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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **1986**

01/26/2012 Authored by Gottwalt

The bill was read for the first time and referred to the Committee on Health and Human Services Reform

02/29/2012 Adoption of Report: Pass as Amended and re-referred to the Committee on Health and Human Services Finance

1.1 A bill for an act
1.2 relating to human services; modifying eligibility for the healthy Minnesota
1.3 contribution program; amending Minnesota Statutes 2010, section 256L.07,
1.4 subdivision 3; Minnesota Statutes 2011 Supplement, sections 62E.14, subdivision
1.5 4g; 256L.031, subdivisions 1, 2, 3, 6.

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

1.7 Section 1. Minnesota Statutes 2011 Supplement, section 62E.14, subdivision 4g, is
1.8 amended to read:

1.9 Subd. 4g. **Waiver of preexisting conditions for persons covered by healthy**
1.10 **Minnesota contribution program.** A person may enroll in the comprehensive plan with
1.11 a waiver of the preexisting condition limitation in subdivision 3 if the person is eligible for
1.12 the healthy Minnesota contribution program, and has been denied coverage as described
1.13 under section 256L.031, subdivision 6. The six-month durational residency requirement
1.14 specified in section 62E.02, subdivision 13, does not apply to individuals enrolled in the
1.15 healthy Minnesota contribution program.

1.16 Sec. 2. Minnesota Statutes 2011 Supplement, section 256L.031, subdivision 1, is
1.17 amended to read:

1.18 Subdivision 1. **Defined contributions to enrollees.** (a) Beginning July 1, 2012, the
1.19 commissioner shall provide each MinnesotaCare enrollee eligible under section 256L.04,
1.20 subdivision 7, with family income equal to or greater than ~~200~~ 150 percent of the federal
1.21 poverty guidelines with a monthly defined contribution to purchase health coverage under
1.22 a health plan as defined in section 62A.011, subdivision 3.

2.1 (b) Enrollees eligible under this section shall not be charged premiums under
 2.2 section 256L.15 and are exempt from the managed care enrollment requirement of section
 2.3 256L.12.

2.4 (c) Sections 256L.03; 256L.05, subdivision 3; and 256L.11 do not apply to enrollees
 2.5 eligible under this section unless otherwise provided in this section. Covered services, cost
 2.6 sharing, disenrollment for nonpayment of premium, enrollee appeal rights and complaint
 2.7 procedures, and the effective date of coverage for enrollees eligible under this section shall
 2.8 be as provided under the terms of the health plan purchased by the enrollee.

2.9 (d) Unless otherwise provided in this section, all MinnesotaCare requirements
 2.10 related to eligibility, income and asset methodology, income reporting, and program
 2.11 administration, continue to apply to enrollees obtaining coverage under this section.

2.12 Sec. 3. Minnesota Statutes 2011 Supplement, section 256L.031, subdivision 2, is
 2.13 amended to read:

2.14 Subd. 2. **Use of defined contribution; health plan requirements.** (a) An enrollee
 2.15 may use up to the monthly defined contribution to pay premiums for coverage under
 2.16 a health plan as defined in section 62A.011, subdivision 3, or as provided in section
 2.17 256L.031, subdivision 6.

2.18 (b) An enrollee must select a health plan within ~~three~~ four calendar months of
 2.19 approval of MinnesotaCare eligibility. If a health plan is not selected and purchased
 2.20 within this time period, the enrollee must reapply and must meet all eligibility criteria.
 2.21 The commissioner may determine criteria under which an enrollee has more than four
 2.22 calendar months to select a health plan.

2.23 (c) ~~A health plan~~ Coverage purchased under this section must:

2.24 (1) ~~provide coverage for~~ include mental health and chemical dependency treatment
 2.25 services; and

2.26 (2) comply with the coverage limitations specified in section 256L.03, subdivision
 2.27 1, the second paragraph.

2.28 Sec. 4. Minnesota Statutes 2011 Supplement, section 256L.031, subdivision 3, is
 2.29 amended to read:

2.30 Subd. 3. **Determination of defined contribution amount.** (a) The commissioner
 2.31 shall determine the defined contribution sliding scale using the base contribution specified
 2.32 in ~~paragraph (b)~~ this paragraph for the specified age ranges. The commissioner shall use a
 2.33 sliding scale for defined contributions that provides:

3.1 (1) persons with household incomes equal to 150 percent of the federal poverty
3.2 guidelines with a defined contribution equal to 106 percent of the base contribution;

3.3 ~~(1)~~ (2) persons with household incomes equal to 200 percent of the federal poverty
3.4 guidelines with a defined contribution of 93 percent of the base contribution;

3.5 ~~(2)~~ (3) persons with household incomes equal to 250 percent of the federal poverty
3.6 guidelines with a defined contribution of 80 percent of the base contribution; and

3.7 ~~(3)~~ (4) persons with household incomes in evenly spaced increments between the
3.8 percentages of the federal poverty guideline or income level specified in clauses (1)
3.9 ~~and (2) to (3)~~ with a base contribution that is a percentage interpolated from the defined
3.10 contribution percentages specified in clauses (1) and (2) to (3).

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| 3.11 | 19-29 | \$125 |
| 3.12 | 30-34 | \$135 |
| 3.13 | 35-39 | \$140 |
| 3.14 | 40-44 | \$175 |
| 3.15 | 45-49 | \$215 |
| 3.16 | 50-54 | \$295 |
| 3.17 | 55-59 | \$345 |
| 3.18 | 60+ | \$360 |

3.19 (b) The commissioner shall multiply the defined contribution amounts developed
3.20 under paragraph (a) by 1.20 for enrollees who are denied coverage under an individual
3.21 health plan by a health plan company and who purchase coverage through the Minnesota
3.22 Comprehensive Health Association.

3.23 Sec. 5. Minnesota Statutes 2011 Supplement, section 256L.031, subdivision 6, is
3.24 amended to read:

3.25 Subd. 6. **Minnesota Comprehensive Health Association (MCHA).** Beginning
3.26 July 1, 2012, MinnesotaCare enrollees ~~who are denied coverage in the individual~~
3.27 ~~health market by a health plan company in accordance with section 62A.65~~ are eligible
3.28 for coverage through a health plan offered by the Minnesota Comprehensive Health
3.29 Association ~~and~~ may enroll in MCHA in accordance with section 62E.14. Any difference
3.30 between the revenue and actual covered losses to MCHA related to the implementation of
3.31 this section are appropriated annually to the commissioner of human services from the
3.32 health care access fund and shall be paid to MCHA.

3.33 Sec. 6. Minnesota Statutes 2010, section 256L.07, subdivision 3, is amended to read:

3.34 Subd. 3. **Other health coverage.** (a) Families and individuals enrolled in the
3.35 MinnesotaCare program must have no health coverage while enrolled or for at least four

4.1 months prior to application and renewal. Children enrolled in the original children's health
4.2 plan and children in families with income equal to or less than 150 percent of the federal
4.3 poverty guidelines, who have other health insurance, are eligible if the coverage:

4.4 (1) lacks two or more of the following:

4.5 (i) basic hospital insurance;

4.6 (ii) medical-surgical insurance;

4.7 (iii) prescription drug coverage;

4.8 (iv) dental coverage; or

4.9 (v) vision coverage;

4.10 (2) requires a deductible of \$100 or more per person per year; or

4.11 (3) lacks coverage because the child has exceeded the maximum coverage for a
4.12 particular diagnosis or the policy excludes a particular diagnosis.

4.13 The commissioner may change this eligibility criterion for sliding scale premiums
4.14 in order to remain within the limits of available appropriations. The requirement of no
4.15 health coverage does not apply to newborns.

4.16 (b) Coverage purchased as provided under section 256L.031, subdivision 2, medical
4.17 assistance, ~~general assistance medical care~~, and the Civilian Health and Medical Program
4.18 of the Uniformed Service, CHAMPUS, or other coverage provided under United States
4.19 Code, title 10, subtitle A, part II, chapter 55, are not considered insurance or health
4.20 coverage for purposes of the four-month requirement described in this subdivision.

4.21 (c) For purposes of this subdivision, an applicant or enrollee who is entitled to
4.22 Medicare Part A or enrolled in Medicare Part B coverage under title XVIII of the Social
4.23 Security Act, United States Code, title 42, sections 1395c to 1395w-152, is considered to
4.24 have health coverage. An applicant or enrollee who is entitled to premium-free Medicare
4.25 Part A may not refuse to apply for or enroll in Medicare coverage to establish eligibility
4.26 for MinnesotaCare.

4.27 (d) Applicants who were recipients of medical assistance ~~or general assistance~~
4.28 ~~medical care~~ within one month of application must meet the provisions of this subdivision
4.29 and subdivision 2.

4.30 (e) Cost-effective health insurance that was paid for by medical assistance is not
4.31 considered health coverage for purposes of the four-month requirement under this
4.32 section, except if the insurance continued after medical assistance no longer considered it
4.33 cost-effective or after medical assistance closed.