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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4745

03/07/2024 Authored by Long, Hortman, Reyer, Stephenson, Finke and others
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
03/18/2024 Adoption of Report: Amended and re-referred to the Committee on Health Finance and Policy

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; requiring the commissioner of commerce to seek a section 1332 waiver;
1.5 appropriating money; amending Minnesota Statutes 2022, sections 62V.02, by
1.6 adding subdivisions; 62V.03, subdivisions 1, 3; 62V.05, subdivisions 3, 6, 11, by
1.7 adding a subdivision; 62V.051; 62V.06, subdivision 4; 256L.01, by adding
1.8 subdivisions; 256L.04, subdivisions 1c, 7a, by adding a subdivision; 256L.07,
1.9 subdivision 1; 256L.12, subdivision 7; Minnesota Statutes 2023 Supplement,
1.10 sections 62V.13, subdivision 3; 256L.03, subdivision 5; proposing coding for new
1.11 law in Minnesota Statutes, chapters 62V; 256L.

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

1.13 Section 1. Minnesota Statutes 2022, section 62V.02, is amended by adding a subdivision
1.14 to read:

1.15 Subd. 7a. MinnesotaCare public option. "MinnesotaCare public option" or "public
1.16 option" has the meaning provided in section 256L.01, subdivision 5a.

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

1.20 Sec. 2. Minnesota Statutes 2022, section 62V.02, is amended by adding a subdivision to
1.21 read:

1.22 Subd. 7b. MinnesotaCare public option enrollee. "MinnesotaCare public option
1.23 enrollee" or "public option enrollee" has the meaning provided in section 256L.01,
1.24 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, or eligibility for federal advance payment of
6.27 premium tax credits or cost-sharing reductions contingent upon full payment of respective
6.28 premiums, the premiums must be paid or provided pending appeal to the district court, court
6.29 of appeals, or supreme court. Provision of eligibility by MNsure pending appeal does not
6.30 render moot MNsure's position in a court of law.

6.31 **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. Minnesota Statutes 2023 Supplement, section 62V.13, subdivision 3, is amended
8.30 to read:

8.31 Subd. 3. **Outreach letter and special enrollment period.** (a) MNsure must provide a
8.32 written letter of the projected assessment under subdivision 2 to a taxpayer who indicates

9.1 to the commissioner of revenue that the taxpayer is interested in obtaining information on
9.2 access to health insurance.

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

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

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

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

9.19 **Sec. 12. [62V.15] PUBLIC OPTION; APPLICATION AND ENROLLMENT.**

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

9.22 (b) An individual must be able to apply for and, if eligible, enroll in the public option
9.23 by completing the application for a qualified health plan with premium tax credits or
9.24 cost-sharing reductions. An individual must provide information needed to confirm they
9.25 are not eligible for medical assistance under chapter 256B or MinnesotaCare under chapter
9.26 256L through an eligibility pathway other than the public option.

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

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

10.1 Subd. 2. **Eligibility determinations.** (a) MNsure shall process all public option
10.2 applications and make all eligibility determinations for the public option. MNsure shall
10.3 make all public option eligibility determinations in accordance with section 256L.04,
10.4 subdivision 15.

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

10.7 Subd. 3. **Administrative functions.** MNsure shall provide administrative functions to
10.8 facilitate the offering of the public option by the commissioner of human services. These
10.9 functions include but are not limited to marketing, call center operations, and certification
10.10 of insurance producers. MNsure may provide additional administrative functions as requested
10.11 by the commissioner of human services.

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

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

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

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

10.23 Sec. 13. Minnesota Statutes 2022, section 256L.01, is amended by adding a subdivision
10.24 to read:

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

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

11.1 Sec. 14. Minnesota Statutes 2022, section 256L.01, is amended by adding a subdivision
11.2 to read:

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

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

11.9 Sec. 15. Minnesota Statutes 2023 Supplement, section 256L.03, subdivision 5, is amended
11.10 to read:

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

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

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

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

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

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

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

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

12.7 Sec. 16. Minnesota Statutes 2022, section 256L.04, subdivision 1c, is amended to read:

12.8 Subd. 1c. **General requirements.** To be eligible for MinnesotaCare, a person must meet
12.9 the eligibility requirements of this section. A person eligible for MinnesotaCare ~~shall~~ with
12.10 an income less than or equal to 200 percent of the federal poverty guidelines must not be
12.11 considered a qualified individual under section 1312 of the Affordable Care Act, and is not
12.12 eligible for enrollment in a qualified health plan offered through MNsure under chapter
12.13 62V.

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

12.17 Sec. 17. Minnesota Statutes 2022, section 256L.04, subdivision 7a, is amended to read:

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

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

12.24 Sec. 18. Minnesota Statutes 2022, section 256L.04, is amended by adding a subdivision
12.25 to read:

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

13.1 (b) Families and individuals may enroll in MinnesotaCare under this subdivision only
13.2 during an annual open enrollment period or special enrollment period, as designated by
13.3 MNsure in compliance with Code of Federal Regulations, title 45, sections 155.410 and
13.4 155.420.

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

13.8 Sec. 19. Minnesota Statutes 2022, section 256L.07, subdivision 1, is amended to read:

13.9 Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare under
13.10 section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under section
13.11 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty
13.12 guidelines, are no longer eligible for the program and ~~shall~~ must be disenrolled by the
13.13 commissioner, unless the individuals continue MinnesotaCare enrollment through the public
13.14 option. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates
13.15 the last day of the calendar month in which the commissioner sends advance notice according
13.16 to Code of Federal Regulations, title 42, section 431.211, that indicates the income of a
13.17 family or individual exceeds program income limits.

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

13.21 Sec. 20. Minnesota Statutes 2022, section 256L.12, subdivision 7, is amended to read:

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

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

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

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

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

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

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

14.6 (7) shall demonstrate capacity to accept financial risk according to requirements specified
14.7 in the contract with the department. A health maintenance organization licensed under
14.8 chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required to
14.9 demonstrate financial risk capacity, beyond that which is required to comply with chapters
14.10 62C and 62D; ~~and~~

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

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

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

14.20 Sec. 21. **[256L.29] MINNESOTACARE PUBLIC OPTION.**

14.21 Subdivision 1. **MinnesotaCare requirements.** The public option is part of the
14.22 MinnesotaCare program and all provisions of this chapter apply to the public option, unless
14.23 otherwise specified. These provisions include but are not limited to those related to covered
14.24 health services under section 256L.03; eligibility of undocumented noncitizens under section
14.25 256L.04, subdivision 10; eligibility requirements under section 256L.07; and premium
14.26 payment methods under section 256L.15.

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

15.1 Subd. 3. Premium scale. Public option enrollees shall pay premiums for individual or
 15.2 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>
<u>201%</u>	<u>250%</u>	<u>4.88%</u>
<u>251%</u>	<u>300%</u>	<u>6.38%</u>
<u>301%</u>	<u>400%</u>	<u>7.88%</u>
<u>401%</u>	<u>500%</u>	<u>8.5%</u>
<u>501%</u>	<u>550%</u>	<u>9.01%</u>
<u>551% and over</u>	<u>No maximum</u>	<u>10%</u>

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

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

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

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

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

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

15.28 (1) for household incomes 401 percent to 500 percent of federal poverty guidelines,
 15.29 \$500;

15.30 (2) for household incomes 501 percent to 600 percent of federal poverty guidelines,
 15.31 \$1,000; and

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

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

16.1 Subd. 5. Enrollment limits. Enrollment in the public option is subject to the following
16.2 limits:

16.3 (1) for the 2027 plan year, no enrollment limit for individuals with household incomes
16.4 not exceeding 400 percent of the federal poverty guidelines, and a limit of 10,000 enrollments
16.5 for individuals with household incomes exceeding 400 percent of the federal poverty
16.6 guidelines;

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

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

16.12 Subd. 6. Contracting and service delivery. (a) The commissioner may contract with
16.13 managed care and county-based purchasing plans for the delivery of services to public
16.14 option enrollees using a procurement process that is separate and unique from that used to
16.15 contract for the delivery of services to MinnesotaCare enrollees who are not public option
16.16 enrollees.

16.17 (b) The commissioner shall establish public option participation requirements for managed
16.18 care and county-based purchasing plans. Public option enrollees are not considered
16.19 MinnesotaCare enrollees for the purpose of the participation requirement specified in section
16.20 256B.0644.

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

16.24 Sec. 22. REQUEST FOR FEDERAL WAIVER.

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

16.30 (1) continue receiving federal Medicaid payments for Medicaid-eligible individuals and
16.31 federal basic health program payments for basic health program-eligible MinnesotaCare
16.32 individuals; and

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

17.4 (b) The commissioner of commerce is authorized to contract for any analyses,
17.5 certification, data, or other information required to complete the section 1332 waiver
17.6 application in accordance with Code of Federal Regulations, title 33, part 108; Code of
17.7 Federal Regulations, title 155, part 1308; and any other applicable federal law. The
17.8 commissioner must cooperate with the federal government to obtain waiver approval under
17.9 this section, and may provide any information the commissioner determines to be necessary
17.10 and advisable for waiver approval to the Secretary of Health and Human Services and the
17.11 Secretary of the Treasury.

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

17.13 Sec. 23. **APPROPRIATIONS.**

17.14 Subdivision 1. **MNsure board.** (a) \$..... in fiscal year 2025 is appropriated from the
17.15 general fund to the Board of Directors of MNsure for technology costs related to the
17.16 development and implementation of the public option application and enrollment process.
17.17 This is a onetime appropriation and is available through June 30, 2028.

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

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

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