

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 5
Version: Third engrossment

DATE: March 18, 2015

Authors: Mack and others

Subject: MNsure

Analyst: Randall Chun, Mark Shepard, Jamie Olson

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 directs the commissioner of commerce to seek federal approval for a proposal to allow individuals to purchase qualified health plans directly from health plan companies, and receive advanced premium tax credits and cost-sharing reductions. The bill modifies salary procedures for the MNsure director and managerial staff, and eliminates certain exemptions for MNsure from state laws related to open meetings, state procurement, and state technology systems. The bill also requires, among other things, the governor to appoint the executive director of MNsure, adds members to the MNsure board, eliminates the authority for the board to select health plans for the exchange, subjects navigators to background checks, and requires the board to report specified information to the legislative oversight committee.

Section

- 1 Expanded access to qualified health plans and subsidies.** Requires the commissioner of commerce, in consultation with the MNsure board and the MNsure legislative oversight committee, to develop a proposal to allow individuals to purchase qualified health plans directly from health plan companies (rather than through MNsure), and receive advanced premium tax credits and cost-sharing subsidies. Requires the commissioner to seek all federal waivers and approvals to implement this proposal. Requires the commissioner to submit a draft proposal to the MNsure board and legislative oversight committee at least 30 days before submitting the final proposal to the federal government, and to notify the board and oversight committee of any federal decision or action related to the proposal.

Section

- 2** **Group II salary limits.** Amends § 15A.0815, subdivision 3. Adds the executive director of MNsure to positions that may not receive a salary exceeding 120 percent of the salary of the governor.
- 3** **Approval.** Amends § 62A.02, subdivision 2. Requires that, beginning January 1, 2016, and each January 1 thereafter, individual and small group market health plans that are offered inside and outside of MNsure receive rate approval from the commissioner of commerce no later than 30 days prior to the beginning of open enrollment for MNsure. Requires that premiums rates for all carriers in the applicable market be made available at a uniform time and only after all rates for that market are final and approved. Requires the premium rates for the next calendar year to be made publicly available no later than 30 days prior to the beginning of the open enrollment period for MNsure.
- 4** **Application of other law.** Amends § 62V.03, subd. 2. The amendments to paragraph (c) eliminate certain exemptions for MNsure from the open meeting law. The exemptions stricken: (1) allow compensation negotiations to be closed in the same manner as meetings on labor negotiation strategy under § 13D.03; (2) allow meetings on contract negotiation strategy to be closed in the same manner as meetings related to the pricing and appraisal of property to be sold or purchased by a government entity; and (3) allow meetings related to not public individual and employer data and trade secret information to be closed to the public.
- The amendments to paragraph (d) eliminate exemptions for MNsure from many of the provisions of chapters 16B (Department of Administration) and 16C (state procurement). Under current law, MNsure is exempt from all of the provisions of these chapters, except: sections 16C.08, subd. 2, paragraph (b), clauses (1) to (8) (contract requirements for professional and technical services); 16C.086 (contracts for call centers); 16C.09, paragraphs (a), clauses (1) and (3), (b), and (c) (procedures for general services contracts); and 16C.16 (procurement from small businesses).
- The section also strikes all of paragraph (g), which exempts MNsure from specified sections of chapter 16E (Office of MN.IT Services). Under current law, MNsure is exempt from: sections 16E.01, subd. 3, paragraph (b) (chief information officer may require use of shared information and telecommunications technology systems and services); 16E.03, subs. 3 and 4 (evaluation required before implementation of a technology project); 16E.04, subs. 1, 2 (c), and 3 (b) (policies and standards for technology systems and services, review of agency requests for technology grant funding, payment for risk assessment and risk mitigation); 16E.0465 (review and approval of state technology projects); 16E.055 (use of single entry site for electronic government services); 16E.145 (appropriations for technology project made to chief information officer); 16E.15 (chief information officer may sell or license computer software products or services); 16E.16 (chief information officer may require a state agency to adjust its operating and management procedures); 16E.17 (chief information officer to supervise and control all state telecommunications facilities and services); 16E.18 (requirements for state information infrastructure); and 16E.22 (statewide electronic licensing system).
- 5** **Board.** Amends § 62V.04, subd. 1. Increases the size of the MNsure board, from seven to eleven members.

Section

- 6** **Appointment.** Amends § 62V.04, subd. 2. Adds the following individuals to the MNsure board: one member who is an insurance producer, two members who are county employees involved in the administration of public health care programs, and the chief information officer of MN.IT, or a designee. Makes related changes. Provides board members are subject to confirmation by the Senate. Strikes language providing that members serve unless both the House of Representatives and the Senate vote not to confirm.
- 7** **Conflicts of interest.** Amends § 62V.04, subd. 4. Provides that a MNsure board member who is an insurance producer or a county employee must meet the conflict of interest standards in state law that apply to public and local officials. Makes a conforming change.
- 8** **Executive director.** Adds § 62V.045. Provides that the governor appoints the executive director of MNsure, and that the executive director serves in the unclassified service.
- 9** **General.** Amends § 62V.05, subd. 1. Strikes language under which the salaries of the director and managerial staff of MNsure are governed by a compensation plan prepared by the board, submitted to the commissioner of management and budget, and approved by the Legislative Coordinating Commission and the legislature. Also provides that the director shall not receive a salary increase on or after July 1, 2015, unless the increase is approved under the procedures specified in current law for setting salaries for positions whose salaries are set in relation to the governor's.
- 10** **Navigator; in-person assisters; call center.** Amends § 62V.05, subd. 4. States that any person who serves as a navigator is subject to background checks. Specifies requirements for the background check process.
- 11** **Health carrier and health plan requirements; participation.** Amends § 62V.05, subd. 5. Strikes language that allows the MNsure board to establish policies and procedures for the selection of health plans to be offered as qualified health plans, beginning January 1, 2015. Requires the board to permit all health plans that meet the applicable certification requirements to be offered through MNsure. Makes conforming changes.
- Effective date.** State the effective date of this section July 1, 2015.
- 12** **Appeals.** Amends § 62V.05, subdivision 6. Removes conforming language to the board's ability to select specific qualified health plans (removed in section 12 of this bill).
- 13** **Health carrier notification.** Amends § 62V.05 by adding subdivision 11. Requires MNsure to provide enrollee information to a health carrier within 48 hours of MNsure having determined the enrollee's eligibility in the qualified health plan.
- 14** **Purchase of individual health coverage.** Amends § 62V.05 by adding subdivision 12. Requires MNsure to provide the options of members of the same household to purchase individual health plans and apportion any advanced premium tax credit between the separate health plans.
- 15** **Prohibition on other product lines.** Amends § 62V.05 by adding subdivision 13. Prohibits MNsure from certifying, selecting, or offering products and policies of coverage that are not health or dental plans.
- 16** **Membership; meetings; compensation.** Amends § 62V.11, subd. 2. Requires the legislative oversight committee to meet at least quarterly.

Section

- 17** **Reports to the commission.** Amends § 62V.11, by adding subd. 5. Directs the board to submit enrollment reports to the legislative oversight committee on a monthly basis and specifies report requirements. Also requires the board to report specified information to the committee at quarterly meetings.
- 18** **Transition.** Requires the commissioner of management and budget to assign the positions of MNsure managerial employees (other than the director) to salary ranges and salaries in the managerial plan, effective the first payroll period beginning on or after July 1, 2015. Specifies staggered terms for the new board members, and requires these members to be appointed by the governor within 30 days of enactment.
- 19** **Expanded access to the small business health care tax credit.** (a) Requires the commissioner of commerce, in consultation with the Board of Directors of MNsure and the MNsure Legislative Oversight Committee, to develop a proposal to allow eligible small businesses to obtain the small business tax credit for policies purchases inside or outside of the SHOP marketplace.
- (b) Requires the commissioner to seek federal waivers necessary to implement paragraph (a) and submit a draft proposal to the MNsure board and MNsure Legislative Oversight Committee prior to submission to the federal government.
- Effective date.** This section is effective the day following final enactment.
- 20** **Confirmation deadline.** Provides that MNsure board members on the effective date of this section and new members appointed under section 7 are subject to Senate confirmation. Provides that if any of these members is not confirmed before adjournment of the 2016 regular session, the appointment of that member terminates.
- 21** **Effective date.** States that sections 1 to 19 are effective July 1, 2015.