

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

S.F. No. 2765

(SENATE AUTHORS: KLEIN)

DATE
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OFFICIAL STATUS
Introduction and first reading
Referred to Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act
1.2 relating to health coverage; making changes to the premium subsidy program;
1.3 appropriating money.

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

1.5 Section 1. **DEFINITIONS.**

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

1.8 Subd. 2. **Board.** "Board" means the board of directors of MNsure specified in section
1.9 62V.04.

1.10 Subd. 3. **Eligible individual.** "Eligible individual" means a Minnesota resident who:

1.11 (1) is determined not eligible to receive an advance credit payment under Code of Federal
1.12 Regulations, title 26, section 1.36B-1(j), of the premium tax credit under Code of Federal
1.13 Regulations, title 26, section 1.36B-2, for a given month of coverage;

1.14 (2) is not enrolled in public program coverage under Minnesota Statutes, section 256B.055
1.15 or 256L.04; and

1.16 (3) purchased a qualified health plan through MNsure.

1.17 Subd. 4. **Gross premium.** "Gross premium" means the amount billed for a qualified
1.18 health plan purchased by an eligible individual prior to a premium subsidy or advanced
1.19 state-based tax credit being applied in a calendar year.

1.20 Subd. 5. **Health carrier.** "Health carrier" has the meaning given in Minnesota Statutes,
1.21 section 62A.011, subdivision 2.

2.1 Subd. 6. **MNsure.** "MNsure" means the state health benefit exchange as described in
2.2 section 1311 of the federal Patient Protection and Affordable Care Act, Public Law 111-148,
2.3 and Minnesota Statutes, chapter 62V.

2.4 Subd. 7. **Net premium.** "Net premium" means the gross premium less the premium
2.5 subsidy.

2.6 Subd. 8. **Premium subsidy.** "Premium subsidy":

2.7 (1) is a rebate payment to discount the cost of insurance for the promotion of general
2.8 welfare, and is not compensation for any services;

2.9 (2) is equal to 20 percent of the monthly gross premium otherwise paid by or on behalf
2.10 of the eligible individual for qualified health plan coverage purchased through MNsure that
2.11 covers the eligible individual and the eligible individual's covered spouse and covered
2.12 dependents; and

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

2.15 Subd. 9. **Qualified health plan.** "Qualified health plan" means a health plan that meets
2.16 the definition in section 1301(a) of the Affordable Care Act, Public Law 111-148, and has
2.17 been certified by the board in accordance with section 62V.05, subdivision 5, to be offered
2.18 through MNsure.

2.19 Sec. 2. **PAYMENT TO HEALTH CARRIERS ON BEHALF OF ELIGIBLE**
2.20 **INDIVIDUALS.**

2.21 Subdivision 1. **Program established.** The board shall establish and administer the
2.22 premium subsidy program authorized by this act to help eligible individuals pay for coverage
2.23 when purchasing qualified health plans through MNsure in plan year 2020 and in each
2.24 subsequent plan year for which an appropriation is approved.

2.25 Subd. 2. **Administration.** MNsure shall determine if an individual applying for coverage
2.26 through MNsure is an eligible individual. If so, MNsure shall calculate the proper amount
2.27 of the eligible individual's premium subsidy. MNsure shall notify the relevant health carrier
2.28 of the premium subsidy amount and direct the health carrier to deduct the premium subsidy
2.29 amount from the eligible individual's gross premium as a discount to the eligible individual's
2.30 qualified health plan premium.

2.31 Subd. 3. **Payments to health carriers.** (a) The board shall make payments to health
2.32 carriers equal to the amount of the premium subsidy discounts provided to eligible individuals

3.1 effectuating coverage for the months in which the individual has paid the net premium
3.2 amount to the health carrier. Payments to health carriers shall be based on the premium
3.3 subsidy provided on behalf of eligible individuals, regardless of the cost of coverage
3.4 purchased.

3.5 (b) Health carriers seeking reimbursement from the board must submit an invoice and
3.6 supporting information to the board using a format and method developed by the board in
3.7 order to be determined to be eligible for payment.

3.8 (c) The board shall consider health carriers as vendors under Minnesota Statutes, section
3.9 16A.124, subdivision 3, and each monthly invoice shall represent the completed delivery
3.10 of the service.

3.11 Subd. 4. **Data practices.** The data classifications in Minnesota Statutes, section 62V.06,
3.12 subdivision 3, apply to data on individuals applying for or receiving a premium subsidy
3.13 under this subdivision.

3.14 Subd. 5. **Data sharing.** Notwithstanding any law to the contrary, the board is permitted
3.15 to share or disseminate the data in subdivision 4 as described in Minnesota Statutes, section
3.16 62V.06, subdivision 5.

3.17 **Sec. 3. APPEALS.**

3.18 MNsure appeals are available for Minnesota residents for initial determinations and
3.19 redeterminations made by MNsure of eligibility for and level of premium subsidy and should
3.20 follow the procedures enumerated in Minnesota Rules, chapter 7700.

3.21 **Sec. 4. APPLICABILITY OF GROSS PREMIUM.**

3.22 Notwithstanding premium subsidies provided under section 2, the premium base for
3.23 calculating the amount of any applicable premium taxes under Minnesota Statutes, chapter
3.24 297I, shall be the gross premium for a qualified health plan purchased by eligible individuals
3.25 through MNsure.

3.26 **Sec. 5. APPROPRIATIONS.**

3.27 (a) Beginning in fiscal year 2020 and each fiscal year thereafter, an amount sufficient
3.28 to pay the premium subsidy for each plan is appropriated from the health care access fund
3.29 to the board for premium assistance under section 2.

3.30 (b) An additional \$8,052,000 in fiscal year 2020 is appropriated from the health care
3.31 access fund to the board for administration of the program. This appropriation is onetime.

4.1 Sec. 6. **TRANSFER.**

4.2 By August 30, 2020, the commissioner of commerce shall transfer \$281,483,000 from
4.3 the premium security plan account to the health care access fund. This is a onetime transfer.