..... moves to amend H.F. No. 3533 as follows:

Page 1, after line 5, insert:

"Sec. 1. **[62V.12] STATE-FUNDED COST-SHARING REDUCTIONS.**

Subdivision 1. **Establishment.** (a) The board must develop and administer a state-funded cost-sharing reduction program for eligible persons who enroll in a silver level qualified health plan through MNsure. The board must implement the cost-sharing reduction program for plan years beginning on or after January 1, 2025.

(b) For purposes of this section, an "eligible person" is an individual who meets the eligibility criteria to receive a cost-sharing reduction under Code of Federal Regulations, title 45, section 155.305(g), except that the maximum income limit shall be as specified in subdivision 2.

Subd. 2. **Reduction in cost-sharing.** (a) The cost-sharing reduction program must use state funds to reduce enrollee cost-sharing by increasing the actuarial value of silver level health plans for eligible persons beyond the 73 percent value established in Code of Federal Regulations, title 45, section 156.420(a)(3)(ii), to an actuarial value of 87 percent.

(b) Paragraph (a) applies beginning with plan year 2025 for eligible persons expected to have a household income above 200 percent of the federal poverty level but that does not exceed 250 percent of the federal poverty level, for the benefit year for which coverage is requested.

(c) Beginning with plan year 2026, the cost-sharing reduction program is expanded to also apply to eligible persons expected to have a household income above 250 percent of the federal poverty level but that does not exceed 300 percent of the federal poverty level, for the benefit year for which coverage is requested. Under this paragraph, the cost-sharing reduction program applies by increasing the actuarial value of silver level health plans for

eligible persons to the 73 percent actuarial value established in Code of Federal Regulations, title 45, section 156.420(a)(3)(ii).

Subd. 3. **Administration.** The board, when administering the program, must:

(1) allow eligible persons to enroll in a silver level health plan with a state-funded cost-sharing reduction;

(2) modify the MNsure shopping tool to display the total cost-sharing reduction benefit available to individuals eligible under this section; and

(3) reimburse health carriers on a quarterly basis for the cost to the health plan providing the state-funded cost-sharing reductions.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 256.9631, subdivision 1, is amended to read:

Subdivision 1. **Direction to the commissioner.** (a) The commissioner shall develop an implementation plan for a direct payment system to deliver services to eligible individuals in order to achieve better health outcomes and reduce the cost of health care for the state. Under this system, eligible individuals must receive services through the medical assistance fee-for-service system, county-based purchasing plans, or county-owned health maintenance organizations. The commissioner shall present an implementation plan for the direct payment system to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy by January 15, ~~2026~~ 2025. The commissioner may contract for technical assistance in developing the implementation plan and conducting related studies and analyses.

(b) For the purposes of the direct payment system, the commissioner shall make the following assumptions:

(1) health care providers are reimbursed directly for all medical assistance covered services provided to eligible individuals, using the fee-for-service payment methods specified in chapters 256, 256B, 256R, and 256S;

(2) payments to a qualified hospital provider are equivalent to the payments that would have been received based on managed care direct payment arrangements. If necessary, a qualified hospital provider may use a county-owned health maintenance organization to receive direct payments as described in section 256B.1973; and

(3) county-based purchasing plans and county-owned health maintenance organizations must be reimbursed at the capitation rate determined under sections 256B.69 and 256B.692.

Sec. 3. **COUNTY-ADMINISTERED NONRURAL MEDICAL ASSISTANCE MODEL.**

Subdivision 1. **Model development.** (a) The commissioner of human services, in collaboration with the Association of Minnesota Counties and county-based purchasing plans, shall develop a county-administered nonrural medical assistance (CANMA) model and a detailed plan for implementing the CANMA model.

(b) The CANMA model must be designed to achieve the following objectives:

(1) provide a distinct county-owned and administered alternative to the prepaid medical assistance program and care delivery through private sector managed care organizations;

(2) facilitate greater integration of health care and social services to address social determinants of health in communities currently served by private sector managed care organizations, with the degree of integration of social services varying with each county's needs and resources;

(3) account for the particular concerns of nonrural counties and populations, including the number and diversity of medical assistance enrollees, and factors related to the availability of providers of behavioral health, oral health, specialty and tertiary care, nonemergency medical transportation, and other health care services in nonrural communities; and

(4) promote greater accountability for health outcomes, health equity, customer service, community outreach, and cost of care.

Subd. 2. **County participation.** (a) The CANMA model must give each nonrural county the option of applying to participate in the CANMA model as an alternative to participation in the prepaid medical assistance program and care delivery through private-sector managed care organizations. The CANMA model must include a process for the commissioner to determine whether and how a nonrural county can participate.

(b) The CANMA model may allow a county-administered managed care organization to deliver care on a single-plan basis to all medical assistance enrollees residing in a county, as long as the managed care organization contracts with all health care providers that agree to accept the contract terms for network participation.

Subd. 3. **Report to the legislature.** (a) The commissioner shall report recommendations and an implementation plan for the CANMA model to the chairs and ranking minority

members of the legislative committees with jurisdiction over health care policy and finance by January 15, 2025. The CANMA model and implementation plan must address the issues and consider the recommendations relevant to service delivery in nonrural counties identified in the document titled "Recommendations Not Contingent on Outcome(s) of Current Litigation," attached to the September 13, 2022, e-filing to the Second Judicial District Court (Correspondence for Judicial Approval Index #102), that relates to the final contract decisions of the commissioner of human services regarding *South Country Health Alliance v. Minnesota Department of Human Services*, No. 62-CV-22-907 (Ramsey Cnty. Dist. Ct. 2022).

(b) The report must also identify the clarifications, approvals, and waivers that are needed from the Centers for Medicare and Medicaid Services and include any draft legislation necessary to implement the CANMA model."

Page 2, line 19, before "$....." insert "(a)"

Page 2, line 21, delete "1" and insert "4"

Page 2, after line 21, insert:

"(b) $..... in fiscal year 2025 is appropriated from the general fund to the commissioner of human services to develop a county-administered nonrural medical assistance model and implementation plan and report to the legislature as required by section 3.

(c) $..... in fiscal year 2025 is appropriated from the general fund to the Board of Directors of MNsure, to provide state-funded cost-sharing reductions under Minnesota Statutes, section 62V.12."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly