

A bill for an act

relating to health; amending Minnesota Statutes 2008, sections 256L.04, subdivisions 1, 7a, by adding a subdivision; 256L.05, subdivisions 3, 3a; 256L.07, subdivisions 1, 2, 3, by adding a subdivision; 256L.15, subdivisions 2, 3; 256L.17, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 256L; repealing Minnesota Statutes 2008, section 256L.17, subdivision 6.

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

Section 1. Minnesota Statutes 2008, section 256L.04, subdivision 1, is amended to read:

Subdivision 1. **Families with children.** (a) Families with children with family income equal to or less than 275 percent of the federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare according to this section. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, shall apply unless otherwise specified.

(b) Parents who enroll in the MinnesotaCare program must also enroll their children, if the children are eligible. Children may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. If one spouse in a household enrolls, the other spouse in the household must also enroll, unless other insurance is available. Families cannot choose to enroll only certain uninsured members.

(c) Beginning October 1, 2003, the dependent sibling definition no longer applies to the MinnesotaCare program. These persons are no longer counted in the parental household and may apply as a separate household.

(d) Beginning July 1, 2003, or upon federal approval, whichever is later, parents are not eligible for MinnesotaCare if their gross income exceeds \$57,500.

(e) Children formerly enrolled in medical assistance and automatically deemed eligible for MinnesotaCare according to section 256B.057, subdivision 2c, are exempt from the requirements of this section until renewal.

(f) Children deemed eligible for MinnesotaCare under section 256L.07, subdivision 8, are exempt from the requirements of this subdivision.

Sec. 2. Minnesota Statutes 2008, section 256L.04, is amended by adding a subdivision to read:

Subd. 1b. **Children with family income greater than 275 percent of federal poverty guidelines.** Children with family income greater than 275 percent of federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, shall apply unless otherwise specified.

Sec. 3. Minnesota Statutes 2008, section 256L.04, subdivision 7a, is amended to read:

Subd. 7a. **Ineligibility.** ~~Applicants~~ Adults whose income is greater than the limits established under this section may not enroll in the MinnesotaCare program.

Sec. 4. Minnesota Statutes 2008, section 256L.05, subdivision 3, is amended to read:

Subd. 3. **Effective date of coverage.** (a) The effective date of coverage is the first day of the month following the month in which eligibility is approved and the first premium payment has been received. As provided in section 256B.057, coverage for newborns is automatic from the date of birth and must be coordinated with other health coverage. The effective date of coverage for eligible newly adoptive children added to a family receiving covered health services is the month of placement. The effective date of coverage for other new members added to the family is the first day of the month following the month in which the change is reported. All eligibility criteria must be met by the family at the time the new family member is added. The income of the new family member is included with the family's gross income and the adjusted premium begins in the month the new family member is added.

(b) The initial premium must be received by the last working day of the month for coverage to begin the first day of the following month.

(c) Benefits are not available until the day following discharge if an enrollee is hospitalized on the first day of coverage.

(d) Notwithstanding any other law to the contrary, benefits under sections 256L.01 to 256L.18 are secondary to a plan of insurance or benefit program under which an eligible

person may have coverage and the commissioner shall use cost avoidance techniques to ensure coordination of any other health coverage for eligible persons. The commissioner shall identify eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance.

(e) The effective date of coverage for single adults and households with no children formerly enrolled in general assistance medical care and enrolled in MinnesotaCare according to section 256D.03, subdivision 3, is the first day of the month following the last day of general assistance medical care coverage.

(f) The effective date of coverage for children eligible under section 256L.04 is the first day of the month following the date of termination from foster care or release from a juvenile residential facility.

Sec. 5. Minnesota Statutes 2008, section 256L.05, subdivision 3a, is amended to read:

Subd. 3a. **Renewal of eligibility.** (a) Beginning July 1, 2007, an enrollee's eligibility must be renewed every 12 months. The 12-month period begins in the month after the month the application is approved.

(b) Each new period of eligibility must take into account any changes in circumstances that impact eligibility and premium amount. An enrollee must provide all the information needed to redetermine eligibility by the first day of the month that ends the eligibility period. If there is no change in circumstances, the enrollee may renew eligibility at designated locations that include community clinics and health care providers' offices. The designated sites shall forward the renewal forms to the commissioner. The commissioner may establish criteria and timelines for sites to forward applications to the commissioner or county agencies. The premium for the new period of eligibility must be received as provided in section 256L.06 in order for eligibility to continue.

(c) For single adults and households with no children formerly enrolled in general assistance medical care and enrolled in MinnesotaCare according to section 256D.03, subdivision 3, the first period of eligibility begins the month the enrollee submitted the application or renewal for general assistance medical care.

~~(d) An enrollee~~ Notwithstanding paragraph (e), an enrollee who fails to submit renewal forms and related documentation necessary for verification of continued eligibility in a timely manner shall remain eligible for one additional month beyond the end of the current eligibility period before being disenrolled. The enrollee remains responsible for MinnesotaCare premiums for the additional month.

(e) Children in families with family income equal to or below 275 percent of federal poverty guidelines who fail to submit renewal forms and related documentation necessary

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for verification of continued eligibility in a timely manner shall remain eligible for the program. The commissioner shall use the means described in subdivision 2 or any other means available to verify family income. If the commissioner determines that there has been a change in income in which premium payment is required to remain enrolled, the commissioner shall notify the family of the premium payment, and that the children will be disenrolled if the premium payment is not received effective the first day of the calendar month following the calendar month for which the premium is due.

(f) For children enrolled in MinnesotaCare under section 256L.07, subdivision 8, the first period of renewal begins the month the enrollee turns 21 years of age.

Sec. 6. Minnesota Statutes 2008, section 256L.07, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) Children enrolled in the original children's health plan as of September 30, 1992, children who enrolled in the MinnesotaCare program after September 30, 1992, pursuant to Laws 1992, chapter 549, article 4, section 17, and children who have family gross incomes that are equal to or less than ~~150~~ 200 percent of the federal poverty guidelines are eligible without meeting the requirements of subdivision 2 and the four-month requirement in subdivision 3, as long as they maintain continuous coverage in the MinnesotaCare program or medical assistance. ~~Children who apply for MinnesotaCare on or after the implementation date of the employer-subsidized health coverage program as described in Laws 1998, chapter 407, article 5, section 45, who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines, must meet the requirements of subdivision 2 to be eligible for MinnesotaCare.~~

~~Families~~ Parents enrolled in MinnesotaCare under section 256L.04, subdivision 1, whose income increases above 275 percent of the federal poverty guidelines, are no longer eligible for the program and shall be disenrolled by the commissioner. Beginning January 1, 2008, individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty guidelines or 250 percent of the federal poverty guidelines on or after July 1, 2009, are no longer eligible for the program and shall be disenrolled by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month following the month in which the commissioner determines that the income of a family or individual exceeds program income limits.

~~(b) Notwithstanding paragraph (a), Children may remain enrolled in MinnesotaCare if ten percent of their gross individual or gross family income as defined in section 256L.01, subdivision 4, is less than the annual premium for a policy with a \$500~~

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~~deductible available through the Minnesota Comprehensive Health Association. Children who are no longer eligible for MinnesotaCare under this clause shall be given a 12-month notice period from the date that ineligibility is determined before disenrollment greater than 275 percent of federal poverty guidelines.~~ The premium for children remaining eligible under this ~~clause~~ paragraph shall be the maximum premium determined under section 256L.15, subdivision 2, paragraph (b).

(c) Notwithstanding ~~paragraphs~~ paragraph (a) ~~and (b)~~, parents are not eligible for MinnesotaCare if gross household income exceeds \$57,500 for the 12-month period of eligibility.

Sec. 7. Minnesota Statutes 2008, section 256L.07, subdivision 2, is amended to read:

Subd. 2. **Must not have access to employer-subsidized coverage.** (a) To be eligible, a family or individual must not have access to subsidized health coverage through an employer and must not have had access to employer-subsidized coverage through a current employer for 18 months prior to application or reapplication. A family or individual whose employer-subsidized coverage is lost due to an employer terminating health care coverage as an employee benefit during the previous 18 months is not eligible.

(b) This subdivision does not apply to a family or individual who was enrolled in MinnesotaCare within six months or less of reapplication and who no longer has employer-subsidized coverage due to the employer terminating health care coverage as an employee benefit. This subdivision does not apply to children with family gross incomes that are equal to or less than 200 percent of federal poverty guidelines.

(c) For purposes of this requirement, subsidized health coverage means health coverage for which the employer pays at least 50 percent of the cost of coverage for the employee or dependent, or a higher percentage as specified by the commissioner. Children are eligible for employer-subsidized coverage through either parent, including the noncustodial parent. The commissioner must treat employer contributions to Internal Revenue Code Section 125 plans and any other employer benefits intended to pay health care costs as qualified employer subsidies toward the cost of health coverage for employees for purposes of this subdivision.

Sec. 8. Minnesota Statutes 2008, section 256L.07, subdivision 3, is amended to read:

Subd. 3. **Other health coverage.** (a) Families and individuals enrolled in the MinnesotaCare program must have no health coverage while enrolled ~~or for at least four months prior to application and renewal.~~ Children with family gross incomes equal to or greater than 200 percent of federal poverty guidelines, and adults, must have had no health

coverage for at least four months prior to application and renewal. Children enrolled in the original children's health plan and children in families with income equal to or less than ~~150~~ 200 percent of the federal poverty guidelines, who have other health insurance, are eligible if the coverage:

(1) lacks two or more of the following:

(i) basic hospital insurance;

(ii) medical-surgical insurance;

(iii) prescription drug coverage;

(iv) dental coverage; or

(v) vision coverage;

(2) requires a deductible of \$100 or more per person per year; or

(3) lacks coverage because the child has exceeded the maximum coverage for a particular diagnosis or the policy excludes a particular diagnosis.

The commissioner may change this eligibility criterion for sliding scale premiums in order to remain within the limits of available appropriations. The requirement of no health coverage does not apply to newborns.

(b) Medical assistance, general assistance medical care, and the Civilian Health and Medical Program of the Uniformed Service, CHAMPUS, or other coverage provided under United States Code, title 10, subtitle A, part II, chapter 55, are not considered insurance or health coverage for purposes of the four-month requirement described in this subdivision.

(c) For purposes of this subdivision, an applicant or enrollee who is entitled to Medicare Part A or enrolled in Medicare Part B coverage under title XVIII of the Social Security Act, United States Code, title 42, sections 1395c to 1395w-152, is considered to have health coverage. An applicant or enrollee who is entitled to premium-free Medicare Part A may not refuse to apply for or enroll in Medicare coverage to establish eligibility for MinnesotaCare.

(d) Applicants who were recipients of medical assistance or general assistance medical care within one month of application must meet the provisions of this subdivision and subdivision 2.

(e) Cost-effective health insurance that was paid for by medical assistance is not considered health coverage for purposes of the four-month requirement under this section, except if the insurance continued after medical assistance no longer considered it cost-effective or after medical assistance closed.

Sec. 9. Minnesota Statutes 2008, section 256L.07, is amended by adding a subdivision to read:

7.1 Subd. 8. **Automatic eligibility for certain children.** Any child who was residing in
7.2 foster care or a juvenile residential facility on the child's 18th birthday is automatically
7.3 deemed eligible for MinnesotaCare upon termination or release and exempt from the
7.4 requirements of this section until the child reaches the age of 21.

7.5 Sec. 10. Minnesota Statutes 2008, section 256L.15, subdivision 2, is amended to read:

7.6 Subd. 2. **Sliding fee scale; monthly gross individual or family income.** (a) The
7.7 commissioner shall establish a sliding fee scale to determine the percentage of monthly
7.8 gross individual or family income that households at different income levels must pay to
7.9 obtain coverage through the MinnesotaCare program. The sliding fee scale must be based
7.10 on the enrollee's monthly gross individual or family income. The sliding fee scale must
7.11 contain separate tables based on enrollment of one, two, or three or more persons. Until
7.12 June 30, 2009, the sliding fee scale begins with a premium of 1.5 percent of monthly gross
7.13 individual or family income for individuals or families with incomes below the limits for
7.14 the medical assistance program for families and children in effect on January 1, 1999, and
7.15 proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and
7.16 8.8 percent. These percentages are matched to evenly spaced income steps ranging from
7.17 the medical assistance income limit for families and children in effect on January 1, 1999,
7.18 to 275 percent of the federal poverty guidelines for the applicable family size, up to a
7.19 family size of five. The sliding fee scale for a family of five must be used for families of
7.20 more than five. The sliding fee scale and percentages are not subject to the provisions of
7.21 chapter 14. If a family or individual reports increased income after enrollment, premiums
7.22 shall be adjusted at the time the change in income is reported.

7.23 (b) Children in families whose gross income is above 275 percent of the federal
7.24 poverty guidelines shall pay the maximum premium. The maximum premium is defined
7.25 as a base charge for one, two, or three or more enrollees so that if all MinnesotaCare
7.26 cases paid the maximum premium, the total revenue would equal the total cost of
7.27 MinnesotaCare medical coverage and administration. In this calculation, administrative
7.28 costs shall be assumed to equal ten percent of the total. The costs of medical coverage
7.29 for pregnant women and children under age two and the enrollees in these groups shall
7.30 be excluded from the total. The maximum premium for two enrollees shall be twice the
7.31 maximum premium for one, and the maximum premium for three or more enrollees shall
7.32 be three times the maximum premium for one.

7.33 (c) Beginning July 1, 2009, MinnesotaCare enrollees shall pay premiums according
7.34 to the premium scale specified in paragraph (d) with the exception that children in families
7.35 with income at or below ~~150~~ 200 percent of the federal poverty guidelines shall pay

~~a monthly premium of \$4~~ no premiums. For purposes of paragraph (d), "minimum" means a monthly premium of \$4.

(d) The following premium scale is established for individuals and families with gross family incomes of 300 percent of the federal poverty guidelines or less:

Federal Poverty Guideline Range	Percent of Average Gross Monthly Income
0-45%	minimum
46-54%	1.1%
55-81%	1.6%
82-109%	2.2%
110-136%	2.9%
137-164%	3.6%
165-191%	4.6%
192-219%	5.6%
220-248%	6.5%
249-274%	7.2%
275-300%	8.0%

Sec. 11. Minnesota Statutes 2008, section 256L.15, subdivision 3, is amended to read:

Subd. 3. **Exceptions to sliding scale.** Children in families with income at or below ~~150~~ 200 percent of the federal poverty guidelines shall pay a ~~a no monthly premium of \$4~~ premiums.

Sec. 12. Minnesota Statutes 2008, section 256L.17, subdivision 5, is amended to read:

Subd. 5. **Exemption.** This section does not apply to pregnant women or children. For purposes of this subdivision, a woman is considered pregnant for 60 days postpartum.

Sec. 13. **[256L.23] OUTREACH TO FAMILIES WITH CHILDREN.**

(a) The commissioner shall mail postcards to families with children who have been identified through data-sharing efforts with the Department of Education and the Department of Revenue as having family income at or below 200 percent of federal poverty guidelines. The postcard must state that the family has been identified as a family with children who may be eligible for medical assistance or the MinnesotaCare program and that by signing and returning the postcard to the department, enrollment assistance will be provided, if determined eligible. Upon the return of the postcard, the department must contact the family and provide assistance in enrolling eligible family members into the applicable program.

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9.1 (b) The postcard shall include information on where the family can obtain an
9.2 application and application assistance for enrollment in the MinnesotaCare program.

9.3 Sec. 14. **FEDERAL APPROVAL.**

9.4 The commissioner of human services shall resubmit for federal approval the
9.5 following:

9.6 (1) the elimination of depreciation for self-employed farmers in determining income
9.7 eligibility for MinnesotaCare passed in Laws 2007, chapter 147, article 5, section 33; and

9.8 (2) extending for two months medical assistance eligibility for children under the
9.9 age of 19 and automatic MinnesotaCare eligibility until renewal passed in Laws 2007,
9.10 chapter 147, article 13, sections 1, 2, and 3.

9.11 Sec. 15. **REPEALER.**

9.12 Minnesota Statutes 2008, section 256L.17, subdivision 6, is repealed.

APPENDIX
Repealed Minnesota Statutes: 09-0847

256L.17 ASSET REQUIREMENT FOR MINNESOTACARE.

Subd. 6. **Waiver of maintenance of effort requirement.** Unless a federal waiver of the maintenance of effort requirements of section 2105(d) of title XXI of the Balanced Budget Act of 1997, Public Law 105-33, Statutes at Large, volume 111, page 251, is granted by the federal Department of Health and Human Services by September 30, 1998, this section does not apply to children. The commissioner shall publish a notice in the State Register upon receipt of a federal waiver.