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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 5

01/08/2015 Authored by Mack, Daudt, Hoppe, Davids, Dean, M., and others  
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act  
1.2 relating to MNsure; requiring the commissioner of commerce to seek federal  
1.3 approval to allow the purchase of qualified health plans and the receipt of  
1.4 premium tax credits and cost-sharing reductions outside of MNsure; providing  
1.5 for compensation of managerial employees; removing certain exemptions;  
1.6 amending Minnesota Statutes 2014, sections 15A.0815, subdivision 2; 62V.03,  
1.7 subdivision 2; 62V.05, subdivision 1.

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

1.9 Section 1. **EXPANDED ACCESS TO QUALIFIED HEALTH PLANS AND**  
1.10 **SUBSIDIES.**

1.11 The commissioner of commerce, in consultation with the board of directors of  
1.12 MNsure and the MNsure legislative oversight committee, shall develop a proposal to  
1.13 allow individuals to purchase qualified health plans outside of MNsure directly from  
1.14 health plan companies and to allow eligible individuals to receive advanced premium tax  
1.15 credits and cost-sharing reductions when purchasing these health plans. The commissioner  
1.16 shall seek all federal waivers and approvals necessary to implement this proposal.  
1.17 The commissioner shall submit a draft proposal to the MNsure board and the MNsure  
1.18 legislative oversight committee at least 30 days before submitting a final proposal to the  
1.19 federal government and shall notify the board and legislative oversight committee of any  
1.20 federal decision or action related to the proposal.

1.21 Sec. 2. Minnesota Statutes 2014, section 15A.0815, subdivision 2, is amended to read:

1.22 Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision  
1.23 shall not exceed 133 percent of the salary of the governor. This limit must be adjusted  
1.24 annually on January 1. The new limit must equal the limit for the prior year increased

2.1 by the percentage increase, if any, in the Consumer Price Index for all urban consumers  
 2.2 from October of the second prior year to October of the immediately prior year. The  
 2.3 commissioner of management and budget must publish the limit on the department's Web  
 2.4 site. This subdivision applies to the following positions:

2.5 Commissioner of administration;  
 2.6 Commissioner of agriculture;  
 2.7 Commissioner of education;  
 2.8 Commissioner of commerce;  
 2.9 Commissioner of corrections;  
 2.10 Commissioner of health;  
 2.11 Commissioner, Minnesota Office of Higher Education;  
 2.12 Commissioner, Housing Finance Agency;  
 2.13 Commissioner of human rights;  
 2.14 Commissioner of human services;  
 2.15 Commissioner of labor and industry;  
 2.16 Commissioner of management and budget;  
 2.17 Executive director, MNsure;  
 2.18 Commissioner of natural resources;  
 2.19 Commissioner, Pollution Control Agency;  
 2.20 Executive director, Public Employees Retirement Association;  
 2.21 Commissioner of public safety;  
 2.22 Commissioner of revenue;  
 2.23 Executive director, State Retirement System;  
 2.24 Executive director, Teachers Retirement Association;  
 2.25 Commissioner of employment and economic development;  
 2.26 Commissioner of transportation; and  
 2.27 Commissioner of veterans affairs.

2.28 Sec. 3. Minnesota Statutes 2014, section 62V.03, subdivision 2, is amended to read:

2.29 Subd. 2. **Application of other law.** (a) MNsure must be reviewed by the legislative  
 2.30 auditor under section 3.971. The legislative auditor shall audit the books, accounts, and  
 2.31 affairs of MNsure once each year or less frequently as the legislative auditor's funds and  
 2.32 personnel permit. Upon the audit of the financial accounts and affairs of MNsure, MNsure  
 2.33 is liable to the state for the total cost and expenses of the audit, including the salaries paid  
 2.34 to the examiners while actually engaged in making the examination. The legislative  
 2.35 auditor may bill MNsure either monthly or at the completion of the audit. All collections

3.1 received for the audits must be deposited in the general fund and are appropriated to  
 3.2 the legislative auditor. Pursuant to section 3.97, subdivision 3a, the Legislative Audit  
 3.3 Commission is requested to direct the legislative auditor to report by March 1, 2014, to  
 3.4 the legislature on any duplication of services that occurs within state government as a  
 3.5 result of the creation of MNsure. The legislative auditor may make recommendations on  
 3.6 consolidating or eliminating any services deemed duplicative. The board shall reimburse  
 3.7 the legislative auditor for any costs incurred in the creation of this report.

3.8 (b) Board members of MNsure are subject to sections 10A.07 and 10A.09. Board  
 3.9 members and the personnel of MNsure are subject to section 10A.071.

3.10 (c) All meetings of the board shall comply with the open meeting law in chapter  
 3.11 13D, ~~except that:~~

3.12 ~~(1) meetings, or portions of meetings, regarding compensation negotiations with the~~  
 3.13 ~~director or managerial staff may be closed in the same manner and according to the same~~  
 3.14 ~~procedures identified in section 13D.03;~~

3.15 ~~(2) meetings regarding contract negotiation strategy may be closed in the same~~  
 3.16 ~~manner and according to the same procedures identified in section 13D.05, subdivision 3,~~  
 3.17 ~~paragraph (c); and~~

3.18 ~~(3) meetings, or portions of meetings, regarding not public data described in section~~  
 3.19 ~~62V.06, subdivision 3, and regarding trade secret information as defined in section 13.37,~~  
 3.20 ~~subdivision 1, paragraph (b), are closed to the public, but must otherwise comply with~~  
 3.21 ~~the procedures identified in chapter 13D.~~

3.22 (d) MNsure and provisions specified under this chapter are exempt from:

3.23 ~~(1) chapter 14, including section 14.386, except as specified in section 62V.05; and~~

3.24 ~~(2) chapters 16B and 16C, with the exception of sections 16C.08, subdivision 2,~~  
 3.25 ~~paragraph (b), clauses (1) to (8); 16C.086; 16C.09, paragraph (a), clauses (1) and (3),~~  
 3.26 ~~paragraph (b), and paragraph (c); and section 16C.16. However, MNsure, in consultation~~  
 3.27 ~~with the commissioner of administration, shall implement policies and procedures to~~  
 3.28 ~~establish an open and competitive procurement process for MNsure that, to the extent~~  
 3.29 ~~practicable, conforms to the principles and procedures contained in chapters 16B and 16C.~~  
 3.30 ~~In addition, MNsure may enter into an agreement with the commissioner of administration~~  
 3.31 ~~for other services.~~

3.32 (e) The board and the Web site are exempt from chapter 60K. Any employee of  
 3.33 MNsure who sells, solicits, or negotiates insurance to individuals or small employers must  
 3.34 be licensed as an insurance producer under chapter 60K.

3.35 (f) Section 3.3005 applies to any federal funds received by MNsure.

4.1 ~~(g) MNsure is exempt from the following sections in chapter 16E: 16E.01,~~  
 4.2 ~~subdivision 3, paragraph (b); 16E.03, subdivisions 3 and 4; 16E.04, subdivision 1,~~  
 4.3 ~~subdivision 2, paragraph (c), and subdivision 3, paragraph (b); 16E.0465; 16E.055;~~  
 4.4 ~~16E.145; 16E.15; 16E.16; 16E.17; 16E.18; and 16E.22.~~

4.5 ~~(h)~~ (g) A MNsure decision that requires a vote of the board, other than a decision  
 4.6 that applies only to hiring of employees or other internal management of MNsure, is an  
 4.7 "administrative action" under section 10A.01, subdivision 2.

4.8 Sec. 4. Minnesota Statutes 2014, section 62V.05, subdivision 1, is amended to read:

4.9 Subdivision 1. **General.** (a) The board shall operate MNsure according to this  
 4.10 chapter and applicable state and federal law.

4.11 (b) The board has the power to:

4.12 (1) employ personnel and delegate administrative, operational, and other  
 4.13 responsibilities to the director and other personnel as deemed appropriate by the board.  
 4.14 This authority is subject to chapters 43A and 179A. The director and managerial staff of  
 4.15 MNsure shall serve in the unclassified service ~~and shall be governed by a compensation~~  
 4.16 ~~plan prepared by the board, submitted to the commissioner of management and budget~~  
 4.17 ~~for review and comment within 14 days of its receipt, and approved by the Legislative~~  
 4.18 ~~Coordinating Commission and the legislature under section 3.855, except that section~~  
 4.19 ~~15A.0815, subdivision 5, paragraph (c), shall not apply. The director of MNsure shall not~~  
 4.20 ~~receive a salary increase on or after July 1, 2015, unless the increase is approved under~~  
 4.21 ~~the process specified in section 15A.0815, subdivision 5;~~

4.22 (2) establish the budget of MNsure;

4.23 (3) seek and accept money, grants, loans, donations, materials, services, or  
 4.24 advertising revenue from government agencies, philanthropic organizations, and public  
 4.25 and private sources to fund the operation of MNsure. No health carrier or insurance  
 4.26 producer shall advertise on MNsure;

4.27 (4) contract for the receipt and provision of goods and services;

4.28 (5) enter into information-sharing agreements with federal and state agencies and  
 4.29 other entities, provided the agreements include adequate protections with respect to  
 4.30 the confidentiality and integrity of the information to be shared, and comply with all  
 4.31 applicable state and federal laws, regulations, and rules, including the requirements of  
 4.32 section 62V.06; and

4.33 (6) exercise all powers reasonably necessary to implement and administer the  
 4.34 requirements of this chapter and the Affordable Care Act, Public Law 111-148.

5.1 (c) The board shall establish policies and procedures to gather public comment and  
5.2 provide public notice in the State Register.

5.3 (d) Within 180 days of enactment, the board shall establish bylaws, policies, and  
5.4 procedures governing the operations of MNsure in accordance with this chapter.

5.5 Sec. 5. **TRANSITION.**

5.6 The commissioner of management and budget must assign the positions of  
5.7 managerial employees of MNsure, other than the director, to salary ranges and salaries in  
5.8 the managerial plan, effective the first payroll period beginning on or after July 1, 2015.

5.9 Sec. 6. **EFFECTIVE DATE.**

5.10 Sections 1 to 5 are effective July 1, 2015.