A bill for an act

relating to human services; establishing the healthy Minnesota contribution program; requiring plan to redesign service delivery for lower-income MinnesotaCare enrollees; amending Minnesota Statutes 2010, section 256L.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256L.

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

Section 1. **[256L.031] HEALTHY MINNESOTA CONTRIBUTION PROGRAM.**

Subdivision 1. **Defined contributions to enrollees.** (a) Beginning January 1, 2012, the commissioner shall provide each MinnesotaCare enrollee eligible under section 256L.04, subdivision 7, with gross family income equal to or greater than 133 percent of the federal poverty guidelines, with a monthly defined contribution to purchase health coverage under a health plan as defined in section 62A.011, subdivision 3. Beginning January 1, 2012, or upon federal approval, whichever is later, the commissioner shall provide each MinnesotaCare enrollee eligible under section 256L.04, subdivision 1, with gross family income equal to or greater than 133 percent of the federal poverty guidelines, with a monthly defined contribution to purchase health coverage under a health plan as defined in section 62A.011, subdivision 3.

(b) Enrollees eligible under paragraph (a) shall not be charged premiums under section 256L.15 and are exempt from the managed care enrollment requirement of section 256L.12.

(c) Sections 256L.03 and 256L.05, subdivision 3, do not apply to enrollees eligible under paragraph (a). Covered services, cost-sharing, and the effective date of coverage for enrollees eligible under paragraph (a) shall be as provided under the terms of the health plan purchased by the enrollee.

Subd. 2. **Use of defined contribution.** An enrollee may use up to the monthly defined contribution only to pay premiums for coverage under a health plan as defined in section 62A.011, subdivision 3.

Subd. 3. **Determination of defined contribution amount.** (a) The commissioner shall determine the defined contribution sliding scale using the base contribution specified in paragraph (b) for the specified age ranges. The commissioner shall use a sliding scale for defined contributions that provides:

(1) persons with household incomes equal to 133 percent of the federal poverty guidelines with a defined contribution of 150 percent of the base contribution;

(2) persons with household incomes equal to 175 percent of the federal poverty guidelines with a defined contribution of 100 percent of the base contribution;

(3) persons with household incomes equal to or greater than 250 percent of the federal poverty guidelines with a defined contribution of 80 percent of the base contribution; and

(4) persons with household incomes in evenly spaced increments between the percentages of the federal poverty guideline specified in clauses (1) to (3) with a base contribution that is a percentage interpolated from the defined contribution percentages specified in clauses (1) to (3).

Age	Monthly Per-Person Base Contribution
Under 21	$122.79
21-29	122.79
30-31	129.19
32-33	132.38
34-35	134.31
36-37	136.06
38-39	141.02
40-41	151.25
42-43	159.89
44-45	175.08
46-47	191.71
48-49	213.13
50-51	239.51
52-53	266.69
54-55	293.88
56-57	323.77
58-59	341.20
60+	357.19

(b) The commissioner shall multiply the defined contribution amounts developed under paragraph (a) by 1.20 for enrollees who are denied coverage under an individual

health plan by a health plan company and who purchase coverage through the Minnesota Comprehensive Health Association.

Subd. 4. **Administration by commissioner.** The commissioner shall administer the defined contributions. The commissioner shall:

(1) calculate and process defined contributions for enrollees; and

(2) pay the defined contribution amount to health plan companies or the Minnesota Comprehensive Health Association, as applicable, for enrollee health plan coverage.

Subd. 5. **Assistance to enrollees.** The commissioner of human services, in consultation with the commissioner of commerce, shall develop an efficient and cost-effective method of referring eligible applicants to professional insurance agent associations.

Subd. 6. **Minnesota Comprehensive Health Association (MCHA).** Beginning January 1, 2012, 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. Any difference between the revenue and covered losses to the MCHA related to implementation of this section shall be paid to the MCHA from the health care access fund.

Subd. 7. **Federal approval.** The commissioner shall seek all federal waivers and approvals necessary to implement coverage under this section for MinnesotaCare enrollees eligible under section 256L.04, subdivision 1, with gross family incomes equal to or greater than 133 percent of the federal poverty guidelines, while continuing to receive federal matching funds.

Sec. 2. Minnesota Statutes 2010, section 256L.05, is amended by adding a subdivision to read:

Subd. 6. **Referral of veterans.** The commissioner shall modify the Minnesota health care programs application form to add a question asking applicants: "Are you a U.S. military veteran?" The commissioner shall ensure that all applicants for MinnesotaCare with incomes less than 133 percent of the federal poverty guidelines who identify themselves as veterans are referred to a county veterans service officer for assistance in applying to the U.S. Department of Veterans Affairs for any veterans benefits for which they may be eligible.

Sec. 3. **COVERAGE FOR LOWER-INCOME MINNESOTACARE ENROLLEES.**

The commissioner of human services shall develop and present to the legislature, by December 15, 2011, a plan to redesign service delivery for MinnesotaCare enrollees eligible under Minnesota Statutes, section 256L.04, subdivisions 1 and 7, with incomes less than 133 percent of the federal poverty guidelines. The plan must be designed to improve continuity and quality of care, reduce unnecessary emergency room visits, and reduce average per-enrollee costs. In developing the plan, the commissioner shall consider innovative methods of service delivery, including but not limited to increasing the use and choice of private sector health plan coverage and encouraging the use of community health clinics, as defined in the federal Community Health Care Act of 1964, as health care homes.

Sec. 4. **DIRECTION TO COMMISSIONER; FEDERAL WAIVER.**

The commissioner of human services shall apply to the Centers for Medicare and Medicaid Services for a federal waiver to cover eligible families with children under the MinnesotaCare healthy Minnesota contribution program established under Minnesota Statutes, section 256L.031, by July 1, 2011. The commissioner shall report to the legislative committees with jurisdiction over health and human services policy and finance whether or not the federal waiver application was accepted within ten working days of receipt of the decision.

EFFECTIVE DATE. This section is effective the day following final enactment.