Overview

This bill establishes a program to subsidize payment of the employee share of employer-subsidized coverage, for children with household incomes that do not exceed 275 percent of the federal poverty guidelines who are not eligible for MinnesotaCare due to the availability of employer-subsidized coverage. This program is an effort by the state to access federal funding available under the Children's Health Insurance Program (CHIP). The bill makes implementation of the program contingent upon the state obtaining federal waivers.

1 **Other health coverage.** Amends § 256L.07, subd. 3. Exempts persons who are no longer eligible for the subsidized employer health coverage program, due to employment termination, from the MinnesotaCare requirement that applicants have had no health coverage for four months prior to application.

2 **Definitions.** Adds § 256M.01. Defines terms for purposes of the subsidized employer health coverage program.

3 **Eligibility for employer-subsidized coverage.** Adds § 256M.03. Establishes eligibility criteria for the program.

**Subd. 1. General requirements.** States that a child under the age of 19 with a family income that does not exceed 275 percent of the federal poverty guidelines, who would be otherwise eligible for MinnesotaCare except for the availability of employer-subsidized insurance, is eligible for subsidized payment of the employee share of employer-subsidized health coverage. Requires a child to not be covered by employer-subsidized coverage at the time of application.

**Subd. 2. Employer-subsidized health coverage.** Requires employer-subsidized coverage to meet the requirements for a number two qualified plan or its actuarial equivalent, in order to be eligible for premium payment.

**Subd. 3. Low-cost health plan option.** Limits eligibility for premium payments under the program to the lowest cost health plan option offered by an employer that is available in the
geographic area in which the child resides.

**Subd. 4. Probationary period.** Provides that a dependent is not eligible under this section if the employer has a probationary period during which the employee or dependent is not eligible for employer-subsidized coverage.

**Payments.** Adds § 256M.05. Establishes procedures for premium payments, payments to the employer, and payments to providers.

**Subd. 1. Premiums.** Sets premiums for eligible children using the MinnesotaCare premium scale, except that children with household incomes that do not exceed 150 percent of the federal poverty guidelines shall not be required to pay a premium in excess of the maximum monthly charge allowed under federal law. Requires employees to pay this premium to the employer and sets other requirements.

**Subd. 2. Payment to employer.** Requires the commissioner to pay to the employer the difference between premiums paid by the employee and the cost of the employee share of employer-subsidized coverage. Limits payment to the cost of dependent coverage for eligible children, unless the premium amount does not differentiate between adult and child dependents.

**Subd. 3. Payments to health care providers.** Requires the commissioner to pay to the health care provider any copayments, deductibles, or coinsurance owed on behalf of the eligible child. Establishes procedures for these payments.

**Applications.** Adds § 256M.07. Specifies application and renewal procedures for the program.

**Subd. 1. Availability.** Requires applicants to apply for the program through the licensed insurance broker who provides employee benefits to their employer, or through another individual as designated by their employer. Requires the broker or designated individual to forward the applications to the commissioner. Requires the commissioner to make information on program available to employers, employees, and interested parties.

**Subd. 2. Processing.** Requires the commissioner to determine eligibility, and to enroll without income verification applicants who appear to meet eligibility requirements.

**Subd. 3. Renewal of eligibility.** Requires eligibility to be renewed every twelve months. Requires renewals to be completed by the licensed insurance broker or the designated individual, and to include income verification information.

**Waiver requests.** Requires the commissioner of human services to seek federal waivers to: (a) obtain federal financial participation under Medicaid for children whose premium obligation under the MinnesotaCare premium scale would exceed five percent of gross family income; (b) allow federal financial participation under Medicaid for subsidized employer health coverage for a Medicaid-eligible child who has a sibling eligible for the subsidized employer health coverage program; (c) obtain federal financial participation under the children's health insurance program for health coverage for an employee's spouse; and (d) use a number two qualified plan or its actuarial equivalent as benchmark coverage.

**Effective date.** (a) States that sections 1 to 5 are effective 30 days following federal approval of the waiver requests in section 6. States that sections 1 to 5 shall not be implemented if all of the waiver requests in section 6 are not approved. (b) States that section 6 is effective the day following final enactment.

**Sunset.** (a) Provides that sections 1 to 5 sunset two years after their effective date. (b) If sections 1 to 5 are implemented, requires the commissioner of human services to report to the legislature on whether the subsidized employer health coverage program should continue beyond the sunset date.