

Subject MinnesotaCare Public Option

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Overview

This bill establishes the MinnesotaCare public option, for persons with incomes greater than the MinnesotaCare income limit of 200 percent of the federal poverty guidelines (FPG), who meet all other MinnesotaCare eligibility criteria. The bill requires the commissioner of human services to submit an implementation plan to the 2022 Legislature, and makes related changes. Implementation of the public option is effective January 1, 2023, but only if the commissioner of human services certifies to the legislature that implementation of those sections will not result in the loss of federal Basic Health Program funding. The bill also makes other changes to MinnesotaCare, including establishing a small employer public option, providing eligibility for undocumented noncitizens, and expanding MinnesotaCare eligibility for persons with access to certain employer-subsidized coverage.

Summary

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| 1 | <p>Full cost premium.</p> <p>Amends § 256L.01, by adding subd. 3b. Defines “full cost premium” as the base charge for one, two, or three or more enrollees, for which revenue from the premiums if paid by all MinnesotaCare cases would equal the cost of MinnesotaCare medical coverage. Specifies related criteria. States that the section is effective January 1, 2023, or upon federal approval, subject to certification that implementation will not result in the loss of basic health program funding.</p> |
| 2 | <p>General requirements.</p> <p>Amends § 256L.04, subd. 1c. Prohibits persons eligible for MinnesotaCare with incomes less than or equal to 200 percent of FPG from being considered qualified individuals for purposes of obtaining qualified health plan coverage through MNsure. States that the section is effective January 1, 2023, or upon federal approval, subject</p> |

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	to certification that implementation will not result in the loss of basic health program funding.
3	Ineligibility. Amends § 256L.04, subd. 7a. Makes a conforming change, by exempting persons enrolled under the public option or for whom employers pay MinnesotaCare premiums, from a provision that prohibits adults from being enrolled in MinnesotaCare if their income is greater than the program income limit. States that the section is effective January 1, 2023, or upon federal approval, subject to certification that implementation will not result in the loss of basic health program funding.
4	Citizenship requirements. Amends § 256L.04, subd. 10. Allows undocumented noncitizens to be eligible for MinnesotaCare. Provides an effective date of January 1, 2022.
5	Persons eligible for the public option. Amends § 256L.04, by adding subd. 15. (a) Allows families and individuals with incomes above the MinnesotaCare income limit, who meet all other program eligibility requirements, to be eligible for MinnesotaCare. (b) Provides that persons may enroll in MinnesotaCare under this subdivision only during an annual open enrollment period or special enrollment period, as designated by MNsure in compliance with federal regulations. States that the section is effective January 1, 2023, or upon federal approval, subject to certification that implementation will not result in the loss of basic health program funding.
6	General requirements. Amends § 256L.07, subd. 1. Makes a conforming change, by exempting persons whose income increases above 200 percent of FPG from MinnesotaCare disenrollment if they continue enrollment through the public option or receive an employer contribution towards premiums. States that the section is effective January 1, 2023, or upon federal approval, subject to certification that implementation will not result in the loss of basic health program funding.
7	Must not have access to employer-subsidized minimum essential coverage. Amends § 256L.07, subd. 2. A new paragraph (b) allows an individual who has access to subsidized health coverage through a spouse's or parent's employer that meets the requirements of minimum essential coverage under federal regulations, to be eligible for MinnesotaCare, if the amount the employee pays for employee and dependent coverage exceeds the required income contribution for determining

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whether employer coverage is affordable under the ACA. Under current law, only the amount paid for employee coverage would be considered when determining affordability.

The amendment to paragraph (c) makes a conforming change to allow persons receiving an employer contribution towards MinnesotaCare premiums to be eligible for MinnesotaCare.

Provides an effective date of January 1, 2022.

8 Sliding fee scale; monthly individual or family income.

Amends § 256L.15, subd. 2. Makes a conforming change in paragraph (b).

A new paragraph (e) requires enrollees who do not enroll under the public option, effective January 1, 2023, to pay premiums according the premium scale in paragraph (g). Exempts the following persons from premiums: (1) children age 20 or younger with incomes not exceeding 200 percent of FPG; and (2) individuals with household incomes below 35 percent of FPG. (The premium scale and exemptions for this group of individuals do not differ from current law.)

A new paragraph (f) requires persons eligible under the public option with incomes not exceeding 400 percent of FPG to pay premiums, beginning January 1, 2023, based on the sliding scale in paragraph (g). Exempts children age 20 or younger with incomes not exceeding 275 percent of FPG from paying premiums under that paragraph.

A new paragraph (g) specifies MinnesotaCare premiums effective January 1, 2023, for persons with incomes up to 400 percent of FPG. Requires premiums to be charged on a per-person basis, except that the total premium for households with two or more eligible persons cannot exceed the ACA's required contribution percentage for their income level used to determine advance premium tax credits.

A new paragraph (h) requires persons eligible under the public option with household incomes greater than 400 but not exceeding 500 percent of FPG to pay the full cost premium.

A new paragraph (i) sets per-household monthly premiums, beginning January 1, 2023, for persons eligible under the public option with incomes greater than 500 percent of FPG at the greater of: (1) the ACA's enrollee required contribution percentage used to determine whether employer coverage is affordable (9.83 percent of income for fiscal year 2021) multiplied against monthly household income; or (2) 125 percent of the average of gold-level monthly premiums for qualified health plan coverage through MNsure.

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States that the section is effective January 1, 2023, or upon federal approval, subject to certification that implementation will not result in the loss of basic health program funding.

9 **Small employer public option.**

Amends § 256L.15, by adding subd. 5. (a) Allows employers with 50 or fewer employees to pay an employer contribution towards MinnesotaCare premiums for employees enrolled in MinnesotaCare, up to the portion of premium that the enrollee is financially responsible. Requires the commissioner to set premiums for employees at the full cost premium. Also requires the commissioner to establish a minimum employer contribution towards employee premiums.

(b) Provides that employees are eligible for MinnesotaCare under this subdivision without regard to any program income limit.

(c) Requires the commissioner to establish a procedure to allow employers to pay premium contributions for employees on an aggregate, monthly basis.

States that the section is effective January 1, 2023, or upon federal approval, subject to certification that implementation will not result in the loss of basic health program funding.

10 **Transition to MinnesotaCare public option.**

(a) Requires the commissioner of human services to continue to administer MinnesotaCare as a Basic Health Program, and to seek federal waivers, approvals, and law changes as required under section 11.

(b) Requires the commissioner to present an implementation plan for the MinnesotaCare public option to the legislature, by December 15, 2021. Requires the plan to include:

(1) recommendations for any changes to the public option needed to receive federal funding;

(2) recommendations for implementing section 256L.15, subdivision 5, in a manner that would allow any employee payment towards premiums to be pre-tax and any employer contribution towards employee premiums to not be considered taxable income for the employee;

(3) recommendations for increasing MinnesotaCare provider enrollment, including an analysis of the feasibility of requiring provider participation as a condition of state licensure;

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(4) estimates of state costs; and

(5) draft legislation necessary to implement the public option and plan recommendations.

(c) Requires the commissioner to present to the legislature, by January 15, 2023, recommendations for an alternative service delivery and payment system for MinnesotaCare. Requires the recommendations to address: (1) terminating managed care and county-based purchasing contracts effective January 1, 2025; (2) delivering services beginning January 1, 2025, through alternative delivery methods that may include an expansion of integrated health partnerships and delivering fee-for-service care through a primary care case management system; and (3) reimbursing providers for high-quality, value-based care at levels sufficient to increase access, reduce racial and geographic inequities in care delivery, and incentivize preventive care and other best practices.

Provides an immediate effective date.

11 Request for federal approval.

(a) Requires the commissioner of human services to seek any federal waivers, approvals, and law changes necessary to implement this act, including but not limited those necessary to allow: (1) the state to continue to receive basic health program payments and other federal funding; and (2) the state to receive federal payments equal to the value of advance premium tax credits and cost-sharing reductions that MinnesotaCare enrollees with incomes greater than 200 percent of FPG would otherwise have received.

(b) Requires the commissioner of human services to consult with the commissioner of commerce and the board of directors of MNsure in implementing this section, and allows the commissioner of human services to contract for technical and actuarial assistance.

Provides an immediate effective date.

12 Contingent effective date.

Provides that sections 1, 2, 3, 5, 6, 8, and 9 are effective January 1, 2023, or upon federal approval, whichever is later, but only if the commissioner of human services certifies to the legislature that implementation will not result in the loss of federal basic health program funding for MinnesotaCare enrollees with incomes not exceeding 200 percent of FPG.



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