

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

**S.F. No. 1029**

(SENATE AUTHORS: WIKLUND and Port)

DATE  
02/15/2021

D-PG  
396

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; expanding eligibility for MinnesotaCare and establishing a public  
1.3 option; modifying enrollee premiums; modifying the definition of affordability  
1.4 for certain families; requiring an implementation plan and recommendations for  
1.5 an alternative delivery and payment system; amending Minnesota Statutes 2020,  
1.6 sections 256L.04, subdivisions 1c, 7a, 10, by adding a subdivision; 256L.07,  
1.7 subdivisions 1, 2; 256L.15, subdivision 2, by adding a subdivision.

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

1.9 Section 1. Minnesota Statutes 2020, section 256L.04, subdivision 1c, is amended to read:

1.10 Subd. 1c. **General requirements.** To be eligible for MinnesotaCare, a person must meet  
1.11 the eligibility requirements of this section. A person eligible for MinnesotaCare with an  
1.12 income less than or equal to 200 percent of the federal poverty guidelines shall not be  
1.13 considered a qualified individual under section 1312 of the Affordable Care Act, and is not  
1.14 eligible for enrollment in a qualified health plan offered through MNsure under chapter  
1.15 62V.

1.16 **EFFECTIVE DATE.** This section is effective January 1, 2022, or upon federal approval,  
1.17 whichever is later, subject to certification under section 11.

1.18 Sec. 2. Minnesota Statutes 2020, section 256L.04, subdivision 7a, is amended to read:

1.19 Subd. 7a. **Ineligibility.** Adults whose income is greater than the limits established under  
1.20 this section may not enroll in the MinnesotaCare program, except as provided in subdivision  
1.21 15 and section 256L.15, subdivision 5.

1.22 **EFFECTIVE DATE.** This section is effective January 1, 2022, or upon federal approval,  
1.23 whichever is later, subject to certification under section 11.

2.1 Sec. 3. Minnesota Statutes 2020, section 256L.04, subdivision 10, is amended to read:

2.2 Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is ~~limited~~  
2.3 available to citizens or nationals of the United States ~~and~~, lawfully present noncitizens as  
2.4 defined in Code of Federal Regulations, title 8, section 103.12-, and undocumented  
2.5 noncitizens ~~are ineligible for MinnesotaCare~~. For purposes of this subdivision, an  
2.6 undocumented noncitizen is an individual who resides in the United States without the  
2.7 approval or acquiescence of the United States Citizenship and Immigration Services. Families  
2.8 with children who are citizens or nationals of the United States must cooperate in obtaining  
2.9 satisfactory documentary evidence of citizenship or nationality according to the requirements  
2.10 of the federal Deficit Reduction Act of 2005, Public Law 109-171.

2.11 (b) Notwithstanding subdivisions 1 and 7, eligible persons include families and  
2.12 individuals who are lawfully present and ineligible for medical assistance by reason of  
2.13 immigration status and who have incomes equal to or less than 200 percent of federal poverty  
2.14 guidelines.

2.15 Sec. 4. Minnesota Statutes 2020, section 256L.04, is amended by adding a subdivision to  
2.16 read:

2.17 Subd. 15. **Persons eligible for public option.** Families and individuals with income  
2.18 above the maximum income eligibility limit specified in subdivision 1 or 7, who meet all  
2.19 other MinnesotaCare eligibility requirements, are eligible for MinnesotaCare. All other  
2.20 provisions of this chapter apply unless otherwise specified.

2.21 **EFFECTIVE DATE.** This section is effective January 1, 2022, or upon federal approval,  
2.22 whichever is later, subject to certification under section 11.

2.23 Sec. 5. Minnesota Statutes 2020, section 256L.07, subdivision 1, is amended to read:

2.24 Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare under  
2.25 section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under section  
2.26 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty  
2.27 guidelines, are no longer eligible for the program and shall be disenrolled by the  
2.28 commissioner, unless they continue MinnesotaCare enrollment through the public option  
2.29 under section 256L.04, subdivision 15, or receive an employer contribution toward  
2.30 MinnesotaCare premiums under section 256L.15, subdivision 5. For persons disenrolled  
2.31 under this subdivision, MinnesotaCare coverage terminates the last day of the calendar  
2.32 month in which the commissioner sends advance notice according to Code of Federal

3.1 Regulations, title 42, section 431.211, that indicates the income of a family or individual  
3.2 exceeds program income limits.

3.3 **EFFECTIVE DATE.** This section is effective January 1, 2022, or upon federal approval,  
3.4 whichever is later, subject to certification under section 11.

3.5 Sec. 6. Minnesota Statutes 2020, section 256L.07, subdivision 2, is amended to read:

3.6 Subd. 2. **Must not have access to employer-subsidized minimum essential**  
3.7 **coverage.** (a) To be eligible, a family or individual must not have access to subsidized health  
3.8 coverage that is affordable and provides minimum value as defined in Code of Federal  
3.9 Regulations, title 26, section 1.36B-2.

3.10 (b) Notwithstanding paragraph (a), an individual who has access to subsidized health  
3.11 coverage through a spouse's employer that is deemed minimum essential coverage under  
3.12 Code of Federal Regulations, title 26, section 1.36B-2, is eligible for MinnesotaCare if the  
3.13 portion of the annual premium the employee pays for employee and dependent coverage  
3.14 exceeds the required contribution percentage as described in Code of Federal Regulations,  
3.15 title 26, section 1.36B-2.

3.16 (c) This subdivision does not apply to a family or individual who: (1) no longer has  
3.17 employer-subsidized coverage due to the employer terminating health care coverage as an  
3.18 employee benefit; or (2) receives an employer contribution toward MinnesotaCare premiums  
3.19 under section 256L.15, subdivision 5.

3.20 Sec. 7. Minnesota Statutes 2020, section 256L.15, subdivision 2, is amended to read:

3.21 Subd. 2. **Sliding fee scale; monthly individual or family income.** (a) The commissioner  
3.22 shall establish a sliding fee scale to determine the percentage of monthly individual or family  
3.23 income that households at different income levels must pay to obtain coverage through the  
3.24 MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly  
3.25 individual or family income.

3.26 (b) Beginning January 1, 2014, through December 31, 2021, MinnesotaCare enrollees  
3.27 shall pay premiums according to the premium scale specified in paragraph (d).

3.28 (c) Paragraph (b) does not apply to:

3.29 (1) children 20 years of age or younger; and

3.30 (2) individuals with household incomes below 35 percent of the federal poverty  
3.31 guidelines.

4.1 (d) The following premium scale is established for each individual in the household who  
4.2 is 21 years of age or older and enrolled in MinnesotaCare:

4.3	<b>Federal Poverty Guideline</b>	<b>Less than</b>	<b>Individual Premium</b>
4.4	<b>Greater than or Equal to</b>		<b>Amount</b>
4.5	35%	55%	\$4
4.6	55%	80%	\$6
4.7	80%	90%	\$8
4.8	90%	100%	\$10
4.9	100%	110%	\$12
4.10	110%	120%	\$14
4.11	120%	130%	\$15
4.12	130%	140%	\$16
4.13	140%	150%	\$25
4.14	150%	160%	\$37
4.15	160%	170%	\$44
4.16	170%	180%	\$52
4.17	180%	190%	\$61
4.18	190%	200%	\$71
4.19	200%		\$80

4.20 (e) Effective January 1, 2022, MinnesotaCare enrollees enrolled under section 256L.04,  
4.21 subdivision 1 or 7, shall pay premiums according to the premium scale specified in paragraph

4.22 (h). The following persons are exempt from paying premiums under paragraph (h):

4.23 (1) persons 20 years of age or younger, with incomes not exceeding 200 percent of the  
4.24 federal poverty guidelines; and

4.25 (2) individuals with household incomes below 35 percent of the federal poverty  
4.26 guidelines.

4.27 (f) Beginning January 1, 2022, through December 31, 2022, the commissioner shall set  
4.28 per-person premiums for persons eligible through the public option under section 256L.04,  
4.29 subdivision 15, at a level sufficient to cover the full cost of benefits and program  
4.30 administration for that group. Persons 20 years of age or younger, with incomes not exceeding  
4.31 275 percent of the federal poverty guidelines, are exempt from paying premiums under this  
4.32 paragraph.

4.33 (g) Beginning January 1, 2023, persons eligible through the public option under section  
4.34 256L.04, subdivision 15, with household incomes not exceeding 400 percent of the federal  
4.35 poverty guidelines, shall pay premiums according to the premium scale specified in paragraph

5.1 (h). Persons 20 years of age or younger, with incomes not exceeding 275 percent of the  
 5.2 federal poverty guidelines, are exempt from paying premiums under paragraph (h).

5.3 (h) Per-person premium scale for households, effective January 1, 2022:

5.4	<u>Federal Poverty Guideline</u>	<u>Federal Poverty Guideline</u>	
5.5	<u>Percentage Greater than or</u>	<u>Percentage Less than or Equal</u>	
5.6	<u>Equal to</u>	<u>to</u>	<u>Per-Person Premium Amount</u>
5.7	<u>0</u>	<u>34</u>	<u>\$0</u>
5.8	<u>35</u>	<u>54</u>	<u>\$4</u>
5.9	<u>55</u>	<u>79</u>	<u>\$6</u>
5.10	<u>80</u>	<u>89</u>	<u>\$8</u>
5.11	<u>90</u>	<u>99</u>	<u>\$10</u>
5.12	<u>100</u>	<u>109</u>	<u>\$12</u>
5.13	<u>110</u>	<u>119</u>	<u>\$14</u>
5.14	<u>120</u>	<u>129</u>	<u>\$15</u>
5.15	<u>130</u>	<u>139</u>	<u>\$16</u>
5.16	<u>140</u>	<u>149</u>	<u>\$25</u>
5.17	<u>150</u>	<u>159</u>	<u>\$37</u>
5.18	<u>160</u>	<u>169</u>	<u>\$44</u>
5.19	<u>170</u>	<u>179</u>	<u>\$52</u>
5.20	<u>180</u>	<u>189</u>	<u>\$61</u>
5.21	<u>190</u>	<u>199</u>	<u>\$71</u>
5.22	<u>200</u>	<u>200</u>	<u>\$80</u>
5.23	<u>201</u>	<u>209</u>	<u>\$91</u>
5.24	<u>210</u>	<u>219</u>	<u>\$101</u>
5.25	<u>220</u>	<u>229</u>	<u>\$111</u>
5.26	<u>230</u>	<u>239</u>	<u>\$122</u>
5.27	<u>240</u>	<u>249</u>	<u>\$134</u>
5.28	<u>250</u>	<u>259</u>	<u>\$146</u>
5.29	<u>260</u>	<u>269</u>	<u>\$157</u>
5.30	<u>270</u>	<u>279</u>	<u>\$169</u>
5.31	<u>280</u>	<u>289</u>	<u>\$181</u>
5.32	<u>290</u>	<u>299</u>	<u>\$193</u>
5.33	<u>300</u>	<u>309</u>	<u>\$206</u>
5.34	<u>310</u>	<u>319</u>	<u>\$213</u>
5.35	<u>320</u>	<u>329</u>	<u>\$220</u>
5.36	<u>330</u>	<u>339</u>	<u>\$227</u>
5.37	<u>340</u>	<u>349</u>	<u>\$234</u>
5.38	<u>350</u>	<u>359</u>	<u>\$241</u>

6.1	<u>360</u>	<u>369</u>	<u>\$248</u>
6.2	<u>370</u>	<u>379</u>	<u>\$254</u>
6.3	<u>380</u>	<u>389</u>	<u>\$261</u>
6.4	<u>390</u>	<u>399</u>	<u>\$268</u>
6.5	<u>400</u>		<u>\$275</u>

6.6 Premiums under this paragraph are charged on a per-person basis, except that the total  
6.7 premium for households with two or more persons shall not exceed the required contribution  
6.8 percentage specified for their income level in the current required contribution table used  
6.9 for advance premium tax credits under United States Code, title 26, section 36B(b)(3)(A)(i),  
6.10 as indexed according to item (ii) of that section.

6.11 (i) Beginning January 1, 2023, for persons eligible through the public option under  
6.12 section 256L.04, subdivision 15, with household incomes greater than 400 percent of the  
6.13 federal poverty guidelines, the per-household premium shall be the highest of:

6.14 (1) the highest required contribution percentage specified in the current required  
6.15 contribution table used for advance premium tax credits under United States Code, title 26,  
6.16 section 36B(b)(3)(A)(i), as indexed according to item (ii) of that section; or

6.17 (2) 125 percent of the statewide gold premium for qualified health plan coverage through  
6.18 MNsure for covered household members.

6.19 **EFFECTIVE DATE.** This section is effective January 1, 2022, or upon federal approval,  
6.20 whichever is later, subject to certification under section 11.

6.21 Sec. 8. Minnesota Statutes 2020, section 256L.15, is amended by adding a subdivision to  
6.22 read:

6.23 Subd. 5. **Employer contribution.** (a) An employer with 50 or fewer employees may  
6.24 pay to the commissioner, as an employer contribution to employee health care costs, an  
6.25 amount up to the portion of an enrollee's MinnesotaCare premium for which the enrollee  
6.26 is financially responsible.

6.27 (b) An enrollee is eligible for MinnesotaCare under this subdivision without regard to  
6.28 any program income limit, but shall be financially responsible for premiums as specified  
6.29 in section 256L.15, subdivision 2, paragraphs (h) and (i).

6.30 (c) The commissioner shall establish a procedure through which employers can pay  
6.31 premium contributions for employees directly to the commissioner on an aggregate, monthly  
6.32 basis.

7.1 **EFFECTIVE DATE.** Paragraphs (a) and (c) are effective July 1, 2021. Paragraph (b)  
7.2 is effective January 1, 2022, or upon federal approval, whichever is later, subject to  
7.3 certification under section 11.

7.4 Sec. 9. **TRANSITION TO MINNESOTACARE PUBLIC OPTION.**

7.5 (a) The commissioner of human services shall continue to administer MinnesotaCare  
7.6 as a basic health program in accordance with Minnesota Statutes, section 256L.02,  
7.7 subdivision 5, and shall seek federal waivers, approvals, and law changes as required under  
7.8 section 10.

7.9 (b) The commissioner shall present an implementation plan for the MinnesotaCare public  
7.10 option under Minnesota Statutes, section 256L.04, subdivision 15, to the chairs and ranking  
7.11 minority members of the legislative committees with jurisdiction over health care policy  
7.12 and finance by December 15, 2021. The plan must include:

7.13 (1) recommendations for any changes to the MinnesotaCare public option necessary to  
7.14 continue federal basic health program funding or to receive other federal funding;

7.15 (2) recommendations for implementing Minnesota Statutes, section 256L.15, subdivision  
7.16 5, in a manner that would allow any employee premium contributions to be pretax;

7.17 (3) recommendations for increasing MinnesotaCare provider enrollment, including an  
7.18 analysis of the feasibility of requiring participation in MinnesotaCare as a condition for  
7.19 state licensure;

7.20 (4) estimates of state costs related to the MinnesotaCare public option; and

7.21 (5) draft legislation that includes any additional policy and conforming changes necessary  
7.22 to implement the MinnesotaCare public option and the implementation plan  
7.23 recommendations.

7.24 (c) The commissioner shall present to the chairs and ranking minority members of the  
7.25 legislative committees with jurisdiction over health care policy and finance by January 15,  
7.26 2022, recommendations for an alternative service delivery and payment system for  
7.27 MinnesotaCare. The recommendations must address:

7.28 (1) terminating managed care and county-based purchasing plan contracts under  
7.29 Minnesota Statutes, sections 256L.12 and 256L.121, effective January 1, 2024;

7.30 (2) delivering services beginning January 1, 2024, to MinnesotaCare enrollees eligible  
7.31 under Minnesota Statutes, section 256L.04, subdivisions 1, 7, and 15, through alternative  
7.32 delivery methods that may include but are not limited to expanding the use of integrated

8.1 health partnerships under Minnesota Statutes, section 256B.0755, and delivering care under  
8.2 fee-for-service through a primary care case management system; and

8.3 (3) reimbursing providers for high-quality, value-based care at levels sufficient to increase  
8.4 enrollee access to care, address racial and geographic inequities in the delivery of health  
8.5 care, and incentivize preventive care and other best practices.

8.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

8.7 Sec. 10. **REQUEST FOR FEDERAL APPROVAL.**

8.8 The commissioner of human services shall seek any federal waivers, approvals, and law  
8.9 changes necessary to implement this act, including but not limited to those waivers, approvals,  
8.10 and law changes necessary to allow:

8.11 (1) the state to continue to receive federal basic health program payments for basic health  
8.12 program eligible MinnesotaCare enrollees and to receive other federal funding for the  
8.13 MinnesotaCare public option; and

8.14 (2) MinnesotaCare enrollees with household incomes greater than 200 percent of the  
8.15 federal poverty guidelines to be eligible to receive advanced premium tax credits.

8.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

8.17 Sec. 11. **CONTINGENT EFFECTIVE DATE.**

8.18 Sections 1; 2; 4; 5; 7; and 8, paragraph (b); are effective January 1, 2022, or upon federal  
8.19 approval, whichever is later, but only if the commissioner of human services certifies to the  
8.20 legislature that implementation of those sections will not result in the loss of federal basic  
8.21 health program funding for MinnesotaCare enrollees with incomes not exceeding 200 percent  
8.22 of the federal poverty guidelines.