

Subject MinnesotaCare Public Option

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Overview

This bill establishes a MinnesotaCare public option, and requires the commissioner of commerce to seek a federal section 1332 waiver to implement the option. The public option would provide MinnesotaCare coverage to persons with household incomes above the MinnesotaCare income limit of 200 percent of federal poverty guidelines (FPG), who meet all other MinnesotaCare eligibility requirements. Individuals would apply for the public option through MNsure, during an open enrollment or special enrollment period.

All MinnesotaCare requirements would apply to the public option and public option enrollees unless otherwise provided. Major differences from current MinnesotaCare requirements include: (1) public option enrollees would pay premiums according to different sliding scales; (2) all public option enrollees would be subject to the cost-sharing provisions in current MinnesotaCare law, except that public option enrollees with incomes over 400 percent of FPG would be subject to deductibles and the actuarial value of coverage for these enrollees may be less than the regular MinnesotaCare standard of 94 percent; and (3) enrollment limits for 2027 and 2028 would apply to higher income public option enrollees.

Summary

Section	Description
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1	MinnesotaCare public option.
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Amends § 62V.02, by adding subd. 7a. Adds a definition of “MinnesotaCare public option” to the chapter of law governing MNsure.

States that this section is effective January 1, 2027, or upon federal approval, whichever is later.

Section	Description
2	<p>MinnesotaCare public option enrollee.</p> <p>Amends § 62V.02, by adding subd. 7b. Adds a definition of “MinnesotaCare public option enrollee” to the chapter of law governing MNsure.</p> <p>States that this section is effective January 1, 2027, or upon federal approval, whichever is later.</p>
3	<p>Creation.</p> <p>Amends § 62V.03, subd. 1. Expands the existing duties of MNsure to include the public option. Also requires the board to ensure access to enrollment in the public option, through MNsure’s website.</p> <p>States that this section is effective January 1, 2027, or upon federal approval, whichever is later.</p>
4	<p>Continued operation of a private marketplace.</p> <p>Amends § 62V.03, subd. 3. States that chapter 62V shall not be construed to restrict the choice of an individual to enroll or not enroll in the public option, or to require enrollment in the public option.</p> <p>States that this section is effective January 1, 2027, or upon federal approval, whichever is later.</p>
5	<p>Insurance producers.</p> <p>Amends § 62V.05, subd. 3. The amendment to paragraph (e) requires insurance producers to disclose to prospective purchasers that the producer may receive compensation from the state for enrolling an individual in the public option.</p> <p>A new paragraph (j) allows the board to establish certification requirements for insurance producers related to assisting individuals in public option enrollment.</p> <p>A new paragraph (k) requires health carriers to pay insurance producers an application bonus for each applicant successfully enrolled in the public option.</p> <p>Also makes various conforming changes related to the public option and strikes outdated language.</p> <p>States that the section is effective upon federal approval of the state’s 1332 waiver request to establish a public option.</p>

Section	Description
6	<p>Appeals.</p> <p>Amends § 62V.05, subd. 6. Adds references to the public option in a section of law that requires plan premiums to be paid pending a court appeal. Provides a January 1, 2025, effective date.</p>
7	<p>Prohibition on other product lines.</p> <p>Amends § 62V.05, subd. 11. States that nothing prohibits the commissioner of human services from offering the public option on the MNsure website. States that this section is effective January 1, 2027, or upon federal approval, whichever is later.</p>
8	<p>MinnesotaCare public option.</p> <p>Amends § 62V.05, by adding subd. 13. States that the board has the powers and duties provided in § 62V.15 (related to applications for and enrollment in the public option). States that this section is effective January 1, 2027, or upon federal approval, whichever is later.</p>
9	<p>MNsure; consumer retroactive appointment of a navigator or producer permitted.</p> <p>Amends § 62V.051. Requires MNsure to allow public option enrollees to retroactively appoint a navigator or insurance producer, and requires MNsure to provide the managed care or county-based purchasing plan with notice of the retroactive appointment. Requires the plan to retroactively pay commissions to the insurance producer. States that this section is effective January 1, 2027, or upon federal approval, whichever is later.</p>
10	<p>Application and certification data.</p> <p>Amends § 62V.06, subd. 4. Makes a conforming change, requiring data submitted by an insurance producer in an application for certification to sell the public option to be classified in the same manner as data submitted for certification to sell a health plan. States that this section is effective January 1, 2027, or upon federal approval, whichever is later.</p>
11	<p>Outreach letter and special enrollment period.</p> <p>Amends § 62V.13, subd. 3. Expands the scope of a section of law dealing with special enrollment periods under the easy enrollment health insurance outreach program, to also apply to the public option. States that this section is effective January 1, 2027, or upon federal approval, whichever is later.</p>
12	<p>Public option; application and enrollment.</p> <p>Adds § 62V.15.</p>

Section **Description**

Subd. 1. Public option application. (a) States that an individual eligible for the public option must be able to enroll on the MNsure website.

(b) Requires individuals to be able to apply for and enroll in the public option by completing the application for a qualified health plan with premium tax credits or cost-sharing reductions. Requires applicants to confirm that they are not eligible for medical assistance, or for MinnesotaCare through an eligibility pathway other than the public option.

(c) Requires MNsure to ensure that individuals seeking qualified health plan or public option coverage are able to compare coverage options on the MNsure website, and specifies related criteria.

(d) Requires the MNsure website to state in clear and conspicuous language that individuals can apply for the public option on the website.

Subd. 2. Eligibility determinations. (a) Requires MNsure to process all public option applications, and make all eligibility determinations for the public option according to § 256L.04, subd. 15.

(b) Provides that eligibility for the public option is appealable to the MNsure board.

Subd. 3. Administrative functions. Requires MNsure to provide administrative functions to facilitate the offering of the public option by the commissioner of human services.

Subd. 4. Diversion of resources. States that MNsure may use existing resources, personnel, and operations to carry out its duties under this section.

Subd. 5. No limitation. States that nothing in this section limits the rights of public option enrollees or the commissioner of human services under chapter 256L.

Subd. 6. Contracting authorization. Allows the MNsure board to contract, on a single-source basis, with a third-party entity already providing technical support to the board, to develop and implement the technological requirements of this section.

States that this section is effective upon federal approval of the state's section 1332 waiver application to establish a public option.

Section	Description
13	<p>MinnesotaCare public option.</p> <p>Amends § 256L.01, by adding subd. 5a. Defines “MinnesotaCare public option” or “public option” as health coverage provided under § 256L.29. States that this section is effective January 1, 2027, or upon federal approval, whichever is later.</p>
14	<p>MinnesotaCare public option enrollee.</p> <p>Amends § 256L.01, by adding subd. 5b. Defines “MinnesotaCare public option enrollee” or “public option enrollee” as an individual enrolled in MinnesotaCare under § 256L.04, subd. 15. States that this section is effective January 1, 2027, or upon federal approval, whichever is later.</p>
15	<p>Cost-sharing.</p> <p>Amends § 256L.03, subd. 5. The amendment to paragraph (a) states that MinnesotaCare cost-sharing applies to public option enrollees.</p> <p>The amendment to paragraph (b) modifies the requirement that MinnesotaCare cost-sharing result in an actuarial value of 94 percent, to exempt public option enrollees under § 256L.29. Also strikes obsolete language.</p> <p>States that this section is effective January 1, 2027, or upon federal approval, whichever is later.</p>
16	<p>General requirements.</p> <p>Amends § 256L.04, subd. 1c. Makes a conforming change reflecting the establishment of the public option, in a section related to qualified individuals. States that this section is effective January 1, 2027, or upon federal approval, whichever is later.</p>
17	<p>Ineligibility.</p> <p>Amends § 256L.04, subd. 7a. Makes a conforming change reflecting the establishment of the public option, in a section related to program income limits. States that this section is effective January 1, 2027, or upon federal approval, whichever is later.</p>
18	<p>Persons eligible for the public option.</p> <p>Amends § 256L.04, by adding subd. 15. (a) States that families and individuals with income above the MinnesotaCare income limit, who meet all other MinnesotaCare eligibility requirements, are eligible for MinnesotaCare, subject to the enrollment cap and additional requirements specified in § 256L.29. States that families and individuals enrolled in the public option under this subdivision are MinnesotaCare enrollees, and all provisions applying generally to MinnesotaCare enrollees also apply to public option enrollees, unless otherwise specified.</p>

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	(b) Provides that families and individuals may enroll in MinnesotaCare under this subdivision only during an annual open enrollment period or special enrollment period, as designated by MNsure. States that this section is effective January 1, 2027, or upon federal approval, whichever is later.
19	General requirements. Amends § 256L.07, subd. 1. Makes a conforming change related to establishment of the public option. States that this section is effective January 1, 2027, or upon federal approval, whichever is later.
20	Managed care plan vendor requirements. Amends § 256L.12, subd. 7. Requires managed care plans to reimburse health care providers, for services provided to MinnesotaCare public option enrollees, at payment rates equal to or greater than the Medicare fee-for-service payment rate for the same service, or for a similar service if the specific service is not reimbursed under MinnesotaCare. States that this section is effective January 1, 2027, or upon federal approval, whichever is later.
21	MinnesotaCare public option. Adds § 256L.29. Subd. 1. MinnesotaCare requirements. States that the public option is part of the MinnesotaCare program and that all provisions of the chapter apply to the public option, unless otherwise specified. These provisions include, but are not limited to, those related to covered services, eligibility of undocumented noncitizens, eligibility requirements, and premium payment methods. Subd. 2. Application process and eligibility determination. Requires individuals to apply for public option coverage as provided in § 62V.15. Limits enrollment in the public option to individuals eligible under § 256L.04, subd. 15. Requires the MNsure board to process applications and determine eligibility for the public option as provided in § 62V.15. Subd. 3. Premium scale. Requires public option enrollees to pay premiums for individual or family coverage, as applicable, based on a specified premium scale. Subd. 4. Cost-sharing. (a) Provides that public option enrollees are subject to the MinnesotaCare cost-sharing requirements, except that: (1) cost-sharing applies to all public option enrollees, including but not limited to: (i) children under 21; (ii) pregnant women; and (iii) American Indians with incomes greater than or equal to 300 percent of FPG; (2) the commissioner shall set cost-sharing for public option enrollees at an actuarial value of 94 percent, except that the actuarial value for enrollees with incomes above 400 percent of FPG may be

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lower than 94 percent; (3) specified deductibles apply; and (4) out-of-pocket maximums must not exceed these specified in the ACA for the essential health benefits package.

(b) Specifies the following annual deductibles: (1) \$500 for households with incomes between 401 and 500 percent of FPG; (2) \$1,000 for households with incomes between 501 and 600 percent of FPG; and (3) \$1,500 for households with incomes of 601 percent of FPG or above.

(c) States that no annual deductibles apply to public option enrollees with household incomes that do not exceed 400 percent of FPG.

Subd. 5. Enrollment limits. Sets the following limits for enrollment in the public option: (1) for the 2027 plan year, a limit of 10,000 enrollments for individuals with household incomes exceeding 400 percent of FPG, and no enrollment limit for individuals with household incomes not exceeding this FPG percentage; (2) for the 2028 plan year, a limit of 15,000 enrollments for individuals with household incomes exceeding 550 percent of FPG, and no enrollment limit for individuals with household income not exceeding this FPG percentage; and (3) for the 2029 plan year and subsequent plan years, no enrollment limit.

Subd. 6. Contracting and service delivery. (a) Allows the commissioner to contract with managed care and county-based purchasing plans to deliver services to public option enrollees, using a procurement process that is separate and unique from that used to delivery services to other MinnesotaCare enrollees.

(b) Requires the commissioner to establish public option participation requirements for managed care and county-based purchasing plans, and excludes the public option from the state health care program participation requirement in current law.

This section is effective January 1, 2027, or upon federal approval, whichever is later.

22 **Request for federal waiver.**

(a) Requires the commissioner of commerce, in cooperation with the commissioner of human services and the MNsure board, to submit a section 1332 waiver request to the Secretary of Health and Human Services, to obtain federal approval to implement this act. Requires the commissioner of commerce, through the waiver, to also seek federal approval for Minnesota to: (1) continue to receive the federal match for Medicaid-eligible individuals and federal basic health program payments for base health program-eligible MinnesotaCare individuals; and (2) receive federal pass-through funding equal to the value of premium tax credits and cost-sharing

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reductions that MinnesotaCare public option enrollees would otherwise have received.

(b) Gives the commissioner of commerce the authority to contract for any analyses, certification, data, or other information required to complete the section 1332 waiver application. Requires the commissioner to cooperate with the federal government to obtain waiver approval, and to provide any information necessary for waiver approval.

States that this section is effective the day following final enactment.

23 **Appropriation.**

Subd. 1. MNsure board. Paragraph (a) provides funding in fiscal year 2025 from the general fund to the MNsure board, for technology costs related to the development and implementation of the public option application and enrollment process. Paragraph (b) sets the general fund base for fiscal year 2027 for the MNsure board for public awareness and marketing initiatives related to the public option.

Subd. 2. Commissioner of human services. Appropriates money in fiscal year 2025 from the general fund to the commissioner of human services, to develop and implement the public option.

Subd. 3. Commissioner of commerce. Appropriates money in fiscal year 2025 from the general fund to the commissioner of commerce to develop and submit a waiver application for the public option.



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