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## Overview

This bill establishes a defined contribution program for MinnesotaCare enrollees with incomes greater than 133 percent of the federal poverty guidelines (FPG). The bill also requires the commissioner to develop a plan to redesign service delivery for MinnesotaCare enrollees with incomes less than or equal to 133 percent of FPG.

Section

## **1 Defined contribution program.** Adds § 256L.031.

**Subd. 1. Defined contribution to enrollees.** (a) Requires the commissioner, beginning January 1, 2011, or upon federal approval, whichever is later, to provide MinnesotaCare enrollees with gross family income that exceeds 133 percent of FPG with a monthly defined contribution to purchase a health plan.

(b) Exempts these enrollees from MinnesotaCare insurance barriers, premiums, and required managed care enrollment.

(c) Provides that the provisions related to MinnesotaCare covered services and costsharing (§ 256L.03) and the effective date of coverage (§ 256L.05, subd. 3) do not apply to these enrollees. Covered services, cost-sharing, and the effective date of coverage are instead as provided by the terms of the health plan purchased by the enrollee.

**Subd. 2. Use of defined contribution.** Allows enrollees to use up to the monthly defined contribution only to pay premiums for coverage under a health plan, including the enrollee share of premiums for a health plan offered by an employer.

**Subd. 3. Determination of defined contribution amount.** (a) Requires the commissioner to determine the defined contribution amount using a sliding scale, under which the per-person defined contribution is a function of age and income.

Specifies the monthly per-person base contribution for age groups, ranging from \$103.20 for persons under age 18 to \$357.19 for persons age 60 and over. The base contribution is multiplied by a percentage inversely related to income, ranging from 150 to 80 percent, to obtain the monthly per-person defined contribution amount.

(b) Requires the defined contribution amount calculated under paragraph (a) to be increased by 20 percent for enrollees who are denied coverage in the private individual market, do not have access to an employer-sponsored group plan, and who purchase coverage through the Minnesota Comprehensive Health Association.

**Subd. 4. Administration by commissioner.** Requires the commissioner to administer the defined contributions, by calculating and processing defined contributions for enrollees and paying premiums to health plan companies, the Minnesota Comprehensive Health Association, or employers, as applicable.

**Subd. 5.** Assistance to enrollees. Requires the commissioner of human services, in consultation with the commissioner of commerce, to develop a method to refer applicants to professional insurance agent associations, and allows these associations to receive a per-member per-month override for each enrollee. Requires agents or brokers to elect a professional association of choice for each enrollee, and provides that agents or brokers receive standard commercial compensation fees for each policy placed.

**Subd. 6. MCHA.** Beginning July 1, 2011, or upon federal approval, whichever is later, makes MinnesotaCare enrollees who are denied coverage under an individual health plan and do not have access to an employer-sponsored group plan, to be eligible for coverage under the Minnesota Comprehensive Health Association. Requires incremental costs to MCHA resulting from implementation of this act to be paid from the health care access fund.

**Subd. 7. Federal approval.** Requires the commissioner to seek all federal waivers and approvals necessary to implement this section.

2 **Referral of veterans.** Amends § 256L.05, by adding subd. 6. Requires the commissioner to modify the Minnesota health care programs application to ask applicants if they are U.S. military veterans. Requires the commissioner to ensure that all MinnesotaCare applicants with incomes not exceeding 133 percent of FPG, who identify themselves as veterans, are referred to a county veterans service officer to complete a form to determine their eligibility for VA benefits.

3 MinnesotaCare coverage for lower-income MinnesotaCare enrollees. Requires the commissioner of human services to develop and present to the legislature, by December 15, 2010, a plan to redesign service delivery for MinnesotaCare enrollees with incomes less than or equal to 133 percent of FPG. Specifies plan criteria and requires the commissioner to consider innovative methods of service delivery, including but not limited to increasing the use and choice of private health plan coverage and encouraging the use of community clinics as health care homes.