

HOUSE RESEARCH

Bill Summary

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Overview

This bill provides temporary MinnesotaCare eligibility for certain individuals and family members who are not eligible for continuation coverage and who meet other eligibility criteria. These eligibility provisions expire July 1, 2011. The bill also provides a state subsidy for COBRA premiums. It also amends a state health insurance continuance law to coordinate with a new federal law.

Section

- 1** **Limited extension of continuation election period.** Amends § 62A.17, by adding subd. 5a. Responds to the recent federal stimulus bill (American Recovery and Reinvestment Act of 2009) by allowing involuntarily terminated employees to have a second chance to enroll in continuation health coverage. This applies to employees who worked for employers who have 20 or fewer employees and were terminated between September 1, 2008, and February 16, 2009. The federal act provides this same right to employees of larger firms. The federal act will subsidize the continuation premiums of persons provided this second choice under either the federal or the state law.
- 2** **Portability and conversion of coverage.** Amends § 62A.65, subd. 5. Requires health carriers to offer, sell, issue, and renew individual health plans on a guaranteed issue basis, without any preexisting condition limitations, to individuals and family members who exhaust temporary MinnesotaCare coverage for unemployed individuals, who are not eligible for regular MinnesotaCare coverage and who apply for coverage within 63 days of denial of eligibility for regular MinnesotaCare. Provides that guaranteed issue coverage is retroactive to the date of denial. Defines “guaranteed issue” and “family.” States that the paragraph expires July 1, 2011, and provides an effective date of July 1, 2009.

- 3 State subsidy for COBRA premiums.** Adds § 256.0122. Requires the commissioner of human services to provide individuals eligible for a COBRA premium subsidy under the federal stimulus act with a state premium subsidy equal to an additional 25 percent of the total premium. Requires the individual's premium share to be proportionately reduced. Requires the commissioner to pay the state premium subsidy to the entity to whom the eligible individual is required to pay COBRA premiums, on or before the dates the premiums are due, and for the period during which the eligible individual receives a federal COBRA premium subsidy. Requires employers subject to federal or state continuation law to provide eligible individuals with notice of the additional state subsidy, in addition to any other notice required by the federal stimulus act. States that this section expires December 31, 2010.

Provides that the section is effective retroactive to February 17, 2009.

- 4 Temporary MinnesotaCare coverage for unemployed individuals.** Amends § 256L.07, by adding subd. 8.

(a) States that an individual is eligible for MinnesotaCare coverage under this subdivision, if the individual:

(1) is involuntarily unemployed, but not for cause, and had been employed for at least 18 consecutive months prior to loss of employment;

(2) is not eligible for continuation coverage under COBRA or state continuation coverage;

(3) has income that does not exceed 275 percent of FPG; and

(4) does not have available to them coverage through Medicare or employer-subsidized coverage (in which the employer pays at least 50 percent of the cost) through a spouse.

(b) States that members of the individual's family are also eligible for MinnesotaCare under this subdivision. Defines "family" to mean the term as it is used under MinnesotaCare rules, but also including any individual who had been covered by the most recent employer of the individual applying for temporary MinnesotaCare coverage.

(c) Exempts individuals and family members from the MinnesotaCare insurance barriers (no other health coverage, no coverage for four-months, no current access to employer-subsidized coverage, and no access to employer-subsidized insurance through the current employer for the prior 18 months) and from the MinnesotaCare asset requirement (\$10,000 for a household of one/\$20,000 household of two or more; applies to adults who are not pregnant). States that all other MinnesotaCare requirements apply.

(d) Requires the commissioner of employment and economic development to provide individuals who make application for unemployment benefits with written notice that the individual and family members may be eligible for temporary MinnesotaCare coverage, and an application for coverage. Requires the information to be provided at the same time information about eligibility for unemployment benefits is provided.

(e) Requires applications to be submitted to the commissioner of human services, and

requires that commissioner to determine eligibility.

(f) Provides that individuals eligible under this subdivision receive the MinnesotaCare benefit set for nonpregnant adults with children, except that the annual limit on inpatient hospital services does not apply.

(g) Provides that individuals eligible under this subdivision receive coverage on a fee-for-service basis using state only funds, and are exempt from managed care enrollment. Requires the commissioner to seek approval for federal matching funds within 30 days of the effective date of this subdivision.

(h) Requires individuals to pay the standard MinnesotaCare premiums. States that these individuals are subject to MinnesotaCare cost-sharing requirements, except for the 10 percent coinsurance requirement for inpatient hospital services. Exempts individuals from disenrollment for failure to pay premiums.

(i) States the persons are eligible under this subdivision for 145 days, regardless of whether the eligibility criteria continue to be met.

(j) States that coverage under this subdivision is secondary to other coverage, and that the commissioner of human services shall coordinate MinnesotaCare with other coverage. Requires individuals and family members to cooperate with DHS to identify potentially liable third-party payers, assist the state in obtaining third-party payment, and cooperate with DHS and the local agency in establishing paternity of an enrolled child and obtaining medical care support and payments for the child.

(k) Allows individuals and family members who are no longer eligible under this subdivision to reapply for regular MinnesotaCare, subject to all eligibility, premium payment, and other requirements. Requires the commissioner to provide individuals with reapplication materials no later than 115 days from the effective date of coverage. Sets the effective date of coverage under regular MinnesotaCare as the day following the last day of coverage under this subdivision, for persons who apply within 30 days of the loss of eligibility. For all others, specifies the effective date as the month following the month in which premium payment is received. Allows individuals denied MinnesotaCare coverage upon reapplication to purchase private sector coverage on a guaranteed issue basis.

(l) States that the subdivision expires on July 1, 2011.

Effective date. Provides an effective date of July 1, 2009.

5 Appropriation. (a) Appropriates money from the health care access fund to the commissioner of human services for the biennium beginning July 1, 2009, to implement section 256L.07, subdivision 8.

(b) Appropriates money from the health care access fund to the commissioner of human services, for the biennium beginning July 1, 2009, to implement section 256.0122.