

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1935

**DATE:** March 25, 2009

**Version:** First engrossment

**Authors:** Murphy, E. and others

**Subject:** MinnesotaCare and MA Consolidation

**Analyst:** Randall Chun, (651) 296-8639

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd](http://www.house.mn/hrd).

### Overview

This bill consolidates MA and MinnesotaCare coverage for families and children by moving MA families and children into MinnesotaCare. The bill inserts into MinnesotaCare law MA eligibility provisions for families and children and deletes unnecessary provisions from MA law. The bill also modifies MinnesotaCare eligibility provisions, in order to exempt families and children formerly eligible for MA from MinnesotaCare insurance barriers, premiums, and other requirements, and also provides this group of former MA eligibles with a MinnesotaCare spend-down option. The bill increases from 150 to 200 percent of FPG the income limit below which MinnesotaCare children are exempt from certain insurance barriers, exempts children with incomes at or below 200 percent of FPG from MinnesotaCare premiums, and exempts parents and caretakers from the MinnesotaCare asset limit. The bill also streamlines MinnesotaCare application procedures.

#### Section

- 1      **Income and assets generally.** Amends § 256B.056, subd. 1a. Strikes language specifying the income methodology used for families and children under MA. (This is a conforming change to the shift of these individuals to MinnesotaCare.)
- 2      **Income.** Amends § 256B.056, subd. 4. Eliminates the income standards for families and children in MA law.
- 3      **Excess income standard.** Amends § 256B.056, subd. 5c. Eliminates the reference to the spend-down standard for families and children in MA law.
- 4      **Eligibility verification.** Amends § 256B.056, subd. 10. Eliminates a provision related to eligibility determination for pregnant women and infants in MA law.
- 5      **Families with children.** Amends § 256L.01, subd. 3a. Provides that the definition of relative caretaker in Minnesota law is that in the state's AFDC plan, and eliminates the

- reference to the definition in MA law.
- 6 Excess income.** Amends § 256L.01, by adding subd. 6. Allows families and children on MinnesotaCare to be eligible through a spend-down, and sets the spend-down standard at 100 percent of FPG.
- 7 Authorized coverage.** Amends § 256L.02, by adding subd. 1a. States that the MinnesotaCare program covers all families with children, to the extent allowed under federal and state Medicaid law and the PMAP plus and SCHIP waivers.
- 8 Commissioner's duties; county agency duties.** Amends § 256L.02, subd. 2. Requires the commissioner and county agencies to develop a plan to administer the MinnesotaCare program. Adds a reference to county administrative duties for MinnesotaCare, that is similar to language in MA law.
- 9 Financial management.** Amends § 256L.02, subd. 3. Requires the commissioner to use MA funding to pay for MinnesotaCare services for adults in families with children with incomes at or below 100 percent of FPG and children with incomes at or below 150 percent of FPG.
- 10 Co-payments and coinsurance.** Amends § 256L.03, subd. 5. The amendment to paragraph (a) changes a cross-reference and makes a technical change.
- A new paragraph (c) specifies MinnesotaCare cost-sharing that applies to adults in families with incomes at or below 100 percent of FPG. This language is similar to the applicable MA cost-sharing provisions.
- A new paragraph (d) places a limit on per day copayment charges, using language similar to that in MA law. This provision applies to all MinnesotaCare enrollees subject to copayments.
- The amendment to paragraph (e) exempts emergency services and 100 percent federally funded services provided in an Indian health service from being subject to cost-sharing.
- 11 Collection of co-payments.** Amends § 256L.03, by adding subd. 5b. (a) Provides that MinnesotaCare reimbursement to a provider shall be reduced by the amount of the copayment, except that reimbursement shall not be reduced: (1) once an enrollee has reached the per month maximum for prescription drug copayments; and (2) for enrollees with incomes under 100 percent of FPG who have met the monthly five percent copayment limit.
- (b) Specifies that the provider collects the copayment and that providers shall not deny services to enrollees unable to pay the copayment.
- 12 Families with children.** Amends § 256L.04, subd. 1. Eliminates language related to seamless coverage between MA and MinnesotaCare.
- 13 Applicants potentially eligible for medical assistance.** Amends § 256L.04, subd. 8. Eliminates language related to county processing of MA and MinnesotaCare applications.
- 14 Families with relative caretakers, foster parents, or legal guardians.** Amends § 256L.04, subd. 13. Makes a conforming change related to the definition of relative

caretaker.

**15 Eligibility requirements for special categories.** Amends § 256L.041. Adds to MinnesotaCare law language from MA law dealing with eligibility provisions for infants and pregnant women and children under age 2, and eligibility verification.

**16 Application procedures.** Amends § 256L.05. The amendments to subdivision 1 require application assistance to be made available to applicants applying online, require the commissioner and local agencies to assist enrollees in choosing a managed care organization, and make related changes.

A new subdivision 1c requires the commissioner and local agencies to develop a streamlined and efficient application and enrollment process that meets the criteria specified in the subdivision. The subdivision also requires the commissioners of human services and education to provide recommendations to the legislature by January 15, 2010, on the creation of an open enrollment process tied to the public education system. Also requires the submittal on that date of an implementation plan for the open enrollment period and online application process. Requires the open enrollment process to be implemented with the 2010-2011 school year.

A new subdivision 1d requires that children who complete an application for educational benefits and indicate an interest in MinnesotaCare enrollment have the application considered an application for MinnesotaCare (express lane eligibility). Specifies the procedures to be followed for this application process.

The amendment to subdivision 3 makes three months of retroactive coverage available to adults in families with children with incomes at or below 100 percent of FPG, and to children with incomes at or below 150 percent of FPG. (This language is similar to the MA procedure for retroactive coverage.)

This section also makes technical and conforming changes throughout.

**17 General requirements.** Amends § 256L.07, subd. 1. Increases from 150 to 200 percent of FPG the income limit below which children are exempt from the MinnesotaCare no access to employer-subsidized insurance and four month uninsured requirements. Also strikes obsolete language.

**18 Must not have access to employer-subsidized coverage.** Amends § 256L.07, subd. 2. Provides that the insurance barrier related to employer-subsidized coverage does not apply to adults in families with children with incomes at or below 100 percent of FPG and to children with family incomes at or below 200 percent of FPG.

**19 Other health coverage.** Amends § 256L.07, subd. 3. Provides that the four month uninsured requirement applies to adults in families with children with incomes above 100 percent of FPG and to children with family incomes above 200 percent of FPG. Also increases the income limit from 150 to 200 percent of FPG above which children can have other health coverage, if this coverage is considered to be “underinsured.” The subdivision also allows adults in families with children with incomes at or below 100 percent of FPG and children in families with incomes at or below 200 percent of FPG to have cost-effective insurance, as determined under MA.

- 20      **Premium determination.** Amends § 256L.15, subd. 1. Provides that MinnesotaCare sliding scale premiums apply only to adults in families with children with incomes above 100 percent of FPG and to children in families with incomes above 200 percent of FPG.
- 21      **Sliding fee scale; monthly gross individual or family income.** Amends § 256L.15, subd. 2. Provides that adults in families with children with incomes at or below 100 percent of FPG and children in families with incomes at or below 200 percent of FPG do not pay MinnesotaCare premiums.
- 22      **Definitions.** Amends § 256L.17, subd. 1. Makes a conforming change related to the amendment to § 256L.17, subd. 5.
- 23      **Limit on total assets.** Amends § 256L.17, subd. 2. Strikes obsolete language.
- 24      **Documentation.** Amends § 256L.17, subd. 3. Makes a conforming change related to the amendment to § 256L.17, subd. 5.
- 25      **Exemption.** Amends § 256L.17, subd. 5. Exempts families with children from the MinnesotaCare asset limit. (This language essentially exempts parents and caretakers, since pregnant women and children are exempt from the asset limit under current law. The asset limit would then apply only to adults without children.)
- 26      **Federal approval.** Adds § 256.19. Requires the commissioner to seek all federal waivers and approvals necessary to implement sections 256L.01 to 256L.17.
- 27      **Repealer.** (a) Repeals § 256B.055, subd. 3, 3a, 5, 6, 9, 10, and 10b; 256B.056, subd. 1c and 3c; and 256B.057, subd. 1, 1c, 2, 2c, 7, and 8, effective July 1, 2010. (These are MA eligibility provisions no longer necessary given the shift of MA families and children to MinnesotaCare.)  
  
(b) Repeals § 256L.07, subd. 7 (children transitioned from MA to MinnesotaCare); 256L.15, subd. 3 (\$4 monthly premiums); and 256L.17, subd. 6 (MinnesotaCare asset exemption for children), effective July 1, 2010.
- 28      **Effective date.** Provides that sections 1 to 27 are effective July 1, 2010, or upon federal approval, whichever is later.