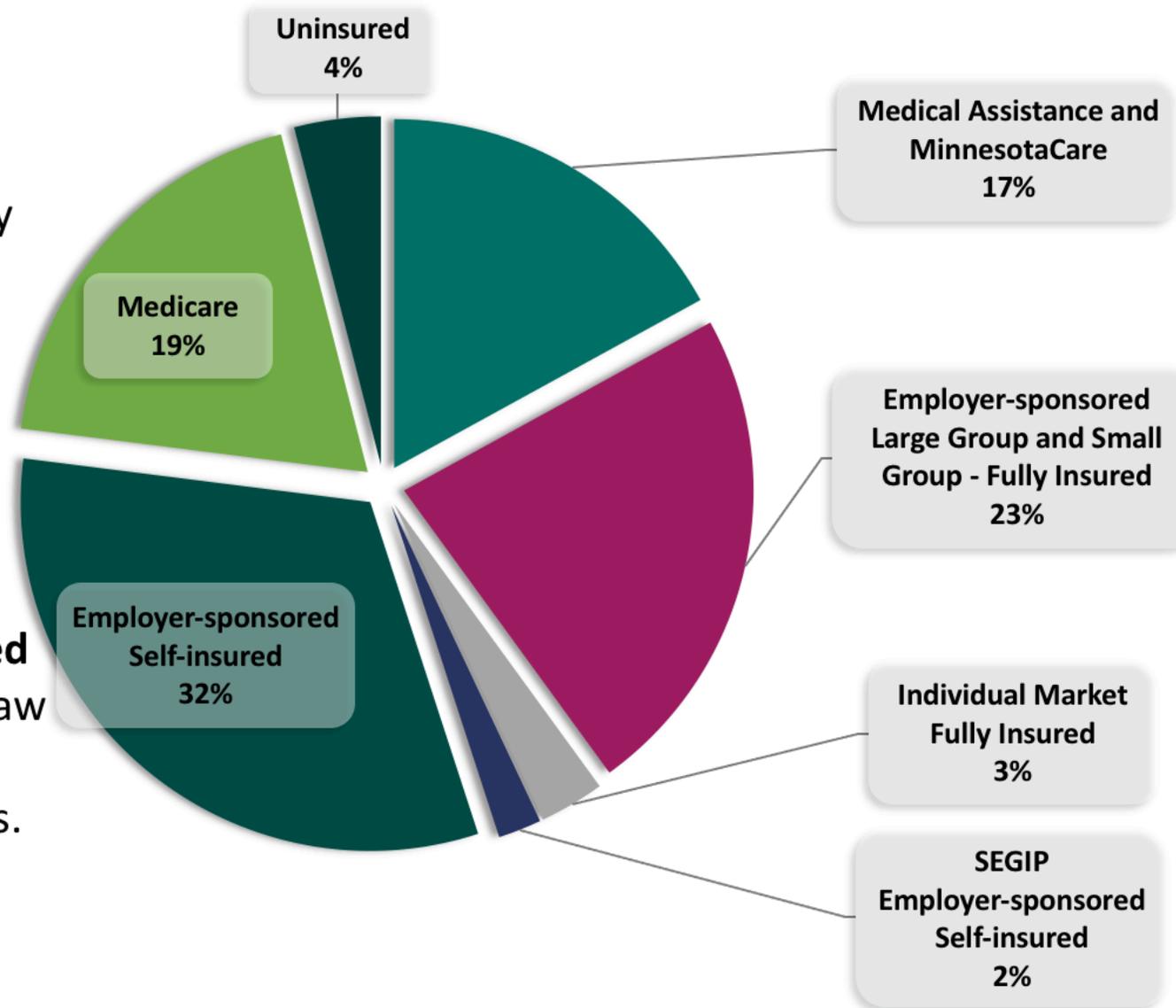
"Off-Exchange"

A plan purchased directly from an insurance company or through an agent or broker, outside of MNSure.

WHERE MINNESOTANS GET HEALTH COVERAGE



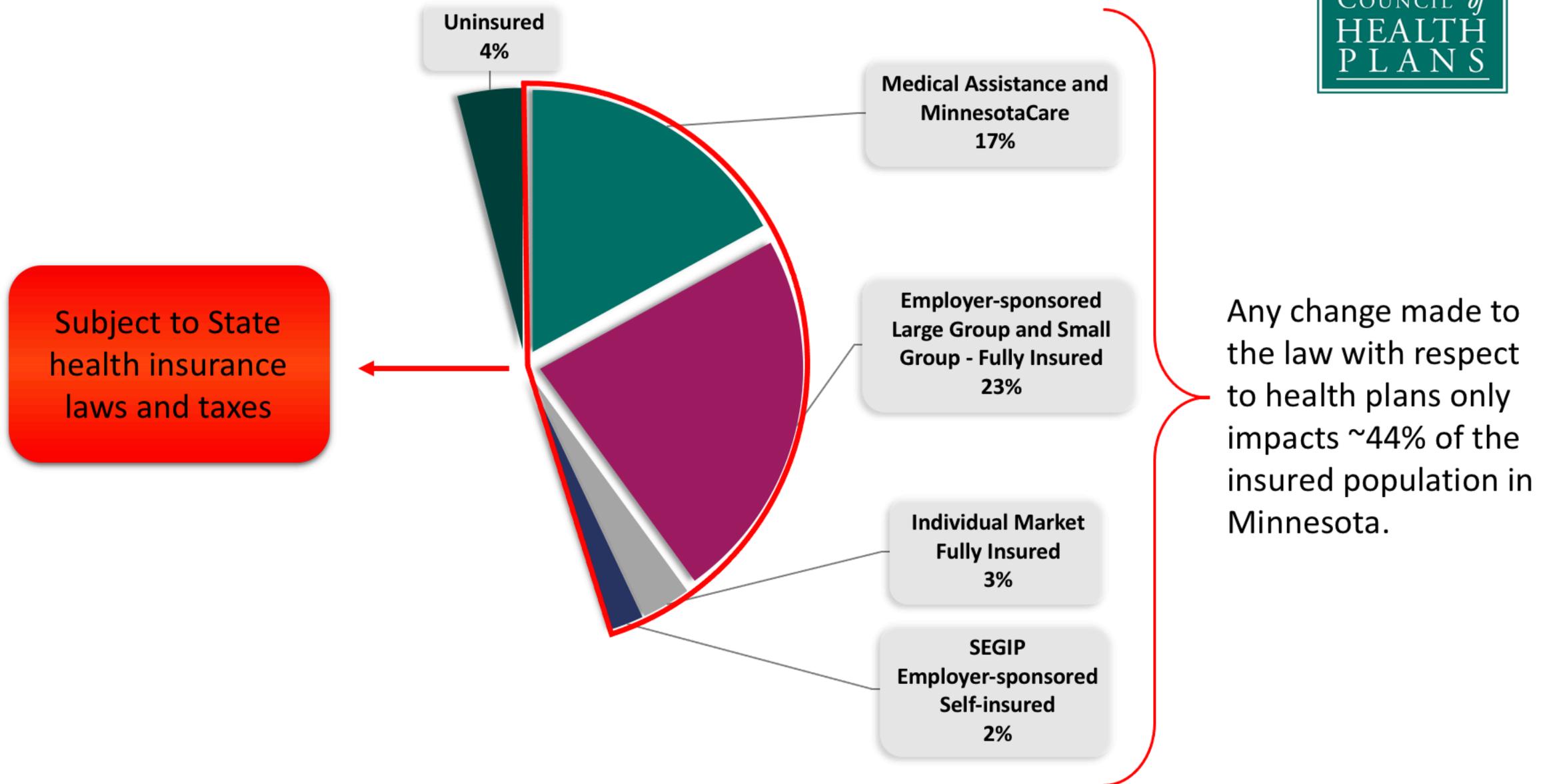
WHERE MINNESOTANS GET HEALTH COVERAGE



Medicare is generally governed by **federal laws**.

Self-insured health plans are **not affected** by changes in state law because they are subject to ERISA laws.

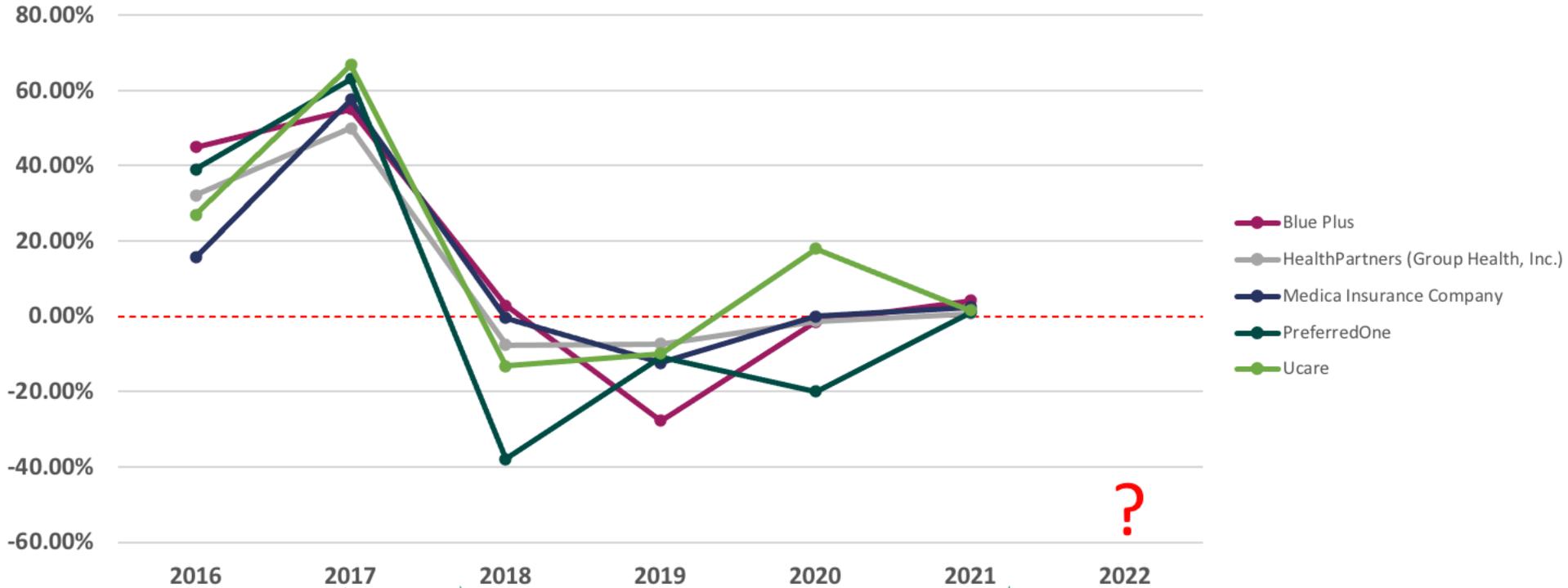
WHERE MINNESOTANS GET HEALTH COVERAGE



REINSURANCE



Minnesota Individual Health Insurance Policies — Average Rate Changes



Reinsurance is approved ↑

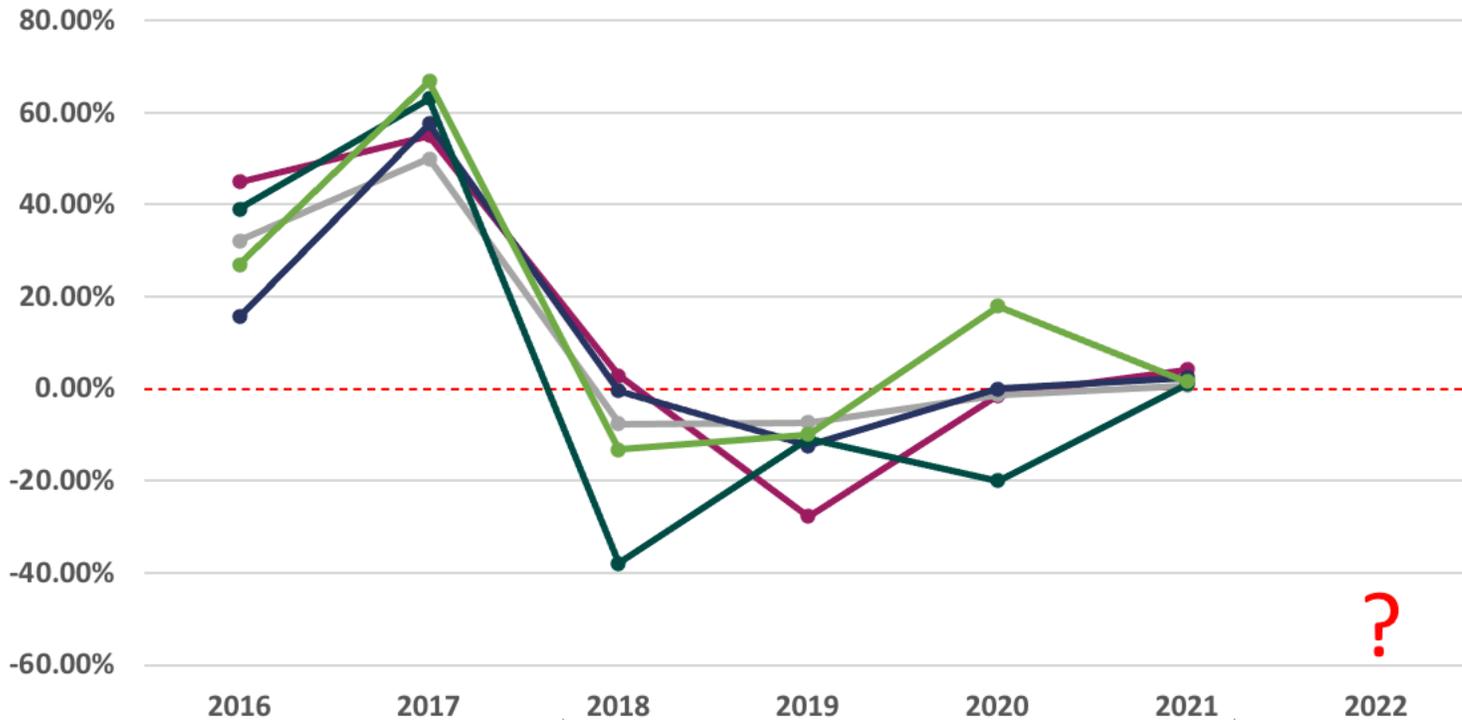
Average Rate Changes with Reinsurance

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REINSURANCE



Minnesota Individual Health Insurance Policies — Average Rate Changes



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Average Rate Changes with Reinsurance



MINNESOTA'S FILING TIMELINE
Plan Year 2021 Submissions and Deadlines

Activity	Submission Deadline (unless later extended / special permission)
Forms Submission Deadline	05/11/2020
Network Adequacy Deadline	05/29/2020
Rate Filing and Binder (most) Content Submission Deadline	06/22/2020
Enrollment Cap Deadline	06/22/2020
SBCs, Out of Network Template, and Prescription Drug Costs Template	06/29/2020
Proposed Rate Filing Elements Available to the Public	07/06/2020*
Health System Access Template and Transparency Transmission Data Template Deadline	07/15/2020
Final Deadline for Changes	08/28/2020
Quality Rating Information Template (via E-mail to MNsure)	09/07/2020
Likely Date of Public Release of Final Approved Rates and Forms	10/02/2020
Open Enrollment	11/01/2020 - 12/15/2020**



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