State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 152

01/11/2017 Authored by Liebling and Thissen
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

A bill for an act

relating to health; providing a premium subsidy for eligible individuals for calendar year 2017; appropriating money.

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

Section 1. **PREMIUM SUBSIDY.**

The commissioner of management and budget shall establish and administer a premium subsidy for eligible individuals to help to pay for health insurance premiums.

Sec. 2. **DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of this act, the terms in this section have the meanings given.

Subd. 2. **Eligible individual.** "Eligible individual" means a Minnesota resident who is not receiving a premium tax credit under Code of Federal Regulations and is not receiving public program coverage under Minnesota Statutes, section 256B.055 or 256L.04.

Subd. 3. **Gross premium.** "Gross premium" means the amount billed for a health plan purchased by an eligible individual prior to receiving a state premium subsidy, as defined in subdivision 5, in a calendar year.

Subd. 4. **Net premium.** "Net premium" means the gross premium less the subsidy defined in subdivision 5.

Subd. 5. **Premium subsidy.** "Premium subsidy":

(1) is a payment made on behalf of eligible individuals under this state program, for the promotion of general welfare, and is not compensation for any services;

(2) is equal to 25 percent of the monthly gross premium otherwise paid by or on behalf of the eligible individual that covers the eligible individual and eligible individual's spouse and dependents; and

(3) is excluded from any calculation used to determine eligibility for any Department of Human Services program.

Subd. 6. **Health carrier.** "Health carrier" has the meaning given in Minnesota Statutes, section 62A.011, subdivision 2.

Subd. 7. **Commissioner.** "Commissioner" means the commissioner of management and budget.

Subd. 8. **Individual market.** "Individual market" means the market for health insurance coverage offered to individuals other than in connection with a group health plan as defined in Minnesota Statutes, section 62A.011, subdivision 5.

Sec. 3. **PAYMENT TO HEALTH CARRIERS ON BEHALF OF ELIGIBLE INDIVIDUALS.**

Payments to health carriers are based on the premium subsidy available to eligible individuals in the individual market, regardless of the cost of coverage purchased. Health carriers seeking reimbursement from the state must submit an invoice and supporting information to the commissioner in a form prescribed by the commissioner in order to be eligible for payment. Payments are made on behalf of eligible individuals effectuating coverage for calendar year 2017 and for the months in that year that the net premium amount has been received by the health carriers for that individual. Total state payments to health carriers are to be made within the scope of the available appropriation in section 4.

Sec. 4. **AUDIT.**

The Department of Commerce shall conduct audits of the health carriers' supporting data, as prescribed by the commissioner, to determine whether payments align with criteria established in sections 2 and 3. The Department of Human Services shall provide data as necessary to the Department of Commerce to complete the audit. All data collected for that purpose will be held as confidential and nonpublic. The commissioner shall withhold or charge back payments to the health carriers to the extent they do not align with the criteria established in sections 2 and 3, as determined by the Department of Commerce.

Sec. 5. **GROSS PREMIUM EXEMPTIONS.**

The gross premium is not exempt under Minnesota Statutes, section 297I.15 or 62V.05, subdivision 2.

Sec. 6. **APPROPRIATIONS.**

(a) $311,645,000 in fiscal year 2017 is appropriated to Minnesota Management and Budget from the health care access fund for purposes of making payments defined in section 3. The commissioner shall prorate payments to the health carriers if necessary so as not to exceed the appropriation available. The appropriation is onetime and is available through June 30, 2018.

(b) $300,000 in fiscal year 2017 is appropriated from the health care access fund to the Department of Commerce for purposes of section 4 and to facilitate payments to health carriers. The appropriation is available until expended.

Sec. 7. **EFFECTIVE DATE.**

Sections 1 to 6 are effective the day following final enactment.