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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 419

01/23/2017 Authored by Schultz, Thissen, Nelson and Bly
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act
1.2 relating to human services; increasing the MinnesotaCare income limit; modifying
1.3 MinnesotaCare premiums and cost-sharing; requiring the commissioner of human
1.4 services to seek federal waivers; amending Minnesota Statutes 2016, sections
1.5 256L.02, by adding a subdivision; 256L.03, subdivision 5; 256L.04, subdivisions
1.6 1, 7; 256L.07, subdivision 1; 256L.15, subdivision 2.

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

1.8 Section 1. Minnesota Statutes 2016, section 256L.02, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 7. Federal waivers. (a) The commissioner shall apply for an innovation waiver
1.11 under section 1332 of the Affordable Care Act, or any applicable federal waiver, to allow
1.12 the state to:

1.13 (1) expand the MinnesotaCare program as a basic health program to include persons
1.14 with incomes up to 275 percent of the federal poverty guidelines;

1.15 (2) modify MinnesotaCare premiums and cost-sharing; and

1.16 (3) receive for all MinnesotaCare enrollees, including but not limited to those with
1.17 incomes greater than 133 percent but not exceeding 275 percent of the federal poverty
1.18 guidelines, the full amount of advanced premium tax credits and cost-sharing reductions
1.19 that these persons would have otherwise received if the persons obtained qualified health
1.20 plan coverage through MNsure.

1.21 (b) The commissioner shall apply for a federal waiver under section 1115 of the Social
1.22 Security Act to receive a federal match for services provided to all MinnesotaCare enrollees,

2.1 including but not limited to those with incomes greater than 133 percent but not exceeding  
2.2 275 percent of the federal poverty guidelines.

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

2.4 Sec. 2. Minnesota Statutes 2016, section 256L.03, subdivision 5, is amended to read:

2.5 Subd. 5. **Cost-sharing.** (a) Except as otherwise provided in this subdivision, the  
2.6 MinnesotaCare benefit plan shall include the following cost-sharing requirements for all  
2.7 enrollees:

2.8 (1) \$3 per prescription for adult enrollees;

2.9 (2) \$25 for eyeglasses for adult enrollees;

2.10 (3) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an  
2.11 episode of service which is required because of a recipient's symptoms, diagnosis, or  
2.12 established illness, and which is delivered in an ambulatory setting by a physician or  
2.13 physician assistant, chiropractor, podiatrist, nurse midwife, advanced practice nurse,  
2.14 audiologist, optician, or optometrist;

2.15 (4) \$6 for nonemergency visits to a hospital-based emergency room for services provided  
2.16 through December 31, 2010, and \$3.50 effective January 1, 2011; and

2.17 (5) a family deductible equal to \$2.75 per month per family and adjusted annually by  
2.18 the percentage increase in the medical care component of the CPI-U for the period of  
2.19 September to September of the preceding calendar year, rounded to the next-higher five  
2.20 cent increment.

2.21 (b) Paragraph (a) does not apply to children under the age of 21 and to American Indians  
2.22 as defined in Code of Federal Regulations, title 42, section 447.51.

2.23 (c) Paragraph (a), clause (3), does not apply to mental health services.

2.24 (d) MinnesotaCare reimbursements to fee-for-service providers and payments to managed  
2.25 care plans or county-based purchasing plans shall not be increased as a result of the reduction  
2.26 of the co-payments in paragraph (a), clause (4), effective January 1, 2011.

2.27 (e) The commissioner, through the contracting process under section 256L.12, may  
2.28 allow managed care plans and county-based purchasing plans to waive the family deductible  
2.29 under paragraph (a), clause (5). The value of the family deductible shall not be included in  
2.30 the capitation payment to managed care plans and county-based purchasing plans. Managed  
2.31 care plans and county-based purchasing plans shall certify annually to the commissioner  
2.32 the dollar value of the family deductible.

3.1 (f) The commissioner shall increase co-payments for covered services in a manner  
 3.2 sufficient to reduce the actuarial value of the benefit to 94 percent for recipients with incomes  
 3.3 not exceeding 200 percent of the federal poverty guidelines. The commissioner shall increase  
 3.4 co-payments for covered services in a manner sufficient to reduce the actuarial value of the  
 3.5 benefit to 87 percent for recipients with incomes greater than 200 percent but not exceeding  
 3.6 250 percent of the federal poverty guidelines. The commissioner shall increase co-payments  
 3.7 for covered services in a manner sufficient to reduce the actuarial value of the benefit to 73  
 3.8 percent for recipients with incomes greater than 250 percent but not exceeding 275 percent  
 3.9 of the federal poverty guidelines. The cost-sharing changes described in this paragraph do  
 3.10 not apply to eligible recipients or services exempt from cost-sharing under state law. ~~The~~  
 3.11 ~~cost-sharing changes described in this paragraph shall not be implemented prior to January~~  
 3.12 ~~1, 2016.~~

3.13 (g) The cost-sharing changes authorized under paragraph (f) must satisfy the requirements  
 3.14 for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations,  
 3.15 title 42, sections 600.510 and 600.520.

3.16 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon the effective  
 3.17 date of federal approval of the waivers requested under Minnesota Statutes, section 256L.02,  
 3.18 subdivision 7, whichever is later. The commissioner of human services shall notify the  
 3.19 revisor of statutes when federal approval is obtained.

3.20 Sec. 3. Minnesota Statutes 2016, section 256L.04, subdivision 1, is amended to read:

3.21 Subdivision 1. **Families with children.** Families with children with family income  
 3.22 above 133 percent of the federal poverty guidelines and equal to or less than ~~200~~ 275 percent  
 3.23 of the federal poverty guidelines for the applicable family size shall be eligible for  
 3.24 MinnesotaCare according to this section. All other provisions of sections 256L.01 to 256L.18  
 3.25 shall apply unless otherwise specified. Children under age 19 with family income at or  
 3.26 below ~~200~~ 275 percent of the federal poverty guidelines and who are ineligible for medical  
 3.27 assistance by sole reason of the application of federal household composition rules for  
 3.28 medical assistance are eligible for MinnesotaCare.

3.29 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon the effective  
 3.30 date of federal approval of the waivers requested under Minnesota Statutes, section 256L.02,  
 3.31 subdivision 7, whichever is later. The commissioner of human services shall notify the  
 3.32 revisor of statutes when federal approval is obtained.

4.1 Sec. 4. Minnesota Statutes 2016, section 256L.04, subdivision 7, is amended to read:

4.2 Subd. 7. **Single adults and households with no children.** The definition of eligible  
4.3 persons includes all individuals and families with no children who have incomes that are  
4.4 above 133 percent and equal to or less than ~~200~~ 275 percent of the federal poverty guidelines  
4.5 for the applicable family size.

4.6 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon the effective  
4.7 date of federal approval of the waivers requested under Minnesota Statutes, section 256L.02,  
4.8 subdivision 7, whichever is later. The commissioner of human services shall notify the  
4.9 revisor of statutes when federal approval is obtained.

4.10 Sec. 5. Minnesota Statutes 2016, section 256L.07, subdivision 1, is amended to read:

4.11 Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare under  
4.12 section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under section  
4.13 256L.04, subdivision 7, whose income increases above ~~200~~ 275 percent of the federal  
4.14 poverty guidelines, are no longer eligible for the program and shall be disenrolled by the  
4.15 commissioner. For persons disenrolled under this subdivision, MinnesotaCare coverage  
4.16 terminates the last day of the calendar month in which the commissioner sends advance  
4.17 notice according to Code of Federal Regulations, title 42, section 431.211, that indicates  
4.18 the income of a family or individual exceeds program income limits.

4.19 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon the effective  
4.20 date of federal approval of the waivers requested under Minnesota Statutes, section 256L.02,  
4.21 subdivision 7, whichever is later. The commissioner of human services shall notify the  
4.22 revisor of statutes when federal approval is obtained.

4.23 Sec. 6. Minnesota Statutes 2016, section 256L.15, subdivision 2, is amended to read:

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

4.29 (b) Beginning January 1, 2014, MinnesotaCare enrollees shall pay premiums according  
4.30 to the premium scale specified in paragraph (d).

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

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

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

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

5.5	<b>Federal Poverty Guideline</b>	<b>Less than</b>	<b>Individual Premium</b>
5.6	<b>Greater than or Equal to</b>		<b>Amount</b>
5.7	35%	55%	\$4
5.8	55%	80%	\$6
5.9	80%	90%	\$8
5.10	90%	100%	\$10
5.11	100%	110%	\$12
5.12	110%	120%	\$14
5.13	120%	130%	\$15
5.14	130%	140%	\$16
5.15	140%	150%	\$25
5.16	150%	160%	\$29
5.17	160%	170%	\$33
5.18	170%	180%	\$38
5.19	180%	190%	\$43
5.20	190%		\$50

5.21 (e) The commissioner shall extend the premium scale specified in paragraph (d) to  
5.22 include individuals with incomes greater than 200 percent but not exceeding 275 percent  
5.23 of the federal poverty guidelines, such that individuals with incomes at 201 percent of the  
5.24 federal poverty guidelines shall pay 4.40 percent of income, individuals with incomes at  
5.25 250 percent of the federal poverty guidelines shall pay 7.24 percent of income, and  
5.26 individuals with incomes at 275 percent of the federal poverty guidelines shall pay 8.83  
5.27 percent of income. The commissioner shall set other premium amounts in a proportional  
5.28 manner using evenly spaced income steps.

5.29 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon the effective  
5.30 date of federal approval of the waivers requested under Minnesota Statutes, section 256L.02,  
5.31 subdivision 7, whichever is later. The commissioner of human services shall notify the  
5.32 revisor of statutes when federal approval is obtained.