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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 3

01/10/2019 Authored by Liebling, Moran, Schultz, Loeffler, Morrison and others
The bill was read for the first time and referred to the Committee on Health and Human Services Policy

1.1 A bill for an act
1.2 relating to health care; requiring the commissioners of human services and
1.3 commerce to seek federal waivers to permit individuals whose income is greater
1.4 than the income eligibility limit for MinnesotaCare to purchase coverage through
1.5 MinnesotaCare through a MinnesotaCare purchase option; requiring a proposal
1.6 to the legislature.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. MINNESOTACARE PURCHASE OPTION; FEDERAL WAIVER
1.9 REQUEST.

1.10 Subdivision 1. Purpose. The legislature finds that the staggering growth in health care
1.11 costs is having a devastating effect on the health and cost of living of Minnesota residents.
1.12 The legislature further finds that the number of uninsured and underinsured residents is
1.13 growing each year and that the cost of health care coverage for our insured residents often
1.14 far exceeds their ability to pay.

1.15 The legislature further finds that it must enact immediate and intensive cost containment
1.16 measures to limit the growth of health care expenditures, reform insurance practices, and
1.17 finance a plan that offers access to affordable health care for our residents by capturing
1.18 dollars now lost to inefficiencies in Minnesota's health care system.

1.19 The legislature further finds that providing affordable access to health care is essential
1.20 to quality of life in Minnesota.

1.21 It is, therefore, the intent of the legislature to establish an optional buy-in for the delivery
1.22 and financing of health care in Minnesota and to call this new optional buy-in the Minnesota
1.23 Comprehensive Health Act.

2.1 Subd. 2. Program establishment and criteria. (a) The commissioners of human services
2.2 and commerce shall coordinate the administration of the purchase option with the
2.3 MinnesotaCare program to maximize efficiency and improve the continuity of care, consistent
2.4 with the requirements of Minnesota Statutes, sections 256L.06, 256L.10, 256L.11, 256L.12,
2.5 and 256L.121.

2.6 (b) The purchase option shall include, at a minimum, the following:

2.7 (1) establishment of an annual per enrollee premium sufficient to maintain fiscal stability
2.8 of the program;

2.9 (2) establishment of a benefit set equivalent to the benefit set covered under
2.10 MinnesotaCare under Minnesota Statutes, section 256L.03;

2.11 (3) limiting annual enrollment to the same annual open enrollment periods established
2.12 for the individual and small group market;

2.13 (4) ability of the commissioners to adjust the purchase options to set a sliding scale for
2.14 enrollees to decrease out-of-pocket costs so enrollees are not deterred from accessing care;

2.15 (5) reimbursement mechanisms for addressing potential increased cost to the
2.16 MinnesotaCare program under Minnesota Statutes, chapter 256L;

2.17 (6) establish reimbursement rates to providers which are adequate to ensure essential
2.18 provider viability; and

2.19 (7) establishment of direct contracting with health care providers to contain costs.

2.20 (c) The commissioners shall seek to implement mechanisms to ensure the long-term
2.21 financial sustainability of MinnesotaCare and mitigate any adverse financial impacts to the
2.22 individual and group insurance market. These mechanisms must address issues related to
2.23 minimizing adverse selection, the state financial risk and contribution, and negative impacts
2.24 to premiums in the individual and group insurance market.

2.25 Subd. 3. Proposal. The commissioners of human services and commerce shall submit
2.26 to the chairs and ranking minority members of the legislative committees with jurisdiction
2.27 over health and human services policy and finance by March 1, 2020, a proposal for the
2.28 purchase option and the results from actuarial and economic analyses that are necessary for
2.29 a waiver proposal. In preparing the proposal, the commissioners shall consult with the
2.30 legislature and incorporate legislative recommendations when feasible. The commissioners
2.31 shall also make recommendations on any legislative changes necessary to implement the
2.32 program described in this section.

3.1 Subd. 4. Federal waiver request. (a) The commissioners of human services and
3.2 commerce shall seek necessary federal waiver authority to establish a program that allows
3.3 individuals with income above the maximum income eligibility limit under Minnesota
3.4 Statutes, section 256L.04, subdivision 1 or 7, and who otherwise meet the MinnesotaCare
3.5 eligibility requirements including, but not limited to, Minnesota Statutes, sections 256L.04,
3.6 256L.07, and 256L.09, the option of purchasing coverage through MinnesotaCare instead
3.7 of purchasing a qualified health plan through the state health insurance exchange or an
3.8 individual health plan offered outside of the state health insurance exchange.

3.9 (b) The commissioners shall also seek necessary federal waiver authority, for individuals
3.10 who qualify under paragraph (a) who choose to purchase the MinnesotaCare option, to use
3.11 advanced tax credits and cost-sharing reductions, if eligible, to purchase this option.

3.12 (c) The commissioners shall also seek necessary federal waiver authority to permit the
3.13 MinnesotaCare purchase option to be offered through the state health insurance exchange
3.14 as a coverage option and to be compared with qualified health plans offered through the
3.15 state health insurance exchange.