

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1665
Version: As introduced

DATE: March 13, 2015

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Subject: Repeal of MinnesotaCare; MinnesotaCare II Program

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Article 1: MinnesotaCare repeal

Overview

This article eliminates the MinnesotaCare program, effective January 1, 2016.

Section

- 1 **Wrongfully obtaining assistance.** Amends § 256.98, subd. 1. Makes a conforming change related to the repeal of MinnesotaCare.
- 2 **Projects.** Amends § 256b.021, subd. 4. Makes a conforming change related to the repeal of MinnesotaCare.
- 3 **Debt.** Amends § 270A.03, subd. 5. Makes a conforming change related to the repeal of MinnesotaCare.
- 4 **Disclosure to commissioner of human services.** Amends § 270B.14, subd. 1. Makes a conforming change related to the repeal of MinnesotaCare.
- 5 **Revisor instruction.** Directs the revisor to strike references to MinnesotaCare and make grammatical and conforming changes, in Minnesota Statutes and Minnesota Rules.
- 6 **Repealer.**
 - Subd. 1. MinnesotaCare program.** Repeals sections of Minnesota Statutes, chapter 256L (the MinnesotaCare program).
 - Subd. 2. Conforming repealers.** Repeals sections 13.461, subd. 26 and 62A.046, subd. 5, to conform to the repeal of the MinnesotaCare program.
- 7 **Effective date.** States that sections 1 to 6 are effective January 1, 2016.

Section

Article 2: MinnesotaCare II Plans and Subsidies

Overview

This article requires health carriers participating in MNsure to offer MinnesotaCare II plans, beginning January 1, 2016, to persons who would otherwise have been eligible for MinnesotaCare. The plans must provide the ACA required cost-sharing reductions in the form of higher actuarial values. The article also requires the MNsure board to subsidize MinnesotaCare II premiums. MinnesotaCare II plans and premium subsidies sunset January 1, 2020. The article requires the Commissioner of Human Services to study whether MinnesotaCare II plans and subsidies should continue past the sunset date, and to present recommendations to the legislature.

Section

1 MinnesotaCare II plans. Amends § 62V.05, by adding subd. 11. (a) Directs the MNsure board to require each health carrier offering a silver plan through MNsure to offer a corresponding MinnesotaCare II plan. In order to be eligible for a MinnesotaCare II plan, requires an applicant or enrollee to: (1) have an income greater than 133 percent but not exceeding 200 percent of FPG; or (2) have an income equal to or less than 133 percent of FPG, if the applicant or enrollee would otherwise have been eligible for MinnesotaCare coverage. (Persons eligible under clause (2) would include legal noncitizens not eligible for MA due to immigration status, and certain children not eligible for MA due to that program's household composition rule.)

Requires the MinnesotaCare II plan to be identical to the base silver plan, except that the plan must provide a 94 percent actuarial value for enrollees with income not exceeding 150 percent of FPG and an 87 percent actuarial value for enrollees with incomes greater than 150 percent but not exceeding 200 percent of FPG. (These are the actuarial values required by the ACA for persons eligible for cost-sharing reductions, and compare to an actuarial value of 70 percent for a standard silver plan. MNsure currently provides plans with a 73 percent actuarial value for persons eligible for a cost-sharing reduction with incomes greater than 200 percent but not exceeding 250 percent of FPG.) Directs the board, subject to federal approval, to require plans to achieve these higher actuarial values by first reducing the annual deductible.

(b) Directs the board to subsidize premium costs for the MinnesotaCare II plan, by reducing monthly premiums by an unspecified percentage, subject to a maximum monthly premium reduction. Requires the board to pay premium subsidies directly to health carriers.

(c) Requires the board to ensure that the MNsure Web site automatically applies the cost-sharing reductions and premium subsidies to eligible persons.

(d) Provides that health carriers may seek federal reimbursement, as provided under the ACA, for the cost of providing cost-sharing reductions.

Section

Provides an effective date of January 1, 2016, and states that the section sunsets January 1, 2020.

- 2** **MinnesotaCare II study.** Requires the commissioner of human services to study and make recommendations to the legislature on whether continuation of MinnesotaCare II plans and related premium subsidies beyond December 31, 2019, is necessary to ensure the availability of affordable coverage. If continuation is recommended, requires the commissioner to evaluate and recommend funding options for premium subsidies. Requires results and recommendations to be presented to the legislature by December 15, 2018.
- 3** **Appropriation.** Appropriates money for the biennium ending June 30, 2017, from the health care access fund to the MNsure board to provide premium subsidies for the MinnesotaCare II program.