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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 67

01/05/2017 Authored by Liebling, Thissen, Schultz, Halverson, Murphy, E., and others
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to health insurance; providing premium relief; appropriating money.

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

1.4 Section 1. DEFINITIONS.

1.5 Subdivision 1. Scope. For purposes of sections 1 to 5, the following terms have the
1.6 meanings given.

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

1.10 Subd. 3. Gross premium. "Gross premium" means the amount billed for a health plan
1.11 purchased by an eligible individual prior to a state premium subsidy, as defined in subdivision
1.12 5, in a calendar year.

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

1.15 Subd. 5. Premium subsidy. "Premium subsidy":

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

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

2.1 (3) is excluded from any calculation used to determine eligibility within any of the  
2.2 Department of Human Services programs.

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

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

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

2.10 Sec. 2. **PAYMENT TO HEALTH CARRIERS ON BEHALF OF ELIGIBLE**  
2.11 **INDIVIDUALS.**

2.12 Payments to health carriers are based upon the premium subsidy available to eligible  
2.13 individuals in the individual market, regardless of the cost of coverage purchased. Health  
2.14 carriers seeking reimbursement from the state must submit an invoice and supporting  
2.15 information to the commissioner in a form prescribed by the commissioner in order to be  
2.16 eligible for payment. Payments are made on behalf of eligible individuals effectuating  
2.17 coverage for calendar year 2017 and for the months in that year that the net premium amount  
2.18 has been received by the health carriers for that individual. Total state payments to health  
2.19 carriers are to be made within the scope of the available appropriation in section 3.

2.20 Sec. 3. **FUNDING.**

2.21 \$311,645,000 in fiscal year 2017 is appropriated to Minnesota Management and Budget  
2.22 from the health care access fund for the purposes of making payments as defined in section  
2.23 2. The commissioner shall prorate payments to the health carriers if necessary so as not to  
2.24 exceed the appropriation available. The appropriation is onetime and is available through  
2.25 June 30, 2018.

2.26 Sec. 4. **AUDIT.**

2.27 The Department of Commerce shall conduct audits of the health carriers' supporting  
2.28 data, as prescribed by the commissioner, to determine whether payments align with criteria  
2.29 established in sections 1 and 2. The Department of Human Services shall provide data as  
2.30 necessary to the Department of Commerce to complete the audit. All data collected for that  
2.31 purpose will be held as confidential and nonpublic. The commissioner shall withhold or  
2.32 charge back payments to the health carriers to the extent they do not align with the criteria

3.1 established in sections 1 and 2, as determined by the Department of Commerce. \$300,000  
3.2 in fiscal year 2017 is appropriated from the health care access fund to the Department of  
3.3 Commerce for purposes of this section, and to facilitate payments to health carriers. The  
3.4 appropriation is available until expended.

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

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

3.8 Sec. 6. **EFFECTIVE DATE.**

3.9 Sections 1 to 5 are effective the day following final enactment.