

# HOUSE RESEARCH

## Bill Summary

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**Subject:** The Minnesota Comprehensive Health Association

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### Overview

This bill involves the Minnesota Comprehensive Health Association (abbreviated MCHA and pronounced "em-cha"). MCHA provides individual health insurance to Minnesota residents who have been turned down for health coverage by an insurer. MCHA is a nonprofit corporation which state law requires all health insurers doing business in the state to belong to. MCHA covers about half of its costs of providing coverage by charging premiums for the coverage and the remainder by assessing its members (insurers). The assessment on each insurer is proportional to its share of the Minnesota health insurance market. The current assessment is about 2 percent of premiums charged in the market.

This bill would reduce MCHA's assessments on its members by providing some state funding from the health care access fund.

### Section

**1 State funding; effect on premium rates of members.** (a) No changes to current law.

(b) Provides that MCHA shall automatically receive state funding of up to \$55 million each fiscal year (after 2009) from the health care access fund if there is a positive balance in that fund. Limits it to the amount that MCHA would otherwise assess its members. The funds are to be used solely to reduce or eliminate MCHA's assessments.

(c) Notwithstanding paragraph (b), appropriates \$55 million from the health care access fund to reduce MCHA's assessments in fiscal years 2007, 2008, and 2009.

**Section**