

HOUSE RESEARCH

Bill Summary

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

DATE: March 11, 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 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.
- 2 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

Section

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).

- 3 **Board.** Amends § 62V.04, subd. 1. Increases the size of the MNSure board, from seven to eleven members.
- 4 **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.
- 5 **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.
- 6 **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.
- 7 **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

Section

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.

- 8 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.
- 9 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. Makes conforming changes.
- 10 Membership; meetings; compensation.** Amends § 62V.11, subd. 2. Requires the legislative oversight committee to meet at least quarterly.
- 11 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.
- 12 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.
- 13 Effective date.** States that sections 1 to 12 are effective July 1, 2015.