

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 8 **DATE:** January 18, 2011
Version: As introduced
Authors: Gottwalt and others
Subject: Healthy Minnesota Contribution 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.

Overview

This bill establishes a defined contribution program for MinnesotaCare enrollees who are adults without children, or families and children, with incomes equal to or greater than 133 percent of the federal poverty guidelines (FPG). The MinnesotaCare program currently provides coverage to adults without children with incomes up to 250 percent of the federal poverty guidelines and to families and children with incomes up to 275 percent of the federal poverty guidelines, through contracts with managed care and county-based purchasing plans. The bill requires the commissioner to modify the health care programs application form and to refer certain veterans to county veterans service officers for assistance in obtaining veterans benefits. The bill also requires the commissioner to develop a plan to redesign service delivery for MinnesotaCare enrollees who are adults without children or families and children with incomes less than 133 percent of FPG.

1 Healthy Minnesota contribution program. Adds § 256L.031.

Subd. 1. Defined contribution to enrollees. (a) Requires the commissioner, beginning January 1, 2012, to provide MinnesotaCare enrollees who are adults without children, with gross family income equal to or greater than 133 percent of FPG, with a monthly defined contribution to purchase a health plan. Requires the commissioner, beginning January 1, 2012, or upon federal approval, whichever is later, to provide MinnesotaCare enrollees who are families and children, with gross family income equal to or greater than 133 percent of FPG, with a monthly defined contribution to purchase a health plan.

(b) Exempts these enrollees from MinnesotaCare premiums, and required enrollment in a managed care or county-based purchasing plan.

(c) Provides that the provisions related to MinnesotaCare covered services and cost-sharing (§ 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.

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 \$122.79 for persons under age 21 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 and who purchase coverage through the Minnesota Comprehensive Health Association (MCHA).

Subd. 4. Administration by commissioner. Requires the commissioner to administer the defined contributions, by calculating and processing defined contributions for enrollees and paying the defined contribution to health plan companies or MCHA, as applicable.

Subd. 5. Assistance to enrollees. Requires the commissioner of human services, in consultation with the commissioner of commerce, to develop an efficient and cost-effective method to refer applicants to professional insurance agent associations.

Subd. 6. MCHA. Beginning July 1, 2012, makes MinnesotaCare enrollees who are denied coverage under an individual health plan eligible for coverage under MCHA. 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 approvals and waivers necessary to implement coverage for enrollees eligible as families and children, with gross family incomes equal to or greater than 133 percent of FPG, while continuing to receive federal funds.

- 2 Referral of veterans.** Amends § 256L.05, by adding subd. 7. 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 less than 133 percent of FPG, who identify themselves as veterans, are referred to a county veterans service officer for assistance in applying to the U.S. Department of Veterans Affairs for any VA benefits for which they are eligible.
- 3 Coverage for lower-income MinnesotaCare enrollees.** Requires the commissioner of human services to develop and present to the legislature, by December 15, 2011, a plan to redesign service delivery for MinnesotaCare enrollees who are adults without children or families and children, with incomes less than 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.