

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 4778

(SENATE AUTHORS: WIKLUND, Mann and Boldon)

| DATE | D-PG | OFFICIAL STATUS |
|------------|--------|--|
| 03/07/2024 | 12062 | Introduction and first reading Referred to Health and Human Services |
| 03/18/2024 | 12395a | Comm report: To pass as amended and re-refer to Commerce and Consumer Protection |

1.1 A bill for an act

1.2 relating to health; establishing the MinnesotaCare public option; expanding

1.3 eligibility for MinnesotaCare; establishing a premium scale for public option

1.4 enrollees; providing state-funded cost-sharing reductions; establishing a contingent

1.5 health insurance premium tax credit; requiring the commissioner of commerce to

1.6 seek a section 1332 waiver; appropriating money; amending Minnesota Statutes

1.7 2022, sections 62V.02, by adding subdivisions; 62V.03, subdivisions 1, 3; 62V.05,

1.8 subdivisions 3, 6, 11, by adding a subdivision; 62V.051; 62V.06, subdivision 4;

1.9 256L.01, by adding subdivisions; 256L.04, subdivisions 1c, 7a, by adding a

1.10 subdivision; 256L.07, subdivision 1; 256L.12, subdivision 7; 290.0122, subdivision

1.11 6; Minnesota Statutes 2023 Supplement, sections 62V.13, subdivision 3; 256L.03,

1.12 subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 62V;

1.13 256L.

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

1.15 Section 1. Minnesota Statutes 2022, section 62V.02, is amended by adding a subdivision

1.16 to read:

1.17 Subd. 7a. MinnesotaCare public option. "MinnesotaCare public option" or "public

1.18 option" has the meaning provided in section 256L.01, subdivision 5a.

1.19 EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval,

1.20 whichever is later. The commissioner of commerce shall notify the revisor of statutes when

1.21 federal approval is obtained.

1.22 Sec. 2. Minnesota Statutes 2022, section 62V.02, is amended by adding a subdivision to

1.23 read:

1.24 Subd. 7b. MinnesotaCare public option enrollee. "MinnesotaCare public option

1.25 enrollee" or "public option enrollee" has the meaning provided in section 256L.01,

1.26 subdivision 5b.

2.1 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
2.2 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
2.3 federal approval is obtained.

2.4 Sec. 3. Minnesota Statutes 2022, section 62V.03, subdivision 1, is amended to read:

2.5 Subdivision 1. **Creation.** MNsure is created as a board under section 15.012, paragraph
2.6 (a), to:

2.7 (1) promote informed consumer choice, innovation, competition, quality, value, market
2.8 participation, affordability, suitable and meaningful choices, health improvement, care
2.9 management, reduction of health disparities, and portability of health plans and the public
2.10 option;

2.11 (2) facilitate and simplify the comparison, choice, enrollment, and purchase of health
2.12 plans for individuals purchasing in the individual market through MNsure ~~and~~, for employees
2.13 and employers purchasing in the small group market through MNsure, and for individuals
2.14 purchasing the public option;

2.15 (3) assist small employers with access to small business health insurance tax credits and
2.16 to assist individuals with access to public health care programs, premium assistance tax
2.17 credits and cost-sharing reductions, and certificates of exemption from individual
2.18 responsibility requirements;

2.19 (4) facilitate the integration and transition of individuals between public health care
2.20 programs, including the public option, and health plans in the individual or group market
2.21 and develop processes that, to the maximum extent possible, provide for continuous coverage;
2.22 ~~and~~

2.23 (5) establish and modify as necessary a name and brand for MNsure based on market
2.24 studies that show maximum effectiveness in attracting the uninsured and motivating them
2.25 to take action-; and

2.26 (6) ensure simple, convenient, and understandable access to enrollment in the public
2.27 option through the MNsure website.

2.28 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
2.29 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
2.30 federal approval is obtained.

3.1 Sec. 4. Minnesota Statutes 2022, section 62V.03, subdivision 3, is amended to read:

3.2 Subd. 3. **Continued operation of a private marketplace.** (a) Nothing in this chapter
3.3 shall be construed to prohibit: (1) a health carrier from offering outside of MNsure a health
3.4 plan to a qualified individual or qualified employer; and (2) a qualified individual from
3.5 enrolling in, or a qualified employer from selecting for its employees, a health plan offered
3.6 outside of MNsure.

3.7 (b) Nothing in this chapter shall be construed to restrict the choice of a qualified individual
3.8 to enroll or not enroll in a qualified health plan, the public option, or to participate in MNsure.
3.9 Nothing in this chapter shall be construed to compel an individual to enroll in a qualified
3.10 health plan, the public option, or to participate in MNsure.

3.11 (c) For purposes of this subdivision, "qualified individual" and "qualified employer"
3.12 have the meanings given in section 1312 of the Affordable Care Act, Public Law 111-148,
3.13 and further defined through amendments to the act and regulations issued under the act.

3.14 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
3.15 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
3.16 federal approval is obtained.

3.17 Sec. 5. Minnesota Statutes 2022, section 62V.05, subdivision 3, is amended to read:

3.18 Subd. 3. **Insurance producers.** (a) By April 30, 2013, the board, in consultation with
3.19 the commissioner of commerce, shall establish certification requirements that must be met
3.20 by insurance producers in order to assist individuals and small employers with purchasing
3.21 coverage through MNsure. ~~Prior to January 1, 2015, the board may amend the requirements,~~
3.22 ~~only if necessary, due to a change in federal rules.~~

3.23 (b) Certification requirements under paragraph (a) shall not exceed the requirements
3.24 established under Code of Federal Regulations, title 45, ~~part~~ section 155.220. Certification
3.25 shall include training on health plans available through MNsure, available tax credits and
3.26 cost-sharing arrangements, compliance with privacy and security standards, eligibility
3.27 verification processes, online enrollment tools, and basic information on available public
3.28 health care programs. Training required for certification under this subdivision shall qualify
3.29 for continuing education requirements for insurance producers required under chapter 60K,
3.30 and must comply with course approval requirements under chapter 45.

3.31 (c) For enrollment in qualified health plans, producer compensation shall be established
3.32 by health carriers that provide health plans through MNsure. The structure of compensation

4.1 to insurance producers must be similar for health plans sold through MNsure and outside
4.2 MNsure.

4.3 (d) Any insurance producer compensation structure established by a health carrier for
4.4 the small group market must include compensation for defined contribution plans that
4.5 involve multiple health carriers. The compensation offered must be commensurate with
4.6 other small group market defined health plans.

4.7 (e) Any insurance producer assisting an individual or small employer with purchasing
4.8 coverage through MNsure must disclose, orally and in writing, to the individual or small
4.9 employer at the time of the first solicitation with the prospective purchaser the following:

4.10 (1) the health carriers and qualified health plans offered through MNsure that the producer
4.11 is authorized to sell, and that the producer may not be authorized to sell all the qualified
4.12 health plans offered through MNsure;

4.13 (2) that the producer may be receiving compensation from a health carrier for enrolling
4.14 the individual or small employer into a particular health plan; ~~and~~

4.15 (3) that information on all qualified health plans offered through MNsure and the public
4.16 option is available through the MNsure website; and

4.17 (4) that the producer may receive compensation from the state for enrolling an individual
4.18 in the public option.

4.19 For purposes of this paragraph, "solicitation" means any contact by a producer, or any person
4.20 acting on behalf of a producer made for the purpose of selling or attempting to sell coverage
4.21 through MNsure. If the first solicitation is made by telephone, the disclosures required under
4.22 this paragraph need not be made in writing, but the fact that disclosure has been made must
4.23 be acknowledged on the application.

4.24 (f) Beginning January 15, 2015, each health carrier that offers or sells qualified health
4.25 plans through MNsure shall report in writing to the board and the commissioner of commerce
4.26 the compensation and other incentives it offers or provides to insurance producers with
4.27 regard to each type of health plan the health carrier offers or sells both inside and outside
4.28 of MNsure. Each health carrier shall submit a report annually and upon any change to the
4.29 compensation or other incentives offered or provided to insurance producers.

4.30 (g) Nothing in this chapter shall prohibit an insurance producer from offering professional
4.31 advice and recommendations to a small group purchaser based upon information provided
4.32 to the producer.

5.1 (h) An insurance producer that offers health plans in the small group market shall notify
 5.2 each small group purchaser of which group health plans qualify for Internal Revenue Service
 5.3 approved section 125 tax benefits. The insurance producer shall also notify small group
 5.4 purchasers of state law provisions that benefit small group plans when the employer agrees
 5.5 to pay 50 percent or more of its employees' premium. Individuals who are eligible for
 5.6 cost-effective medical assistance will count toward the 75 percent participation requirement
 5.7 in section 62L.03, subdivision 3.

5.8 (i) Nothing in this subdivision shall be construed to limit the licensure requirements or
 5.9 regulatory functions of the commissioner of commerce under chapter 60K.

5.10 (j) The board may establish certification requirements that must be met by insurance
 5.11 producers in order to assist individuals with enrolling in the public option.

5.12 (k) Health carriers must pay an insurance producer a \$..... application assistance bonus
 5.13 for each applicant the insurance producer successfully enrolls in the public option.

5.14 **EFFECTIVE DATE.** This section is effective upon federal approval of the state's
 5.15 section 1332 waiver request to establish a public option. The commissioner of commerce
 5.16 shall notify the revisor of statutes when federal approval is obtained.

5.17 Sec. 6. Minnesota Statutes 2022, section 62V.05, subdivision 6, is amended to read:

5.18 Subd. 6. **Appeals.** (a) The board may conduct hearings, appoint hearing officers, and
 5.19 recommend final orders related to appeals of any MNsure determinations, except for those
 5.20 determinations identified in paragraph (d). An appeal by a health carrier regarding a specific
 5.21 certification or selection determination made by MNsure under subdivision 5 must be
 5.22 conducted as a contested case proceeding under chapter 14, with the report or order of the
 5.23 administrative law judge constituting the final decision in the case, subject to judicial review
 5.24 under sections 14.63 to 14.69. For other appeals, the board shall establish hearing processes
 5.25 which provide for a reasonable opportunity to be heard and timely resolution of the appeal
 5.26 and which are consistent with the requirements of federal law and guidance. An appealing
 5.27 party may be represented by legal counsel at these hearings, but this is not a requirement.

5.28 (b) MNsure may establish service-level agreements with state agencies to conduct
 5.29 hearings for appeals. Notwithstanding section 471.59, subdivision 1, a state agency is
 5.30 authorized to enter into service-level agreements for this purpose with MNsure.

5.31 (c) For proceedings under this subdivision, MNsure may be represented by an attorney
 5.32 who is an employee of MNsure.

6.1 (d) This subdivision does not apply to appeals of determinations where a state agency
6.2 hearing is available under section 256.045.

6.3 (e) An appellant aggrieved by an order of MNsure issued in an eligibility appeal, as
6.4 defined in Minnesota Rules, part 7700.0101, may appeal the order to the district court of
6.5 the appellant's county of residence by serving a written copy of a notice of appeal upon
6.6 MNsure and any other adverse party of record within 30 days after the date MNsure issued
6.7 the order, the amended order, or order affirming the original order, and by filing the original
6.8 notice and proof of service with the court administrator of the district court. Service may
6.9 be made personally or by mail; service by mail is complete upon mailing; no filing fee shall
6.10 be required by the court administrator in appeals taken pursuant to this subdivision. MNsure
6.11 shall furnish all parties to the proceedings with a copy of the decision and a transcript of
6.12 any testimony, evidence, or other supporting papers from the hearing held before the appeals
6.13 examiner within 45 days after service of the notice of appeal.

6.14 (f) Any party aggrieved by the failure of an adverse party to obey an order issued by
6.15 MNsure may compel performance according to the order in the manner prescribed in sections
6.16 586.01 to 586.12.

6.17 (g) Any party may obtain a hearing at a special term of the district court by serving a
6.18 written notice of the time and place of the hearing at least ten days prior to the date of the
6.19 hearing. The court may consider the matter in or out of chambers, and shall take no new or
6.20 additional evidence unless it determines that such evidence is necessary for a more equitable
6.21 disposition of the appeal.

6.22 (h) Any party aggrieved by the order of the district court may appeal the order as in
6.23 other civil cases. No costs or disbursements shall be taxed against any party nor shall any
6.24 filing fee or bond be required of any party.

6.25 (i) If MNsure or district court orders eligibility for qualified health plan coverage through
6.26 MNsure, the MinnesotaCare public option, the cost-sharing reduction under section 62V.12,
6.27 the premium subsidy under section 62V.14, or the premium tax credit under section 25 or
6.28 eligibility for federal advance payment of premium tax credits or cost-sharing reductions
6.29 contingent upon full payment of respective premiums, the premiums must be paid or provided
6.30 pending appeal to the district court, court of appeals, or supreme court. Provision of eligibility
6.31 by MNsure pending appeal does not render moot MNsure's position in a court of law.

6.32 **EFFECTIVE DATE.** This section is effective January 1, 2025.

7.1 Sec. 7. Minnesota Statutes 2022, section 62V.05, subdivision 11, is amended to read:

7.2 Subd. 11. **Prohibition on other product lines.** MNsure is prohibited from certifying,
7.3 selecting, or offering products and policies of coverage that do not meet the definition of
7.4 health plan or dental plan as provided in section 62V.02. Nothing in this subdivision prevents
7.5 the commissioner of human services from offering the public option on the MNsure website.

7.6 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
7.7 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
7.8 federal approval is obtained.

7.9 Sec. 8. Minnesota Statutes 2022, section 62V.05, is amended by adding a subdivision to
7.10 read:

7.11 Subd. 13. **MinnesotaCare public option.** The board has the powers and duties provided
7.12 in section 62V.15, with respect to the MinnesotaCare public option.

7.13 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
7.14 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
7.15 federal approval is obtained.

7.16 Sec. 9. Minnesota Statutes 2022, section 62V.051, is amended to read:

7.17 **62V.051 MNSURE; CONSUMER RETROACTIVE APPOINTMENT OF A**
7.18 **NAVIGATOR OR PRODUCER PERMITTED.**

7.19 Notwithstanding any other law or rule to the contrary, for up to six months after the
7.20 effective date of the qualified health plan or coverage under the public option, MNsure must
7.21 permit a qualified health plan policyholder or public option enrollee, who has not designated
7.22 a navigator or an insurance producer, to retroactively appoint a navigator or insurance
7.23 producer. In the case of a qualified health plan, MNsure must provide notice of the retroactive
7.24 appointment to the health carrier. The health carrier must retroactively pay commissions to
7.25 the insurance producer if the producer can demonstrate that they were certified by MNsure
7.26 at the time of the original enrollment, were appointed by the selected health carrier at the
7.27 time of the enrollment, and that an agent of record agreement was executed prior to or at
7.28 the time of the effective date of the policy. MNsure must adopt a standard form of agent of
7.29 record agreement for purposes of this section. In the case of the public option, MNsure must
7.30 provide notice of the retroactive appointment to the managed care or county-based purchasing
7.31 plan, and the plan must retroactively pay commissions to the insurance producer if the

8.1 producer can demonstrate they were certified by MNsure at the time of the original
 8.2 enrollment.

8.3 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
 8.4 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
 8.5 federal approval is obtained.

8.6 Sec. 10. Minnesota Statutes 2022, section 62V.06, subdivision 4, is amended to read:

8.7 Subd. 4. **Application and certification data.** (a) Data submitted by an insurance producer
 8.8 in an application for certification to sell a health plan or the public option through MNsure,
 8.9 or submitted by an applicant seeking permission or a commission to act as a navigator or
 8.10 in-person assister, are classified as follows:

8.11 (1) at the time the application is submitted, all data contained in the application are
 8.12 private data, as defined in section 13.02, subdivision 12, or nonpublic data as defined in
 8.13 section 13.02, subdivision 9, except that the name of the applicant is public; and

8.14 (2) upon a final determination related to the application for certification by MNsure, all
 8.15 data contained in the application are public, with the exception of trade secret data as defined
 8.16 in section 13.37.

8.17 (b) Data created or maintained by a government entity as part of the evaluation of an
 8.18 application are protected nonpublic data, as defined in section 13.02, subdivision 13, until
 8.19 a final determination as to certification is made and all rights of appeal have been exhausted.
 8.20 Upon a final determination and exhaustion of all rights of appeal, these data are public, with
 8.21 the exception of trade secret data as defined in section 13.37 and data subject to
 8.22 attorney-client privilege or other protection as provided in section 13.393.

8.23 (c) If an application is denied, the public data must include the criteria used by the board
 8.24 to evaluate the application and the specific reasons for the denial, and these data must be
 8.25 published on the MNsure website.

8.26 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
 8.27 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
 8.28 federal approval is obtained.

8.29 Sec. 11. **[62V.12] STATE-FUNDED COST-SHARING REDUCTIONS.**

8.30 Subdivision 1. **Establishment.** (a) The board must develop and administer a state-funded
 8.31 cost-sharing reduction program for eligible persons. The board must implement the
 8.32 cost-sharing reduction program for the period that begins January 1, 2025, and ends on the

9.1 last day of the plan year that precedes the first plan year for which public option coverage
 9.2 is available.

9.3 (b) For purposes of this section, an "eligible person" is an individual who:

9.4 (1) meets the eligibility criteria to receive a cost-sharing reduction under Code of Federal
 9.5 Regulations, title 45, section 155.305(g);

9.6 (2) is expected to have a household income above 200 percent of the federal poverty
 9.7 guidelines but that does not exceed 250 percent of the federal poverty guidelines, for the
 9.8 plan year for which coverage is requested; and

9.9 (3) enrolls in a silver level qualified health plan through MNsure.

9.10 Subd. 2. **Reduction in cost-sharing.** The cost-sharing reduction program must use state
 9.11 funds to reduce enrollee cost-sharing for eligible persons by increasing the actuarial value
 9.12 of silver level health plans for eligible persons beyond the 73 percent value established in
 9.13 Code of Federal Regulations, title 45, section 156.420(a)(3)(ii), to an actuarial value of 87
 9.14 percent.

9.15 Subd. 3. **Administration.** The board, when administering the program, must:

9.16 (1) allow eligible persons to enroll in a silver level health plan with a state-funded
 9.17 cost-sharing reduction;

9.18 (2) modify the MNsure shopping tool to display the total cost-sharing reduction benefit
 9.19 available to individuals eligible under this section; and

9.20 (3) reimburse health carriers on a quarterly basis for the cost to the health carrier of
 9.21 providing the state-funded cost-sharing reductions.

9.22 Subd. 4. **Appeals.** Eligibility for the cost-sharing reduction program is appealable to the
 9.23 MNsure board under this chapter and Minnesota Rules, chapter 7700.

9.24 Subd. 5. **Expiration.** This section expires on the first day of the first plan year for which
 9.25 public option coverage is available.

9.26 Sec. 12. Minnesota Statutes 2023 Supplement, section 62V.13, subdivision 3, is amended
 9.27 to read:

9.28 Subd. 3. **Outreach letter and special enrollment period.** (a) MNsure must provide a
 9.29 written letter of the projected assessment under subdivision 2 to a taxpayer who indicates
 9.30 to the commissioner of revenue that the taxpayer is interested in obtaining information on
 9.31 access to health insurance.

10.1 (b) MNsure must allow a special enrollment period for taxpayers who receive the outreach
 10.2 letter in paragraph (a) and are determined eligible to enroll in a qualified health plan through
 10.3 MNsure or in the public option. The triggering event for the special enrollment period is
 10.4 the day the outreach letter under this subdivision is mailed to the taxpayer. An eligible
 10.5 individual, and their dependents, have 65 days from the triggering event to select a qualifying
 10.6 health plan or the public option and coverage for the qualifying health plan or the public
 10.7 option is effective the first day of the month after plan selection.

10.8 (c) Taxpayers who have a member of the taxpayer's household currently enrolled in a
 10.9 qualified health plan through MNsure or in the public option are not eligible for the special
 10.10 enrollment under paragraph (b).

10.11 (d) MNsure must provide information to the general public about the easy enrollment
 10.12 health insurance outreach program and the special enrollment period described in this
 10.13 subdivision.

10.14 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
 10.15 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
 10.16 federal approval is obtained.

10.17 Sec. 13. **[62V.14] CONTINGENT SILVER PLAN PREMIUM SUBSIDY.**

10.18 **Subdivision 1. Definition; eligible individual.** For purposes of this section, "eligible
 10.19 individual" means an individual who has purchased a silver level qualified health plan
 10.20 through MNsure.

10.21 **Subd. 2. Premium subsidy program.** (a) The board must develop, implement, and
 10.22 administer a contingent premium subsidy program for plan year 2026 to help all eligible
 10.23 individuals pay their health plans' premiums.

10.24 (b) The board must establish written procedures to provide the subsidy payments to a
 10.25 health carrier for the benefit of eligible individuals enrolled in the carrier's silver level
 10.26 qualified health plan. Such procedures must require a health carrier to maintain sufficient
 10.27 records to demonstrate the carrier has applied the subsidy to the eligible individual's premium.

10.28 (c) The subsidy must be provided by MNsure to the eligible individual's health carrier
 10.29 pursuant to the procedures under paragraph (b) by the final day of every month the individual
 10.30 is an eligible individual. The subsidy provided each month must be \$30 per eligible
 10.31 individual.

10.32 (d) The MNsure website must reflect the subsidy when presenting premium payments
 10.33 for silver level qualified health plans.

11.1 Subd. 3. **Premium subsidy is contingent.** No premium subsidy is available under this
 11.2 section for the plan year unless the federal government has not extended for the plan year
 11.3 the expanded eligibility for premium tax credits for households with annual incomes above
 11.4 400 percent of the federal poverty guidelines initially established under the American Rescue
 11.5 Plan Act of 2021, Public Law 117-2.

11.6 Subd. 4. **Appeals.** Eligibility for the premium subsidy is appealable to the MNsure board
 11.7 under this chapter and Minnesota Rules, chapter 7700.

11.8 Subd. 5. **Expiration.** This section expires January 1, 2027.

11.9 **Sec. 14. [62V.15] PUBLIC OPTION; APPLICATION AND ENROLLMENT.**

11.10 Subdivision 1. **Public option application.** (a) An individual eligible for the public option
 11.11 must be able to enroll in the public option on the MNsure website.

11.12 (b) An individual must be able to apply for and, if eligible, enroll in the public option
 11.13 by completing the application for a qualified health plan with premium tax credits or
 11.14 cost-sharing reductions. An individual must provide information needed to confirm they
 11.15 are not eligible for medical assistance under chapter 256B or MinnesotaCare under chapter
 11.16 256L through an eligibility pathway other than the public option.

11.17 (c) MNsure must ensure that individuals interested in applying for a qualified health
 11.18 plan or the public option are able to compare coverage options in a simple, convenient, and
 11.19 understandable manner on the MNsure website. The website must present the coverage
 11.20 options in a comparable and standardized manner to the extent practicable.

11.21 (d) The MNsure website must include clear and conspicuous language stating that
 11.22 individuals can apply for the public option on the website.

11.23 Subd. 2. **Eligibility determinations.** (a) MNsure shall process all public option
 11.24 applications and make all eligibility determinations for the public option. MNsure shall
 11.25 make all public option eligibility determinations in accordance with section 256L.04,
 11.26 subdivision 15.

11.27 (b) Eligibility for the public option is appealable to the MNsure board under this chapter
 11.28 and Minnesota Rules, chapter 7700.

11.29 Subd. 3. **Administrative functions.** MNsure shall provide administrative functions to
 11.30 facilitate the offering of the public option by the commissioner of human services. These
 11.31 functions include but are not limited to marketing, call center operations, and certification

12.1 of insurance producers. MNsure may provide additional administrative functions as requested
12.2 by the commissioner of human services.

12.3 Subd. 4. **Diversion of resources.** MNsure may utilize existing resources, personnel, and
12.4 operations to carry out its duties under this section.

12.5 Subd. 5. **No limitation.** Nothing in this section limits the rights of MinnesotaCare public
12.6 option enrollees or the commissioner of human services under chapter 256L.

12.7 Subd. 6. **Contracting authorization.** The MNsure board may contract on a single-source
12.8 basis under section 16C.10, subdivision 1, with a third-party entity already providing
12.9 technical support to the board to develop and implement the technological requirements of
12.10 this section.

12.11 **EFFECTIVE DATE.** This section is effective upon federal approval of the state's
12.12 section 1332 waiver application to establish a public option. The commissioner of commerce
12.13 shall notify the revisor of statutes when federal approval is obtained.

12.14 Sec. 15. Minnesota Statutes 2022, section 256L.01, is amended by adding a subdivision
12.15 to read:

12.16 Subd. 5a. **MinnesotaCare public option.** "MinnesotaCare public option" or "public
12.17 option" means health coverage provided under section 256L.29.

12.18 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
12.19 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
12.20 federal approval is obtained.

12.21 Sec. 16. Minnesota Statutes 2022, section 256L.01, is amended by adding a subdivision
12.22 to read:

12.23 Subd. 5b. **MinnesotaCare public option enrollee.** "MinnesotaCare public option
12.24 enrollee" or "public option enrollee" means an individual enrolled in MinnesotaCare under
12.25 section 256L.04, subdivision 15.

12.26 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
12.27 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
12.28 federal approval is obtained.

13.1 Sec. 17. Minnesota Statutes 2023 Supplement, section 256L.03, subdivision 5, is amended
13.2 to read:

13.3 Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to
13.4 children under the age of 21 and to American Indians as defined in Code of Federal
13.5 Regulations, title 42, section 600.5-, but do apply to public option enrollees as provided in
13.6 section 256L.29.

13.7 (b) The commissioner must adjust co-payments, coinsurance, and deductibles for covered
13.8 services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent,
13.9 except as provided for public option enrollees under section 256L.29. The cost-sharing
13.10 changes described in this paragraph do not apply to eligible recipients or services exempt
13.11 from cost-sharing under state law. ~~The cost-sharing changes described in this paragraph~~
13.12 ~~shall not be implemented prior to January 1, 2016.~~

13.13 (c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements
13.14 for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations,
13.15 title 42, sections 600.510 and 600.520.

13.16 (d) Cost-sharing for prescription drugs and related medical supplies to treat chronic
13.17 disease must comply with the requirements of section 62Q.481.

13.18 (e) Co-payments, coinsurance, and deductibles do not apply to additional diagnostic
13.19 services or testing that a health care provider determines an enrollee requires after a
13.20 mammogram, as specified under section 62A.30, subdivision 5.

13.21 (f) Cost-sharing must not apply to drugs used for tobacco and nicotine cessation or to
13.22 tobacco and nicotine cessation services covered under section 256B.0625, subdivision 68.

13.23 (g) Co-payments, coinsurance, and deductibles do not apply to pre-exposure prophylaxis
13.24 (PrEP) and postexposure prophylaxis (PEP) medications when used for the prevention or
13.25 treatment of the human immunodeficiency virus (HIV).

13.26 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
13.27 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
13.28 federal approval is obtained.

13.29 Sec. 18. Minnesota Statutes 2022, section 256L.04, subdivision 1c, is amended to read:

13.30 Subd. 1c. **General requirements.** To be eligible for MinnesotaCare, a person must meet
13.31 the eligibility requirements of this section. A person eligible for MinnesotaCare shall with
13.32 an income less than or equal to 200 percent of the federal poverty guidelines must not be

14.1 considered a qualified individual under section 1312 of the Affordable Care Act, and is not
14.2 eligible for enrollment in a qualified health plan offered through MNsure under chapter
14.3 62V.

14.4 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
14.5 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
14.6 federal approval is obtained.

14.7 Sec. 19. Minnesota Statutes 2022, section 256L.04, subdivision 7a, is amended to read:

14.8 Subd. 7a. **Ineligibility.** Adults whose income is greater than the limits established under
14.9 this section may not enroll in the MinnesotaCare program, except as public option enrollees
14.10 under subdivision 15.

14.11 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
14.12 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
14.13 federal approval is obtained.

14.14 Sec. 20. Minnesota Statutes 2022, section 256L.04, is amended by adding a subdivision
14.15 to read:

14.16 Subd. 15. **Persons eligible for the public option.** (a) Families and individuals with
14.17 income above the maximum income eligibility limit specified in subdivision 1 or 7 who
14.18 meet all other MinnesotaCare eligibility requirements are eligible for the MinnesotaCare
14.19 public option, subject to the enrollment cap and additional requirements established under
14.20 section 256L.29. Families and individuals enrolled in the public option under this subdivision
14.21 are MinnesotaCare enrollees, and all provisions of this chapter applying generally to
14.22 MinnesotaCare enrollees apply to public option enrollees unless otherwise specified.

14.23 (b) Families and individuals may enroll in MinnesotaCare under this subdivision only
14.24 during an annual open enrollment period or special enrollment period, as designated by
14.25 MNsure in compliance with Code of Federal Regulations, title 45, sections 155.410 and
14.26 155.420.

14.27 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
14.28 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
14.29 federal approval is obtained.

15.1 Sec. 21. Minnesota Statutes 2022, section 256L.07, subdivision 1, is amended to read:

15.2 Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare under
15.3 section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under section
15.4 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty
15.5 guidelines, are no longer eligible for the program and ~~shall~~ must be disenrolled by the
15.6 commissioner, unless the individuals continue MinnesotaCare enrollment through the public
15.7 option. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates
15.8 the last day of the calendar month in which the commissioner sends advance notice according
15.9 to Code of Federal Regulations, title 42, section 431.211, that indicates the income of a
15.10 family or individual exceeds program income limits.

15.11 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
15.12 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
15.13 federal approval is obtained.

15.14 Sec. 22. Minnesota Statutes 2022, section 256L.12, subdivision 7, is amended to read:

15.15 Subd. 7. **Managed care plan vendor requirements.** The following requirements apply
15.16 to all counties or vendors who contract with the Department of Human Services to serve
15.17 MinnesotaCare recipients. Managed care plan contractors:

15.18 (1) shall authorize and arrange for the provision of the full range of services listed in
15.19 section 256L.03 in order to ensure appropriate health care is delivered to enrollees;

15.20 (2) shall accept the prospective, per capita payment or other contractually defined payment
15.21 from the commissioner in return for the provision and coordination of covered health care
15.22 services for eligible individuals enrolled in the program;

15.23 (3) may contract with other health care and social service practitioners to provide services
15.24 to enrollees;

15.25 (4) shall provide for an enrollee grievance process as required by the commissioner and
15.26 set forth in the contract with the department;

15.27 (5) shall retain all revenue from enrollee co-payments;

15.28 (6) shall accept all eligible MinnesotaCare enrollees, without regard to health status or
15.29 previous utilization of health services;

15.30 (7) shall demonstrate capacity to accept financial risk according to requirements specified
15.31 in the contract with the department. A health maintenance organization licensed under
15.32 chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required to

16.1 demonstrate financial risk capacity, beyond that which is required to comply with chapters
16.2 62C and 62D; ~~and~~

16.3 (8) shall submit information as required by the commissioner, including data required
16.4 for assessing enrollee satisfaction, quality of care, cost, and utilization of services; and

16.5 (9) shall reimburse health care providers for services provided to MinnesotaCare public
16.6 option enrollees at payment rates equal to or greater than the fee-for-service Medicare
16.7 payment rate for the same service, or for a similar service if the specific service is not
16.8 reimbursed under Medicare.

16.9 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
16.10 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
16.11 federal approval is obtained.

16.12 Sec. 23. **[256L.29] MINNESOTACARE PUBLIC OPTION.**

16.13 **Subdivision 1. MinnesotaCare requirements.** The public option is part of the
16.14 MinnesotaCare program and all provisions of this chapter apply to the public option, unless
16.15 otherwise specified. These provisions include but are not limited to those related to covered
16.16 health services under section 256L.03; eligibility of undocumented noncitizens under section
16.17 256L.04, subdivision 10; eligibility requirements under section 256L.07; and premium
16.18 payment methods under section 256L.15.

16.19 **Subd. 2. Application process and eligibility determination.** Individuals shall apply
16.20 for coverage under the public option as provided in section 62V.15. Enrollment in the public
16.21 option is limited to individuals eligible under section 256L.04, subdivision 15. The Board
16.22 of Directors of MNsure shall process public option applications and determine eligibility
16.23 for the public option as provided in section 62V.15.

16.24 **Subd. 3. Premium scale.** Public option enrollees shall pay premiums for individual or
16.25 family coverage, as applicable, according to the following premium scale:

| | <u>Household Income as Percentage of Federal Poverty Guidelines</u> | | |
|-------|--|-----------------------------|---|
| | <u>Greater Than or Equal to</u> | <u>Not Exceeding</u> | <u>Required Premium Contribution as Percentage of Household Income</u> |
| 16.26 | | | |
| 16.27 | | | |
| 16.28 | | | |
| 16.29 | | | |
| 16.30 | | | |
| 16.31 | <u>201%</u> | <u>250%</u> | <u>4.88%</u> |
| 16.32 | <u>251%</u> | <u>300%</u> | <u>6.38%</u> |
| 16.33 | <u>301%</u> | <u>400%</u> | <u>7.88%</u> |
| 16.34 | <u>401%</u> | <u>500%</u> | <u>8.5%</u> |

| | | | |
|------|----------------------|-------------------|--------------|
| 17.1 | <u>501%</u> | <u>550%</u> | <u>9.01%</u> |
| 17.2 | <u>551% and over</u> | <u>No maximum</u> | <u>10%</u> |

17.3 Subd. 4. **Cost-sharing.** (a) Public option enrollees are subject to the MinnesotaCare
 17.4 cost-sharing requirements established under section 256L.03, subdivision 5, except that:

17.5 (1) cost-sharing applies to all public option enrollees and there are no exemptions from
 17.6 cost-sharing for specific groups of individuals, including but not limited to: (i) children
 17.7 under age 21; (ii) pregnant women; and (iii) American Indians as defined in Code of Federal
 17.8 Regulations, title 42, section 600.5, who have incomes greater than or equal to 300 percent
 17.9 of the federal poverty guidelines;

17.10 (2) the commissioner shall set cost-sharing for public option enrollees at an actuarial
 17.11 value of 94 percent, except that the actuarial value for public option enrollees with household
 17.12 incomes above 400 percent of the federal poverty guidelines may be lower than 94 percent;

17.13 (3) the deductibles specified in paragraph (b) apply; and

17.14 (4) out-of-pocket maximums for public option enrollees must not exceed those outlined
 17.15 in Code of Federal Regulations, title 45, section 156.130.

17.16 (b) Public option enrollees are subject to the following annual deductibles:

17.17 (1) for household incomes 401 percent to 500 percent of federal poverty guidelines,
 17.18 \$500;

17.19 (2) for household incomes 501 percent to 600 percent of federal poverty guidelines,
 17.20 \$1,000; and

17.21 (3) for household incomes 601 percent of federal poverty guidelines or above, \$1,500.

17.22 (c) No annual deductible applies to public option enrollees with household incomes not
 17.23 exceeding 400 percent of the federal poverty guidelines.

17.24 Subd. 5. **Enrollment limits.** Enrollment in the public option is subject to the following
 17.25 limits:

17.26 (1) for the 2027 plan year, no enrollment limit for individuals with household incomes
 17.27 not exceeding 400 percent of the federal poverty guidelines, and a limit of 10,000 enrollments
 17.28 for individuals with household incomes exceeding 400 percent of the federal poverty
 17.29 guidelines;

17.30 (2) for the 2028 plan year, no enrollment limit for individuals with household incomes
 17.31 not exceeding 550 percent of the federal poverty guidelines, and a limit of 15,000 enrollments

18.1 for individuals with household incomes exceeding 550 percent of the federal poverty
18.2 guidelines; and

18.3 (3) for the 2029 plan year and subsequent plan years, no enrollment limit.

18.4 Subd. 6. **Contracting and service delivery.** (a) The commissioner may contract with
18.5 managed care and county-based purchasing plans for the delivery of services to public
18.6 option enrollees using a procurement process that is separate and unique from that used to
18.7 contract for the delivery of services to MinnesotaCare enrollees who are not public option
18.8 enrollees.

18.9 (b) The commissioner shall establish public option participation requirements for managed
18.10 care and county-based purchasing plans. Public option enrollees are not considered
18.11 MinnesotaCare enrollees for the purpose of the participation requirement specified in section
18.12 256B.0644.

18.13 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
18.14 whichever is later. The commissioner of commerce shall notify the revisor of statutes when
18.15 federal approval is obtained.

18.16 Sec. 24. Minnesota Statutes 2022, section 290.0122, subdivision 6, is amended to read:

18.17 Subd. 6. **Medical expenses.** A taxpayer is allowed a deduction for medical expenses.
18.18 The deduction equals the amount allowed under section 213 of the Internal Revenue Code,
18.19 except that the threshold percentage of adjusted gross income in paragraph (a) is ten percent
18.20 regardless of the federal percentage for the taxable year. For taxable years beginning after
18.21 December 31, 2025, and before January 1, 2028, no deduction is allowed for amounts paid
18.22 for insurance premiums used to claim the credit under section 25.

18.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
18.24 31, 2025, and before January 1, 2028.

18.25 Sec. 25. **CONTINGENT HEALTH INSURANCE PREMIUM TAX CREDIT.**

18.26 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
18.27 the meanings given.

18.28 (b) "Commissioner" means the commissioner of revenue.

18.29 (c) "Eligible taxpayer" means a taxpayer who:

19.1 (1) is not eligible for a premium tax credit under Code of Federal Regulations, title 26,
19.2 section 1.36B-2, due to having household income in excess of 400 percent of the federal
19.3 poverty guidelines for the taxpayer's family size for the taxable year; and

19.4 (2) has purchased a qualified health plan through MNsure.

19.5 (d) "MNsure" has the meaning given in Minnesota Statutes, section 62V.02, subdivision
19.6 8.

19.7 (e) "Premium" means the amount paid for a qualified health plan in a taxable year.

19.8 (f) "Qualified health plan" has the meaning given in Minnesota Statutes, section 62V.02,
19.9 subdivision 11.

19.10 Subd. 2. **Credit allowed.** (a) Except as provided in subdivision 4, for taxable years
19.11 beginning after December 31, 2025, and before January 1, 2028, an eligible taxpayer is
19.12 allowed a credit against the tax imposed by Minnesota Statutes, chapter 290, equal to 20
19.13 percent of the premiums paid for a qualified health plan purchased through MNsure.

19.14 (b) For a part-year resident taxpayer, the credit must be allocated based on the percentage
19.15 calculated under Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e).

19.16 Subd. 3. **Credit refundable; method of claiming.** (a) If the amount of the credit a
19.17 taxpayer is eligible to receive under this section exceeds the taxpayer's liability for tax under
19.18 Minnesota Statutes, chapter 290, the commissioner shall refund the excess to the taxpayer.

19.19 (b) The commissioner, in consultation with the chief executive officer of MNsure, shall
19.20 prescribe the form and manner in which the credit must be claimed.

19.21 Subd. 4. **Credit contingent.** A credit under this section is only allowed for a taxable
19.22 year described in subdivision 2 if the Minnesota premium security plan under Minnesota
19.23 Statutes, section 62E.23, or a substantially similar plan, is not funded at any level by the
19.24 legislature for that taxable year.

19.25 Subd. 5. **Appeals.** Eligibility for the credit is appealable to the commissioner of revenue.

19.26 Subd. 6. **Appropriation.** The amount necessary to pay the refunds under this section is
19.27 appropriated annually for the taxable years described in subdivision 2 to the commissioner
19.28 of revenue.

19.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
19.30 31, 2025, and before January 1, 2028.

20.1 **Sec. 26. REQUEST FOR FEDERAL WAIVER.**

20.2 (a) The commissioner of commerce, in cooperation with the commissioner of human
 20.3 services and the Board of Directors of MNsure, shall submit a section 1332 waiver pursuant
 20.4 to United States Code, title 42, section 18052, to the Secretary of Health and Human Services,
 20.5 to obtain federal approval to implement this act. The commissioner of commerce shall also
 20.6 seek through the waiver federal approval for the state to:

20.7 (1) continue receiving federal Medicaid payments for Medicaid-eligible individuals and
 20.8 federal basic health program payments for basic health program-eligible MinnesotaCare
 20.9 individuals; and

20.10 (2) receive federal pass-through funding equal to the value of premium tax credits and
 20.11 cost-sharing reductions that MinnesotaCare public option enrollees with household incomes
 20.12 greater than 200 percent of the federal poverty guidelines would otherwise have received.

20.13 (b) The commissioner of commerce is authorized to contract for any analyses,
 20.14 certification, data, or other information required to complete the section 1332 waiver
 20.15 application in accordance with Code of Federal Regulations, title 33, part 108; Code of
 20.16 Federal Regulations, title 155, part 1308; and any other applicable federal law. The
 20.17 commissioner must cooperate with the federal government to obtain waiver approval under
 20.18 this section, and may provide any information the commissioner determines to be necessary
 20.19 and advisable for waiver approval to the Secretary of Health and Human Services and the
 20.20 Secretary of the Treasury.

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

20.22 **Sec. 27. APPROPRIATIONS.**

20.23 Subdivision 1. **MNsure board.** (a) \$..... in fiscal year 2025 is appropriated from the
 20.24 general fund to the Board of Directors of MNsure for the premium subsidy program under
 20.25 Minnesota Statutes, section 62V.14. This is a onetime appropriation and is available until
 20.26 January 1, 2027.

20.27 (b) \$..... in fiscal year 2025 is appropriated from the general fund to the Board of
 20.28 Directors of MNsure to provide state-funded cost-sharing reductions under Minnesota
 20.29 Statutes, section 62V.12. This is a onetime appropriation and available until January 1,
 20.30 2027.

20.31 (c) \$..... in fiscal year 2025 is appropriated from the general fund to the Board of
 20.32 Directors of MNsure for technology costs related to the development and implementation

21.1 of the public option application and enrollment process. This is a onetime appropriation
21.2 and is available through June 30, 2028.

21.3 (d) The general fund base in fiscal year 2027 for the Board of Directors of MNsure for
21.4 public awareness and marketing initiatives related to the public option is \$1,000,000.

21.5 Subd. 2. **Commissioner of human services.** \$..... in fiscal year 2025 is appropriated
21.6 from the general fund to the commissioner of human services to develop and implement
21.7 the public option.

21.8 Subd. 3. **Commissioner of commerce.** \$..... in fiscal year 2025 is appropriated from
21.9 the general fund to the commissioner of commerce to develop and submit a waiver application
21.10 to the federal government to implement the public option. This is a onetime appropriation
21.11 and is available until January 1, 2027.