

1.1 moves to amend H.F. No. 837, the first engrossment, as follows:

1.2 Page 1, delete section 2

1.3 Page 1, before line 6, insert:

1.4 "Section 1. Minnesota Statutes 2024, section 62E.21, is amended by adding a subdivision
1.5 to read:

1.6 Subd. 2a. **Assessment.** "Assessment" means the amount an eligible carrier under the
1.7 plan must pay to the association for operational costs, administrative costs, and reinsurance
1.8 payments relating to initiating and operating the plan.

1.9 Sec. 2. Minnesota Statutes 2024, section 62E.23, subdivision 1, is amended to read:

1.10 Subdivision 1. **Administration of plan.** (a) The association is Minnesota's reinsurance
1.11 entity to administer the state-based reinsurance program referred to as the Minnesota premium
1.12 security plan.

1.13 (b) The association may apply for any available federal funding for the plan. All funds
1.14 received by or appropriated to the association shall be deposited in the premium security
1.15 plan account in section 62E.25, subdivision 1. The association shall notify the chairs and
1.16 ranking minority members of the legislative committees with jurisdiction over health and
1.17 human services and insurance within ten days of receiving any federal funds.

1.18 (c) The association must collect or access data from an eligible health carrier that are
1.19 necessary to determine reinsurance payments, according to the data requirements under
1.20 subdivision 5, paragraph (c).

1.21 (d) The board must not use any funds allocated to the plan for staff retreats, promotional
1.22 giveaways, excessive executive compensation, or promotion of federal or state legislative
1.23 or regulatory changes.

(e) For each applicable benefit year, the association must notify eligible health carriers of reinsurance payments to be made for the applicable benefit year no later than June 30 of the year following the applicable benefit year.

(f) On a quarterly basis during the applicable benefit year, the association must provide each eligible health carrier with the calculation of total reinsurance payment requests.

(g) By August 15 of the year following the applicable benefit year, the association must disburse all applicable reinsurance payments to an eligible health carrier.

(h) The association must collect assessments from eligible carriers to pay for the Minnesota premium security plan no later than June 30 of the year following the applicable benefit year. The association must use the assessments collected under this paragraph to pay the operational costs, administrative costs, and reinsurance payments of the plan not covered by federal funding for the plan. By March 1 each year, the association must provide each member with an estimate of the member's assessment for the upcoming applicable benefit year. The association must notify each member of the member's assessment for the applicable benefit year no later than June 30 of the year following the applicable benefit year.

Sec. 3. Minnesota Statutes 2024, section 62E.23, subdivision 2, is amended to read:

Subd. 2. **Payment parameters.** (a) The board must design and adjust the payment parameters to ensure the payment parameters:

(1) will stabilize or reduce premium rates in the individual market;

(2) will increase participation in the individual market;

(3) will improve access to health care providers and services for those in the individual market;

(4) mitigate the impact high-risk individuals have on premium rates in the individual market;

(5) take into account any federal funding available for the plan; ~~and~~

(6) take into account assessments imposed on eligible carriers; and

~~(6)~~ (7) take into account the total amount available to fund the plan.

(b) The attachment point for the plan is the threshold amount for claims costs incurred by an eligible health carrier for an enrolled individual's covered benefits in a benefit year, beyond which the claims costs for benefits are eligible for reinsurance payments. The

3.1 attachment point shall be set by the board at \$50,000 or more, but not exceeding the
3.2 reinsurance cap.

3.3 (c) The coinsurance rate for the plan is the rate at which the association will reimburse
3.4 an eligible health carrier for claims incurred for an enrolled individual's covered benefits
3.5 in a benefit year above the attachment point and below the reinsurance cap. The coinsurance
3.6 rate shall be set by the board at a rate between 50 and 80 percent.

3.7 (d) The reinsurance cap is the threshold amount for claims costs incurred by an eligible
3.8 health carrier for an enrolled individual's covered benefits, after which the claims costs for
3.9 benefits are no longer eligible for reinsurance payments. The reinsurance cap shall be set
3.10 by the board at \$250,000 or less.

3.11 (e) The board may adjust the payment parameters to the extent necessary to secure
3.12 federal approval of the state innovation waiver request in Laws 2017, chapter 13, article 1,
3.13 section 8.

3.14 Sec. 4. Minnesota Statutes 2024, section 62E.23, subdivision 3, is amended to read:

3.15 Subd. 3. **Operation.** (a) The board shall propose to the commissioner the payment
3.16 parameters for the next benefit year by January 15 of the year before the applicable benefit
3.17 year. The commissioner shall approve or reject the payment parameters no later than 14
3.18 days following the board's proposal. If the commissioner fails to approve or reject the
3.19 payment parameters within 14 days following the board's proposal, the proposed payment
3.20 parameters are final and effective.

3.21 (b) If the amount in the premium security plan account in section 62E.25, subdivision
3.22 1, is not anticipated to be adequate to fully fund the approved payment parameters as of
3.23 July 1 of the year before the applicable benefit year, the board, in consultation with the
3.24 commissioner and the commissioner of management and budget, shall propose payment
3.25 parameters within the available appropriations or assess members to obtain the necessary
3.26 funding. The commissioner must permit an eligible health carrier to revise an applicable
3.27 rate filing based on the final payment parameters for the next benefit year.

3.28 (c) Notwithstanding paragraph (a), the payment parameters ~~for benefit years 2023 through~~
3.29 ~~2027~~ are:

3.30 (1) an attachment point of \$50,000;

3.31 (2) a coinsurance rate of 80 percent; and

3.32 (3) a reinsurance cap of \$250,000.

4.1 Sec. 5. Minnesota Statutes 2024, section 62E.24, subdivision 1, is amended to read:

4.2 Subdivision 1. **Accounting.** The board must keep an accounting for each benefit year
4.3 of all:

4.4 (1) funds appropriated for reinsurance payments and administrative and operational
4.5 expenses;

4.6 (2) requests for reinsurance payments received from eligible health carriers;

4.7 (3) assessments collected from eligible carriers;

4.8 ~~(3)~~ (4) reinsurance payments made to eligible health carriers; and

4.9 ~~(4)~~ (5) administrative and operational expenses incurred for the plan.

4.10 Sec. 6. Minnesota Statutes 2024, section 62E.24, subdivision 2, is amended to read:

4.11 Subd. 2. **Reports.** (a) The board must submit to the commissioner and to the chairs and
4.12 ranking minority members of the legislative committees with jurisdiction over commerce
4.13 and health and make available to the public quarterly reports on plan operations and an
4.14 annual report summarizing the plan operations for each benefit year. All reports must be
4.15 made public by posting the report on the Minnesota Comprehensive Health Association
4.16 website. The annual summary must be made available by November 1 of the year following
4.17 the applicable benefit year or 60 calendar days following the final disbursement of
4.18 reinsurance payments for the applicable benefit year, whichever is later.

4.19 (b) The reports must include information about:

4.20 (1) the reinsurance parameters used;

4.21 (2) the metal levels affected;

4.22 (3) the number of claims payments estimated and submitted for payment per products
4.23 offered on-exchange and off-exchange and per eligible health carrier;

4.24 (4) the estimated reinsurance payments by plan type based on carrier-submitted templates;

4.25 (5) funds appropriated for reinsurance payments and administrative and operational
4.26 expenses for each year, including the federal and state contributions received, investment
4.27 income, assessments collected from eligible carriers, and any other revenue or funds received;

4.28 (6) the total amount of reinsurance payments made to each eligible health carrier; and

4.29 (7) administrative and operational expenses incurred for the plan, including the total
4.30 amount incurred and as a percentage of the plan's operational budget.

5.1 Sec. 7. Minnesota Statutes 2024, section 62E.25, subdivision 1, is amended to read:

5.2 Subdivision 1. **Premium security plan account.** The premium security plan account is
5.3 created in the special revenue fund of the state treasury. Funds in the account ~~are appropriated~~
5.4 ~~annually~~ may include annual appropriations made to the commissioner of commerce for
5.5 grants to the Minnesota Comprehensive Health Association for the operational and
5.6 administrative costs and reinsurance payments relating to the start-up and operation of the
5.7 Minnesota premium security plan, as well as money received from assessments made under
5.8 section 62E.23. Notwithstanding section 11A.20, all investment income and all investment
5.9 losses attributable to the investment of the premium security plan account shall be credited
5.10 to the premium security plan account.

5.11 Sec. 8. Minnesota Statutes 2024, section 62E.25, is amended by adding a subdivision to
5.12 read:

5.13 Subd. 4. **Assessments.** (a) The association must deposit assessments collected from
5.14 eligible carriers into the security plan account under subdivision 1 to pay for operational
5.15 costs, administrative costs, and reinsurance payments relating to initiating and operating
5.16 the plan.

5.17 (b) The association must pay for operational costs, administrative costs, and reinsurance
5.18 payments relating to initiating and operating the plan using available money in the security
5.19 plan account, subject to the following order of the deposited money's source:

5.20 (1) federal funding received for the plan; and

5.21 (2) assessments from eligible carriers."

5.22 Renumber the sections in sequence and correct the internal references

5.23 Amend the title accordingly