

A bill for an act

relating to human services; modifying the provision of MinnesotaCare services; establishing requirements for healthy Minnesota plans; establishing healthy Minnesota accounts for certain MinnesotaCare enrollees; amending Minnesota Statutes 2008, sections 256L.01, by adding a subdivision; 256L.03, subdivisions 1, 1a, 3; 256L.15, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256L; repealing Minnesota Statutes 2008, sections 256L.03, subdivisions 1b, 5; 256L.12, subdivision 6.

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

Section 1. **HEALTHY MINNESOTA PLAN; PRIVATE SECTOR COVERAGE.**

It is the intent of the State of Minnesota to enact a coverage program that utilizes market-based solutions within the health care sector that provides access to high quality health care, reduces costs for coverage, and utilizes commercial reimbursement rates to providers.

Sec. 2. Minnesota Statutes 2008, section 256L.01, is amended by adding a subdivision to read:

Subd. 6. **Qualified adult.** "Qualified adult" means a parent, grandparent, foster parent, relative caretaker as defined in the medical assistance program, and legal guardian enrolled under section 256L.04, subdivision 1, and an individual residing in a household with no children enrolled under section 256L.04, subdivision 7.

EFFECTIVE DATE. This section is effective January 1, 2010, or upon federal approval, whichever is later.

Sec. 3. Minnesota Statutes 2008, section 256L.03, subdivision 1, is amended to read:

Subdivision 1. **Covered health services.** For children, "covered health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, special education services, private duty nursing services, adult dental care services other than services covered under section 256B.0625, subdivision 9, orthodontic services, nonemergency medical transportation services, personal care assistant and case management services, nursing home or intermediate care facilities services, inpatient mental health services, and chemical dependency services.

No public funds shall be used for coverage of abortion under MinnesotaCare except where the life of the female would be endangered or substantial and irreversible impairment of a major bodily function would result if the fetus were carried to term; or where the pregnancy is the result of rape or incest.

Covered health services shall be expanded as provided in this section.

Sec. 4. Minnesota Statutes 2008, section 256L.03, subdivision 1a, is amended to read:

Subd. 1a. ~~Pregnant women and Children; MinnesotaCare health care reform waiver.~~ Beginning January 1, 1999, children ~~and pregnant women~~ are eligible for coverage of all services that are eligible for reimbursement under the medical assistance program according to chapter 256B, except that abortion services under MinnesotaCare shall be limited as provided under subdivision 1. ~~Pregnant women and Children~~ are exempt from the provisions of subdivision 5, regarding co-payments. ~~Pregnant women and Children~~ who are lawfully residing in the United States but who are not "qualified noncitizens" under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, Statutes at Large, volume 110, page 2105, are eligible for coverage of all services provided under the medical assistance program according to chapter 256B.

EFFECTIVE DATE. This section is effective January 1, 2010, or upon federal approval, whichever is later.

Sec. 5. Minnesota Statutes 2008, section 256L.03, subdivision 3, is amended to read:

Subd. 3. **Inpatient hospital services.** (a) Covered health services shall include inpatient hospital services, including inpatient hospital mental health services and inpatient hospital and residential chemical dependency treatment, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown. ~~The inpatient hospital benefit for adult enrollees who qualify under section 256L.04, subdivision 7, or who qualify under section 256L.04, subdivisions 1 and 2, with family gross income that exceeds 200 percent of the federal poverty guidelines or~~

~~215 percent of the federal poverty guidelines on or after July 1, 2009, and who are not pregnant, is subject to an annual limit of \$10,000.~~

(b) Admissions for inpatient hospital services paid for under section 256L.11, subdivision 3, must be certified as medically necessary in accordance with Minnesota Rules, parts 9505.0500 to 9505.0540, except as provided in clauses (1) and (2):

(1) all admissions must be certified, except those authorized under rules established under section 254A.03, subdivision 3, or approved under Medicare; and

(2) payment under section 256L.11, subdivision 3, shall be reduced by five percent for admissions for which certification is requested more than 30 days after the day of admission. The hospital may not seek payment from the enrollee for the amount of the payment reduction under this clause.

EFFECTIVE DATE. This section is effective January 1, 2010, or upon federal approval, whichever is later.

Sec. 6. [256L.031] COVERED HEALTH SERVICES; QUALIFIED ADULTS.

Subdivision 1. Covered health care services. For qualified adults, "covered health services" means all services covered under the health plan benefit design established by the commissioner under section 256L.033.

Subd. 2. Contracts with health plan companies; enrollment of qualified adults. The commissioner shall contract with health plan companies, as defined in section 62Q.01, subdivision 4, to provide to qualified adults the coverage established under section 256L.033. The commissioner shall contract with and pay premiums to health plan companies that can provide or arrange for high-quality, cost-effective care, and shall set state premium payment rates for plan contracts. State premium payment rates must be sufficient to allow health plan companies to reimburse providers under contract at payment rates comparable to private sector provider payment rates.

Subd. 3. Enrollment of qualified adults. The commissioner shall develop and implement procedures to enroll qualified adults with health plan companies that provide the coverage established under section 256L.033. Qualified adults are exempt from enrollment with managed care plans under section 256L.12, but may enroll with managed care plans to obtain the coverage established under section 256L.033.

Subd. 4. MCHA. MinnesotaCare enrollees who are denied coverage under an individual health plan by a health plan company are eligible for coverage through a health plan offered by the Minnesota Comprehensive Health Association, as provided under section 256L.033.

EFFECTIVE DATE. This section is effective January 1, 2010, or upon federal approval, whichever is later.

Sec. 7. **[256L.032] MINNESOTACARE; HEALTHY MINNESOTA ACCOUNTS.**

Subdivision 1. **Establishment.** The commissioner shall establish and administer a Healthy Minnesota Plan account for each recipient, or may contract with the health plan company providing individual health plan coverage to a recipient to establish and administer a Healthy Minnesota Plan account for that recipient.

Subd. 2. **Funds available to enrollees for health care expenses.** The commissioner shall make available up to \$..... in each enrollee's Healthy Minnesota Plan account for eligible health care expenses, as defined in section 213(d) of the Internal Revenue Code.

Subd. 3. **Healthy Minnesota Plan reserve.** The commissioner shall maintain a Healthy Minnesota Plan reserve equal to the state's obligations under subdivision 2 for the current and following fiscal year, as estimated by the commissioner of finance.

EFFECTIVE DATE. This section is effective January 1, 2010, or upon federal approval, whichever is later.

Sec. 8. **[256L.033] HEALTHY MINNESOTA PLAN; PRIVATE SECTOR COVERAGE.**

(a) Qualified adults enrolled in MinnesotaCare shall enroll in their choice of the individual health plans under contract with the commissioner. The health plans must meet the benefit design and cost-sharing requirements established by the commissioner. The health plan benefit design and cost-sharing must be actuarially equivalent to that provided under section 256L.03 to nonpregnant adults with family gross income that does not exceed 200 percent of the federal poverty guidelines, and in addition to coverage of physician, inpatient and outpatient hospital, and other acute care services, must also include:

(1) vision and eyewear coverage;

(2) coverage of maternity labor, delivery, or postpartum care on the same basis as other care;

(3) dental coverage;

(4) prescription drug coverage;

(5) preventive care; and

(6) a lifetime maximum benefit of \$5,000,000.

(b) The commissioner shall sponsor the Healthy Minnesota Plan, which must be designed to the extent possible to function in the same manner as a voluntary employee beneficiary association qualified under Internal Revenue Code, section 501(c)(9) or

a government plan qualified under Internal Revenue Code, section 115, to the extent practicable for a plan not providing benefits to employees.

(c) All payments out of the HMP account must be adjudicated by a third-party administrator contracted for by the commissioner in the same manner used for Health Reimbursement Accounts under federal law, except as otherwise provided in section 256L.032, subdivision 1.

(d) Providers of individual health plans available for enrollment under paragraph (a) may decline to cover a prospective enrollee on the basis of medical underwriting permitted under section 62A.65 in the private market. A person rejected for coverage on that basis shall apply for and enroll in a plan which must be provided by the Minnesota Comprehensive Health Association (MCHA) governed under chapter 62E, without a preexisting condition limitation, even if use of a preexisting condition is otherwise permitted under chapter 62E. The plan benefit design must be identical to that established under paragraph (a). The commissioner shall pay the premium for the person's coverage. Notwithstanding any other law to the contrary, an individual health plan may decline to enroll a person who is pregnant, and that person may enroll in MCHA without a preexisting condition limitation.

EFFECTIVE DATE. This section is effective January 1, 2010, or upon federal approval, whichever is later.

Sec. 9. Minnesota Statutes 2008, section 256L.15, is amended by adding a subdivision to read:

Subd. 1c. **Premium payment; qualified adults.** Qualified adults shall pay sliding scale premiums, as determined under subdivision 2, directly to the health plan company from whom they receive coverage. Health plan companies shall adopt and implement all premium payment, collection, and disenrollment procedures that would otherwise be the responsibility of the commissioner under this section and section 256L.06.

EFFECTIVE DATE. This section is effective January 1, 2010, or upon federal approval, whichever is later.

Sec. 10. **REPEALER.**

Minnesota Statutes 2008, sections 256L.03, subdivisions 1b and 5; and 256L.12, subdivision 6, are repealed effective January 1, 2010, or upon federal approval, whichever is later.

256L.03 COVERED HEALTH SERVICES.

Subd. 1b. **Pregnant women; eligibility for full medical assistance services.** A pregnant woman enrolled in MinnesotaCare is eligible for coverage of all services provided under the medical assistance program according to chapter 256B retroactive to the date of conception. Co-payments totaling \$30 or more, paid after the date of conception, shall be refunded.

Subd. 5. **Co-payments and coinsurance.** (a) Except as provided in paragraphs (b) and (c), the MinnesotaCare benefit plan shall include the following co-payments and coinsurance requirements for all enrollees:

(1) ten percent of the paid charges for inpatient hospital services for adult enrollees, subject to an annual inpatient out-of-pocket maximum of \$1,000 per individual and \$3,000 per family;

(2) \$3 per prescription for adult enrollees;

(3) \$25 for eyeglasses for adult enrollees;

(4) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist; and

(5) \$6 for nonemergency visits to a hospital-based emergency room.

(b) Paragraph (a), clause (1), does not apply to parents and relative caretakers of children under the age of 21.

(c) Paragraph (a) does not apply to pregnant women and children under the age of 21.

(d) Paragraph (a), clause (4), does not apply to mental health services.

(e) Adult enrollees with family gross income that exceeds 200 percent of the federal poverty guidelines or 215 percent of the federal poverty guidelines on or after July 1, 2009, and who are not pregnant shall be financially responsible for the coinsurance amount, if applicable, and amounts which exceed the \$10,000 inpatient hospital benefit limit.

(f) When a MinnesotaCare enrollee becomes a member of a prepaid health plan, or changes from one prepaid health plan to another during a calendar year, any charges submitted towards the \$10,000 annual inpatient benefit limit, and any out-of-pocket expenses incurred by the enrollee for inpatient services, that were submitted or incurred prior to enrollment, or prior to the change in health plans, shall be disregarded.

256L.12 MANAGED CARE.

Subd. 6. **Co-payments and benefit limits.** Enrollees are responsible for all co-payments in sections 256L.03, subdivision 5, and 256L.035, and shall pay co-payments to the managed care plan or to its participating providers. The enrollee is also responsible for payment of inpatient hospital charges which exceed the MinnesotaCare benefit limit.