

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2691

DATE: March 9, 2006

Version: As introduced

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Subject: Purchase of State Health Coverage and MinnesotaCare Coverage

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Overview

This bill allows Minnesota residents and employees and dependents of small employers located in Minnesota to obtain state hospital, medical, and dental coverage at their own cost, if certain requirements are met. The bill also allows families and children and single adults and households without children with incomes above the MinnesotaCare income limit, or who are otherwise not eligible, and employees and dependents of small employers located in Minnesota, to enroll in MinnesotaCare if they pay the full cost premium and other requirements are met.

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- 1** **Elective eligibility.** Amends § 43A.27, subd. 2. Allows Minnesota residents, who meet the criteria for residency specified in federal Medicaid law and who have not been medically treated within three years of application for one or more of the presumptive conditions sufficient for enrollment in the Minnesota Comprehensive Health Association (MCHA), to elect state hospital, medical, and dental coverage for themselves and their dependents at their own cost.

Provides a January 1, 2007, effective date.
- 2** **Small employer.** Amends § 43A.27, by adding subd. 7. Allows a small employer (between 2 and 50 employees, as defined in the small employer insurance reform law) to purchase hospital, medical, and dental coverage for its employees and dependents if: (1) enrollment is at their own expense in the manner and under the conditions prescribed or approved by the

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commissioner; (2) at least 75 percent of employees who have not waived coverage participate and the employer contributes at least 50 percent towards the cost of coverage of each eligible employee; and (3) the small employer is located in Minnesota. Provides a January 1, 2007, effective date.

3 **Coordination with private insurance policies.** Adds § 43A.275.

Subd. 1. State administered coverage secondary. Provides that coverage extended to state residents under section 1 and to small employers under section 2 is secondary to any private sector health coverage.

Subd. 2. Subrogation. Gives the state a right of subrogation against any private coverage or any cause of action arising out of an occurrence that required the provision of care.

Provides a January 1, 2007, effective date.

4 **MinnesotaCare coverage as secondary.** Amends § 256L.02, by adding subd. 5. States that MinnesotaCare coverage provided to persons under sections 7, 8, and 9, is secondary to any private sector coverage. Provides a January 1, 2007, effective date.

5 **Families with children.** Amends § 256L.04, subd. 1. Exempts parents enrolling under section 7 from the \$50,000 MinnesotaCare income cap. Provides a January 1, 2007, effective date.

6 **Ineligibility.** Amends § 256L.04, subd. 7a. Provides an exception to MinnesotaCare income limits for persons enrolling under sections 7, 8, and 9. Provides a January 1, 2007 effective date.

7 **Other families with children.** Amends § 256L.04, by adding subd. 14. Provides that families with children with incomes above the program income limit of 275 percent of FPG, or who are otherwise not eligible, are eligible for MinnesotaCare coverage, if they pay the full cost of the premium. A family member who has been medically treated within three years of application for one or more of the presumptive conditions sufficient for enrollment in MCHA, is not eligible under this subdivision. Provides a January 1, 2007, effective date.

8 **Other single adults and households with no children.** Amends § 256L.04, by adding subd. 15. (a) Provides that single adults and households with no children with incomes above the program income limit of 175 percent of FPG, or who are otherwise not eligible, are eligible for MinnesotaCare coverage, if they pay the full cost of the premium.

(b) Allows single adults and households without children with incomes greater than 75 percent of FPG who are eligible for services under the limited benefit set to elect full coverage under paragraph (a), if they pay the full cost of the premium.

(c) States that an individual who has been medically treated within three years of application for one or more of the presumptive conditions sufficient for enrollment in MCHA, is not eligible under this subdivision.

Provides a January 1, 2007, effective date.

9 **Employees and dependents of small employers.** Amends § 256L.04, by adding subd. 16. Allows employees and dependents of small employers (between 2 and 50 employees, as defined in the small employer insurance reform law) to be eligible for MinnesotaCare coverage, if: (1) the small employer and employee pay the full cost of the full premium; (2)

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at least 75 percent of employees who have not waived coverage participate and the employer contributes at least 50 percent towards the cost of coverage of each eligible employee; and (3) the small employer is located in Minnesota. Provides a January 1, 2007 effective date.

- 10 Application and information availability.** Amends § 256L.05, subd. 1. Requires the commissioner to make MinnesotaCare applications and information available to small employers and organizations representing small employers, and to work with these entities to publicize the availability of small employer coverage under MinnesotaCare. Provides a January 1, 2007, effective date.
- 11 Renewal of eligibility.** Amends § 256L.05, subd. 3a. Requires enrollees eligible for MinnesotaCare under sections 7, 8, and 9 to renew eligibility every 12 months. (Under current law, MinnesotaCare enrollees must renew eligibility every six months.) Provides a January 1, 2007, effective date.
- 12 General requirements.** Amends § 256L.07, subd. 1. Limits the MinnesotaCare parental income limit of \$25,000 for a six-month period to those parents who do not enroll under section 7. Provides a January 1, 2007, effective date.
- 13 Must not have access to employer-subsidized insurance.** Amends § 256L.07, subd. 2. Exempts persons enrolling under sections 7, 8, and 9 from the MinnesotaCare requirements of no access to employer-subsidized health coverage, and no access to employer-subsidized insurance through a current employer for 18 months prior to application or reapplication. Provides a January 1, 2007, effective date.
- 14 Other health coverage.** Amends § 256L.07, subd. 3. Exempts persons enrolling under sections 7, 8, and 9 from the MinnesotaCare requirement of having no health coverage while enrolled or for at least four months prior to application and renewal. Provides a January 1, 2007 effective date.
- 15 Exemption from residency requirement for employees of small employers.** Amends § 256L.09, by adding subd. 8. Exempts employees of small employers and their dependents eligible under section 9 from the MinnesotaCare residency requirement. Provides a January 1, 2007, effective date.
- 16 Exceptions to sliding scale.** Amends § 256L.15, subd. 3. Limits the reduced premium for low-income children under MinnesotaCare to children who are not eligible under section 7. Provides a January 1, 2007, effective date.
- 17 Payment of full cost premium; administrative costs.** Amends § 256L.15, by adding subd. 5. Requires enrollees eligible under sections 7, 8, and 9 to pay the full cost premium. Specifies the method for calculating the full premium. Allows the commissioner to increase the full cost of the premium to cover any administrative costs incurred in expanding MinnesotaCare eligibility to persons eligible under sections 7, 8, and 9. Provides a January 1, 2007, effective date.
- 18 Exemption.** Amends § 256L.17, subd. 5. Provides that the MinnesotaCare asset limit does not apply to persons eligible under sections 7, 8, and 9. (The asset limit is \$10,000 for a household of one and \$20,000 for two or more, with children and pregnant women exempt.) Provides a January 1, 2007, effective date.