

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1

**DATE:** January 12, 2007

**Version:** As introduced

**Authors:** Thissen and others

**Subject:** Children's Health Security Program

**Analyst:** Randall Chun, 651-296-8639

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd](http://www.house.mn/hrd).

---

### Overview

This bill requires the commissioner of human services to establish the children's health security program to provide health coverage first to children in families with household incomes not exceeding 300 percent of the federal poverty guidelines and later to children with higher incomes. The bill requires the commissioner to seek federal waivers and approvals necessary to merge Medical Assistance and MinnesotaCare coverage and funding for children into the program. The bill also requires the commissioner of human services to present an implementation plan and establishes a legislative task force to present recommendations to the legislature on expanding children's health coverage.

### Section

- 1** **Children's health security account.** Adds § 16A.726. Establishes the children's health security account in the state treasury. Requires the commissioner of finance to deposit money made available into the account and credits investment income to the account.
- 2** **Citation.** Adds § 256N.01. States that chapter 256N may be cited as the Children's Health Security Act.
- 3** **Definitions.** Adds § 256N.02. Defines terms. Defines "child" as an individual under age 19, or an unmarried child under the age of 25 who is a full-time student and financially dependent upon a parent or other specified individual. Defines "commissioner" as the commissioner of human services.
- 4** **Establishment.** Adds § 256N.03. Requires the commissioner of human services to establish the children's health security program, and to implement the program on July 1, 2008, or upon federal approval, whichever is later.

5

**Eligibility.** Adds § 256N.05. Specifies eligibility requirements for the children's health security program.

**Subd. 1. General requirements.** States that children meeting the eligibility requirements of this section are eligible for the program.

**Subd. 2. Income limit.** (a) Provides that children in families with household income not exceeding 300 percent of the federal poverty guidelines (FPG) are eligible for the program, effective July 1, 2008, or upon federal approval, whichever is later. (This percentage of FPG equals just over \$60,000 for a family of four.)

(b) Effective July 1, 2010, expands eligibility to include children in families with household incomes that exceed 300 percent of FPG.

**Subd. 3. Residency.** (a) To be eligible, requires children to be permanent residents of Minnesota, who demonstrate that they are domiciled in the state and intend to live in the state permanently.

(b) Specifies the method by which applicants, or their parents or guardians, can demonstrate an intent to live in the state permanently.

(c) Specifies methods by which a residence address may be verified.

(d) Provides that children temporarily absent from the state do not lose eligibility for the program.

(e) Specifies that a child who has moved to Minnesota primarily to obtain medical treatment or health coverage for a preexisting condition is not a permanent resident.

**Subd. 4. Enrollment voluntary.** States that enrollment in the program is voluntary. Allows parents or guardians to retain private sector or Medicare coverage for a child as the sole source of coverage, or enroll children with these types of coverage in the program. Provides that coverage under the children's health security program is secondary to private sector or Medicare coverage.

6

**Covered services.** Adds § 256N.07. States that covered services under the children's health security program consist of all services covered under Medical Assistance.

7

**No enrollee premiums or cost sharing.** Adds § 256N.09. States that the program, in order to maintain broad access to coverage, has no enrollee premium or cost-sharing requirements.

8

**Application procedures; eligibility determination.** Adds § 256N.11. Specifies procedures to be used to determine eligibility for the program.

**Subd. 1. Application procedure.** Requires applications to be made available at provider offices, local human services agencies, schools, and other specified sites, and allows these sites to accept applications and forward them to the commissioner. Also allows applications to be submitted directly to the commissioner.

**Subd. 2. Eligibility determination.** Requires the commissioner of human services to determine eligibility within 30 days of receipt of an application. Specifies that the effective date of coverage is the day of eligibility approval, except in cases of presumptive eligibility.

**Subd. 3. Presumptive eligibility.** Allows coverage to be provided during a presumptive eligibility period that begins when a health care provider or other entity determines that a person meets program eligibility criteria based on preliminary information, and ends on the day on which an eligibility determination is made. Provides that the eligibility period ends on the last day of the month following the

month in which the preliminary determination of eligibility is made, if an application is not submitted by that day.

**Subd. 4. Renewal of eligibility.** Requires enrollees to renew eligibility every 12 months using a passive renewal process, under which only changes in eligibility information must be reported to the commissioner for eligibility redetermination.

- 9 Service delivery.** Adds § 256N.13. Specifies the methods to be used to deliver health care services.

**Subd. 1. Contracts with health plan companies.** Allows the commissioner to contract with health maintenance organizations, community integrated service networks, and accountable provider networks, to provide covered health care services to enrollees. Requires health plan companies under contract to provide all covered MA services on a capitated basis, except those available only under a home and community-based waiver. Specifies other requirements for health plan companies.

**Subd. 2. Contract administration.** Allows the commissioner to contract with a private sector entity to administer and manage contracts with health plan companies.

**Subd. 3. Contracts for waiver services.** Requires the commissioner to contract with health care and social service providers to provide, on a fee-for-service basis, covered services only available under an MA home and community-based waiver. Requires the commissioner to determine eligibility for waiver services using medical assistance criteria and procedures. Allows disputes to be appealed to the commissioner according to DHS administrative hearing procedures.

- 10 Payment rates.** Adds § 256N.15. Requires the commissioner, in consultation with a health care actuary, to establish the method and amount of payments for services. Requires annual contracts for the provision of services. Requires the commissioner, in consultation with the risk adjustment association, to develop and implement a risk adjustment system for the program.

- 11 Consumer assistance.** Adds § 256N.17. Requires the commissioner to assist applicants in choosing a health plan company, designate an ombudsperson for children, and provide specified information to enrollees at the time of enrollment.

**Subd. 1. Assistance to applicants.** Requires the commissioner to take specified steps to assist applicants in choosing a health plan company.

**Subd. 2. Ombudsperson.** Requires the commissioner to designate an ombudsperson for children enrolled in the program and specifies duties. Requires the commissioner to inform enrollees, at the time of enrollment, of the ombudsperson program, the right to resolve complaints through the health plan company, and appeal rights through the administrative hearing process.

- 12 Monitoring and evaluation of quality and costs.** Adds § 256N.19. Directs the commissioner to require health plan companies, as a condition of contract, to provide data related to enrollee satisfaction, quality of care, cost, and utilization of services. Requires the commissioner to evaluate this data to make summary information on quality of care available to consumers, require health plan companies and providers to implement quality improvement plans, and compare the cost and quality of program services to the cost and quality of services provided to private sector enrollees.

- 13 Federal approval.** Adds § 256N.21. Requires the commissioner to seek all federal waivers and approvals necessary to implement this chapter, including those waivers and approvals necessary to: (1) merge MA and MinnesotaCare coverage for children into the children's

health security program; (2) use federal MA and MinnesotaCare dollars to pay for services under the children's health security program; and (3) maximize the receipt of the federal match for covered children, by increasing income standards through the use of more liberal income methodologies.

**14 Rulemaking.** Adds § 256N.23. Requires the commissioner to adopt rules to implement the chapter.

**15 Implementation plan.** Requires the commissioner of human services to develop an implementation plan for the children's health security program and to present this plan, any necessary draft legislation, and a draft of proposed rules to the legislature by December 15, 2007. Requires the commissioner to evaluate the provision of services to children with disabilities and present recommendations to the legislature by December 15, 2009, for any program changes necessary to ensure the quality and continuity of care.

**16 Legislative task force on children's health care coverage.** Establishes the task force and requires the task force to present recommendations on expanding children's health coverage to the legislature by January 15, 2009.

**Subd. 1. Establishment; membership.** Establishes the legislative task force on children's health care coverage and specifies the membership. Requires members to be appointed by September 1, 2007.

**Subd. 2. Study; staff support.** (a) Requires the task force to study viable options to extend coverage to all children, and provide recommendations to the legislature. Specifies criteria for the study.

(b) Allows the task force to hire staff or contract for staff support for the study.

**Subd. 3. Recommendations.** Requires the task force to report recommendations to the legislature by January 15, 2009. Specifies criteria for the recommendations.

**Subd. 4. Expiration.** States that this section expires January 16, 2009.

**17 Appropriation.** (a) Appropriates money from the general fund to the commissioner of human services for FY 2008, to develop and implement the children's health security act.

(b) Appropriates money from the general fund to the legislative coordinating commission for FY 2008, for staff support provided to the legislative task force on children's health care coverage.