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Overview

This bill creates the Minnesota Premium Security Plan (the “plan”), which provides reinsurance for health carriers operating in the individual health insurance market in Minnesota. The bill relies on the board of directors and association that comprise the Minnesota Comprehensive Health Association (“MCHA”) to administer the plan.

Section

- 1** **Board of directors; organization.** Adds the commissioner of management and budget as a nonvoting member of the board for purposes of the plan. Effective the day following final enactment.
- 2** **[62E.21] Title.** Provides that sections 62E.21 to 62E.25 can be cited as the “Minnesota Premium Security Plan Act.” Effective the day following final enactment.
- 3** **[62E.22] Definitions.** Provides definitions for sections 62E.21 to 62E.25. Defines, among other terms, “eligible health carrier” as an insurance company, nonprofit health service plan corporation, or health maintenance organization selling individual market health plans that meet certain other requirements, and “board” as the board of directors of MCHA. Effective the day following final enactment.
- 4** **[62E.23] Minnesota premium security plan; duties of commissioner.** Requires the commissioner of commerce to annually submit a report to the legislature on the anticipated premium increases in the individual market if the plan is not fully funded. Requires eligible health carriers to calculate and submit in their rate filings the amount they would have charged if the plan was not in effect. Effective the day following final enactment.

Section

5 [62E.24] Minnesota premium security plan.

Subd. 1. Administration. Provides that the association is administrator of the plan. Requires the board to set plan payment parameters in order to protect those purchasing on the individual market.

Subd. 2. Operation. Requires the board to set the plan payment amounts by January 15 of the year before the plan year. Provides parameters for use of plan funds, calculation of amounts owed, and actions if plan is not fully funded.

Subd. 3. Payments. Provides the manner in which payments to eligible health carriers' is calculated.

Subd. 4. Requests for Minnesota premium security plan payments. Provides the system and timing an eligible health carrier must use to receive payments from the plan. Includes document retention, compliance, and audit requirements.

Subd. 5. Notice. Requires the association to give notice to eligible health carriers of the payments to be made from the plan within a certain time period, provide quarterly calculations of total payment requests, and notify carriers of the appeals procedure under 62E.10, subdivision 2a.

Subd. 6. Disbursement. Requires the association to collect the data necessary to calculate payments to eligible health carriers and make payments within a certain time period.

Subd. 7. Data. Classifies different types of data collected or maintained by the association.

Effective the day following final enactment.

6 [62E.25] Accounting, reports, and audits.

Subd. 1. Accounting. Requires the board to keep an accounting of certain items.

Subd. 2. Report. Requires the board to submit a report summarizing the plan operations to the commissioner of commerce.

Subd. 3. Audits. Allows the commissioner of commerce to conduct audits of the plan.

Subd. 4. Independent external audit. Requires the board to engage an independent qualified auditor to complete an audit with certain requirements, and creates a program to remedy issues found in the audit.

Subd. 5. Actions on audit findings. Requires that an audit which finds issues be remedied with a certain process.

Effective the day following final enactment.

Section

7 State innovation waivers.

Subd. 1. Submission of waiver application. Requires the commissioner of commerce to apply to the U.S. secretary of health and human services for a state innovation waiver to implement the plan. Requires the waiver application to ensure that advance premium tax credits, cost-sharing reductions, and federal funding of MinnesotaCare remain available.

Subd. 2. Consultation. Requires the commissioner of commerce to consult with the commissioners of human services and health, and the MNsure board.

Subd. 3. Application timelines; notification. Requires the commissioner of commerce to submit the waiver by July 5, 2017. A draft must be available for public comment by June 1, 2017. Requires the commissioner to notify the legislature and board of any federal action on the waiver.

Subd. 4. Board review; contingent report. Requires the board to review the decision of the U.S. secretary of health and human services, and if the waiver is rejected, report to the legislature on the impact of the rejection.

Effective the day following final enactment.

8 Appropriation. Appropriates money for fiscal years 2018 and 2019 from the health care access fund to the board to administer the plan.