



Minnesota Association of Health Underwriters

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MAHU Legislative Committee

Low-Income Individuals Right to Choose their Health Plan SF 2564 (Hoffman) / HF 2405 (Zerwas)

Goal: Change Minnesota law by seeking a federal waiver to allow low- and moderate income individuals who apply for a health plan through MNSure to have the right to choose between the Basic Health Plan (BHP) or a Qualified Health Plan (QHP) using premium tax credits and cost-sharing reductions.

Low- and moderate-income Minnesotans should have the same right to choose a QHP as all other Minnesotans who apply for a health plan at MNSure.

Basic Health Plan(BHP): Minnesota is one of only two states to implement a mandatory Basic Health Plan for individuals who would otherwise qualify for Advanced Premium Tax Credits & Cost Sharing Reductions to purchase their choice of QHPs. The BHP in Minnesota is MinnesotaCare. Federal law requires that individuals who are eligible for the BHP must forfeit the opportunity to choose a QHP. Hence, Minnesota's low- and moderate-income residents are some of the only individuals in the nation denied their right to select a plan of their choice.

Under current law, low- and moderate-income individuals are denied their right to choose the health plan that they believe best meets their needs if they want help paying for their insurance premiums, deductibles and coinsurance. This applies to individuals whose income is between 138% & 200% of FPG.

- Families Split Between Plans: In many cases, dependents are auto-enrolled into the BHP even though their parents do not qualify. Parents might choose a QHP through MNSure, and desire their children to have access to the same providers, but are denied the right to choose coverage for their children.
 - Low- and moderate-income enrollees:
 - Are denied access to cost-sharing reductions that can turn a silver health plan to a platinum plan using a QHP.
 - May lose access to timely medical care. Minnesota's medical providers are generally paid less to provide medical care to a public program patient than to one with a QHP. A large and growing number of physicians limit the number of appointment times available for public plan enrollees due to inadequate reimbursements, creating serious access problems for this population.
 - MNSure cannot collect its 3.5% premium fee on thousands of individuals enrolled in the BHP, putting additional stress on MNSure's funding.
 - Some individuals auto-enrolled in the BHP have also purchased coverage in the private marketplace resulting in double coverage. The state wastes taxpayers' money paying for public coverage not being used.
- MNSure's software automatically enrolls all individuals who apply for coverage on MNSure that have income between 138-200% of FPG into the BHP. Once MNSure has determined that they are eligible for the BHP, they lose their ability to choose a QHP. Their only options are to accept the BHP, buy outside of MNSure without premium tax credits or cost-sharing reductions, or go uninsured.