

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 954

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Introduction and first reading
Referred to Health and Human Services Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to health care; waiving cost-sharing for medical assistance enrollees who
1.3 do not use tobacco products; creating a tobacco use premium surcharge in the
1.4 MinnesotaCare program; amending Minnesota Statutes 2020, sections 256B.0631,
1.5 subdivision 1, by adding a subdivision; 256L.15, by adding a subdivision.

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

1.7 Section 1. Minnesota Statutes 2020, section 256B.0631, subdivision 1, is amended to read:

1.8 Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical
1.9 assistance benefit plan shall include the following cost-sharing for all recipients, effective
1.10 for services provided on or after September 1, 2011:

1.11 (1) \$3 per nonpreventive visit, except as provided in paragraph (b). For purposes of this
1.12 subdivision, a visit means an episode of service ~~which~~ that is required because of a recipient's
1.13 symptoms, diagnosis, or established illness, and ~~which~~ that is delivered in an ambulatory
1.14 setting by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced
1.15 practice nurse, audiologist, optician, or optometrist. Co-payments must not apply to visits
1.16 that involve tobacco cessation treatments or services;

1.17 (2) \$3.50 for nonemergency visits to a hospital-based emergency room, except that this
1.18 co-payment shall be increased to \$20 upon federal approval;

1.19 (3) \$3 per brand-name drug prescription and \$1 per generic drug prescription, subject
1.20 to a \$12 per month maximum for prescription drug co-payments. ~~No~~ Co-payments ~~shall~~
1.21 must not apply to antipsychotic drugs when used for the treatment of mental illness or to
1.22 drugs used for tobacco cessation;

2.1 (4) a family deductible equal to \$2.75 per month per family and adjusted annually by
2.2 the percentage increase in the medical care component of the CPI-U for the period of
2.3 September to September of the preceding calendar year, rounded to the next higher five-cent
2.4 increment; and

2.5 (5) total monthly cost-sharing must not exceed five percent of family income. For
2.6 purposes of this paragraph, family income is the total earned and unearned income of the
2.7 individual and the individual's spouse, if the spouse is enrolled in medical assistance and
2.8 also subject to the five percent limit on cost-sharing. This paragraph does not apply to
2.9 premiums charged to individuals described under section 256B.057, subdivision 9.

2.10 (b) Recipients of medical assistance are responsible for all co-payments and deductibles
2.11 in this subdivision.

2.12 (c) Notwithstanding paragraph (b), the commissioner, through the contracting process
2.13 under sections 256B.69 and 256B.692, may allow managed care plans and county-based
2.14 purchasing plans to waive the family deductible under paragraph (a), clause (4). The value
2.15 of the family deductible shall not be included in the capitation payment to managed care
2.16 plans and county-based purchasing plans. Managed care plans and county-based purchasing
2.17 plans shall certify annually to the commissioner the dollar value of the family deductible.

2.18 (d) Notwithstanding paragraph (b), the commissioner may waive the collection of the
2.19 family deductible described under paragraph (a), clause (4), from individuals and allow
2.20 long-term care and waived service providers to assume responsibility for payment.

2.21 (e) Notwithstanding paragraph (b), the commissioner, through the contracting process
2.22 under section 256B.0756 shall allow the pilot program in Hennepin County to waive
2.23 co-payments. The value of the co-payments shall not be included in the capitation payment
2.24 amount to the integrated health care delivery networks under the pilot program.

2.25 Sec. 2. Minnesota Statutes 2020, section 256B.0631, is amended by adding a subdivision
2.26 to read:

2.27 Subd. 5. Tobacco abstinence cost-sharing exception. The cost-sharing and deductibles
2.28 described in subdivision 1 must be waived for non-tobacco users, and must only apply to
2.29 tobacco users. For purposes of this subdivision, a tobacco user is defined as an individual
2.30 who uses, four or more times per week within the past six months, any tobacco product.
2.31 Tobacco products include cigarettes, cigars, pipe tobacco, chewing tobacco, or snuff. Tobacco
2.32 products do not include the use of tobacco by an American Indian who meets the

3.1 requirements in Code of Federal Regulations, title 42, sections 447.51 and 447.56, as part
3.2 of a traditional Native American spiritual or cultural ceremony.

3.3 **EFFECTIVE DATE.** This section is effective July 1, 2021, or upon federal approval,
3.4 whichever is later. The commissioner of human services shall notify the revisor of statutes
3.5 when federal approval is obtained.

3.6 Sec. 3. Minnesota Statutes 2020, section 256L.15, is amended by adding a subdivision to
3.7 read:

3.8 Subd. 5. **Tobacco use premium surcharge.** (a) An enrollee who uses tobacco products
3.9 as defined in paragraph (e) and is not actively participating in a tobacco cessation program
3.10 must pay a tobacco premium surcharge in an amount that is equal to ten percent of the
3.11 enrollee's monthly premium. The tobacco use premium surcharge must be calculated on a
3.12 monthly basis and paid in accordance with section 256L.06. Nonpayment of the surcharge
3.13 may result in disenrollment.

3.14 (b) Enrollees who initially apply or renew enrollment in the MinnesotaCare program on
3.15 or after July 1, 2021, must attest as part of the application or renewal process whether the
3.16 enrollee is using tobacco products and if so, whether the enrollee is actively participating
3.17 in a tobacco cessation program. Upon request of the commissioner, the enrollee must provide
3.18 documentation verifying that the enrollee is actively participating in tobacco cessation.

3.19 (c) If an enrollee indicates on the initial application or at renewal that the enrollee does
3.20 not use tobacco or is using tobacco products but is actively participating in a tobacco
3.21 cessation program, and it is determined that the enrollee was using tobacco products and
3.22 was not actively participating in a tobacco cessation program during the period of enrollment,
3.23 the enrollee must pay the total amount of the tobacco use premium surcharge that the enrollee
3.24 would have been required to pay as a tobacco user during that enrollment period. If the
3.25 enrollee fails to pay the surcharge amount due, the enrollee may be disenrolled and the
3.26 unpaid amount may be subject to recovery by the commissioner.

3.27 (d) Nonpayment of the surcharge amount owed by the enrollee under paragraph (a) or
3.28 (c) shall result in disenrollment effective for the calendar month following the month for
3.29 which the surcharge was due. Disenrollment for nonpayment of the surcharge must meet
3.30 the requirements in section 256L.06, subdivision 3, paragraphs (d) and (e).

3.31 (e) For purposes of this subdivision, the use of tobacco products means the use of a
3.32 tobacco product four or more times per week within the past six months. Tobacco products
3.33 include the use of cigarettes, cigars, pipe tobacco, chewing tobacco, or snuff.

4.1 **EFFECTIVE DATE.** This section is effective July 1, 2021, or upon federal approval,
4.2 whichever is later. The commissioner of human services shall notify the revisor of statutes
4.3 when federal approval is obtained.

4.4 Sec. 4. **WAIVER REQUEST.**

4.5 The commissioner of human services must submit any federal waivers and approvals
4.6 necessary to implement this act. The commissioner must inform the chairs and ranking
4.7 minority members of the legislative committees with jurisdiction over health and human
4.8 services policy and finance when the waiver request is submitted with a copy of the submitted
4.9 waiver. The commissioner must also inform the chairs and ranking minority members of
4.10 any federal action regarding this request.