

State of Minnesota
HOUSE OF REPRESENTATIVES
EIGHTY-EIGHTH SESSION
H. F. No. 2006

02/25/2014 Authored by Dean, M.; Scott; Albright; Zerwas and Gruenhagen

The bill was read for the first time and referred to the Committee on Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act
1.2 relating to insurance; requiring that policy forms and premium rates for health
1.3 insurance coverage be submitted to, and approved by, the commissioner
1.4 of commerce or health and MNsure by specified dates; making premium
1.5 rates available to the public; requiring that MNsure funding and premium
1.6 assessment changes be authorized in law; requiring MNsure reports be provided
1.7 by an independent third party; amending Minnesota Statutes 2012, section
1.8 62A.02, subdivision 2; Minnesota Statutes 2013 Supplement, sections 62A.02,
1.9 subdivision 8; 62V.05, subdivision 2; 62V.07; 62V.08.

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

1.11 Section 1. Minnesota Statutes 2012, section 62A.02, subdivision 2, is amended to read:

1.12 Subd. 2. **Approval.** (a) The health plan form shall not be issued, nor shall any
1.13 application, rider, endorsement, or rate be used in connection with it, until the expiration
1.14 of 60 days after it has been filed unless the commissioner approves it before that time.

1.15 (b) Notwithstanding paragraph (a), a rate filed with respect to a policy of accident and
1.16 sickness insurance as defined in section 62A.01 by an insurer licensed under chapter 60A,
1.17 may be used on or after the date of filing with the commissioner. Rates that are not approved
1.18 or disapproved within the 60-day time period are deemed approved. This paragraph does
1.19 not apply to Medicare-related coverage as defined in section 62A.3099, subdivision 17.

1.20 (c) Health plans to be offered outside of MNsure for coverage to begin on or
1.21 after January 1, 2015, and each January 1 thereafter must receive rate approval from
1.22 the commissioner no later than September 1 of the preceding calendar year, beginning
1.23 September 1, 2014, and each September 1 thereafter. Premium rates for the next calendar
1.24 year must be made available to the public by the commissioner by September 1 of the
1.25 preceding calendar year.

Sec. 2. Minnesota Statutes 2013 Supplement, section 62A.02, subdivision 8, is amended to read:

Subd. 8. **Filing by health carriers for purposes of complying with the certification requirements of MNsure.** (a) No qualified health plan shall be offered through MNsure until its form and the premium rates pertaining to the form have been approved by the commissioner of commerce or health, as appropriate, and the health plan has been determined to comply with the certification requirements of MNsure in accordance with an agreement between the commissioners of commerce and health and MNsure.

(b) Qualified health plans to be offered through MNsure for coverage to begin January 1, 2015, and each January thereafter, must satisfy all requirements of paragraph (a) no later than September 1 of the preceding calendar year, beginning September 1, 2014, and each September 1 thereafter. Premium rates, and plan enrollment, for the next calendar year must be available to the public through MNsure by September 1 of the preceding calendar year.

Sec. 3. Minnesota Statutes 2013 Supplement, section 62V.05, subdivision 2, is amended to read:

Subd. 2. **Operations funding.** (a) Prior to January 1, 2015, MNsure shall retain or collect up to 1.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNsure to fund the cash reserves of MNsure, but the amount collected shall not exceed a dollar amount equal to 25 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.

(b) Beginning January 1, 2015, MNsure shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNsure to fund the operations of MNsure, but the amount collected shall not exceed a dollar amount equal to 50 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.

~~(c) Beginning January 1, 2016, MNsure shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNsure to fund the operations of MNsure, but the amount collected may never exceed a dollar amount greater than 100 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.~~ Beginning July 1, 2015, any change in the percent of total premiums collected or the percentage limit for funds collected under section 62E.11, subdivision 6, for calendar year 2012, must be approved in law.

(d) For fiscal years 2014 and 2015, the commissioner of management and budget is authorized to provide cash flow assistance of up to \$20,000,000 from the special revenue

fund or the statutory general fund under section 16A.671, subdivision 3, paragraph (a), to MNsure. Any funds provided under this paragraph shall be repaid, with interest, by June 30, 2015.

(e) Funding for the operations of MNsure shall cover any compensation provided to navigators participating in the navigator program.

Sec. 4. Minnesota Statutes 2013 Supplement, section 62V.07, is amended to read:

62V.07 FUNDS.

(a) The MNsure account is created in the special revenue fund of the state treasury. All funds received by MNsure shall be deposited in the account. ~~Funds in the account are appropriated to MNsure for the operation of MNsure.~~ Notwithstanding section 11A.20, all investment income and all investment losses attributable to the investment of the MNsure account not currently needed, shall be credited to the MNsure account.

(b) The budget submitted to the legislature under section 16A.11 must include budget information and budget requests for MNsure. Beginning July 1, 2015, funds for MNsure operations are available to the MNsure Board only to the extent they are appropriated in law.

Sec. 5. Minnesota Statutes 2013 Supplement, section 62V.08, is amended to read:

62V.08 REPORTS.

(a) MNsure shall contract with an independent third party to prepare and submit a report to the legislature by ~~January 15, 2015~~ September 1, 2014, and each ~~January 15~~ September 1 thereafter, on: (1) the performance of MNsure operations; (2) meeting MNsure responsibilities; (3) an accounting of MNsure budget activities; (4) practices and procedures that have been implemented to ensure compliance with data practices laws, and a description of any violations of data practices laws or procedures; and (5) the effectiveness of the outreach and implementation activities of MNsure in reducing the rate of uninsurance.

(b) MNsure must publish its administrative and operational costs on a Web site to educate consumers on those costs. All cost information published on the Web site must be audited and verified by an independent third party. The information published must include: (1) the amount of premiums and federal premium subsidies collected; (2) the amount and source of revenue received under section 62V.05, subdivision 1, paragraph (b), clause (3); (3) the amount and source of any other fees collected for purposes of supporting operations; and (4) any misuse of funds as identified in accordance with section 3.975. The Web site must be updated at least annually.

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