

This Document can be made available in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1841

03/12/2015 Authored by Gruenhagen and McDonald

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to insurance; establishing a state reinsurance program for the individual
1.3 and small group markets; requiring an assessment; establishing a health
1.4 reinsurance account; appropriating money; proposing coding for new law in
1.5 Minnesota Statutes, chapter 62A.

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

1.7 Section 1. **[62A.67] STATE REINSURANCE PROGRAM.**

1.8 Subdivision 1. **Establishment.** The commissioner shall establish a state reinsurance
1.9 program for the individual and small group markets that is a continuation of the federal
1.10 reinsurance program implemented under section 1341 of the Affordable Care Act (Public
1.11 Laws 111-148 and 111-152). The state reinsurance program must be implemented
1.12 beginning January 1, 2016. In designing the state reinsurance program, the commissioner,
1.13 to the extent feasible, shall incorporate the operating procedures, criteria, and timelines of
1.14 the federal reinsurance program.

1.15 Subd. 2. **Assessment and payment parameters for the 2016 benefit year.** For the
1.16 benefit year beginning January 1, 2016, the commissioner shall assess all health carriers
1.17 an annual uniform reinsurance contribution rate of \$..... per enrollee. This assessment
1.18 is in addition to the assessment required under section 1341 of the Affordable Care Act.
1.19 The assessment must be used to modify the payment parameters of the federal reinsurance
1.20 program for the 2016 benefit year, so that for reinsurance coverage in Minnesota:

- 1.21 (1) the attachment point is set at \$70,000;
- 1.22 (2) the reinsurance cap is set at \$250,000; and
- 1.23 (3) the coinsurance rate is set at 50 percent.

1.24 Subd. 3. **Assessment and payment parameters for the 2017 benefit year.** For
1.25 the benefit year beginning January 1, 2017, the commissioner shall assess all health plan

2.1 companies an annual uniform reinsurance contribution rate of \$..... per enrollee. The
2.2 assessment must be used to fund the state reinsurance program for the 2017 benefit year,
2.3 so that for reinsurance coverage in Minnesota:

- 2.4 (1) the attachment point is \$70,000;
2.5 (2) the reinsurance cap is \$250,000; and
2.6 (3) the coinsurance rate is 50 percent.

2.7 Subd. 4. **Future benefit years.** The commissioner shall set the annual uniform
2.8 reinsurance contribution rate and the payment parameters for each benefit year. The
2.9 commissioner shall notify health plan companies and interested parties of the annual
2.10 uniform reinsurance contribution rate and payment parameters that apply to a new benefit
2.11 year by September 1 of the previous benefit year.

2.12 Subd. 5. **Health reinsurance account.** All annual uniform reassessment
2.13 contributions must be deposited into a health reinsurance account within the state general
2.14 fund. Money in the account is appropriated to the commissioner to fund the state
2.15 reinsurance program under this section.

2.16 Subd. 6. **Supplemental assessment.** The commissioner shall annually determine
2.17 the health reinsurance account balance at the end of each benefit year by February 1 of
2.18 the following benefit year. The commissioner shall address any shortfall in funding for a
2.19 benefit year by requiring health carriers to pay a supplemental per enrollee assessment
2.20 during the next benefit year that is separate from, and in addition to, the uniform
2.21 reinsurance contribution rate set for the next benefit year.