Overview

This bill transfers one-time and ongoing tobacco settlement payments into the health care access fund, and provides for a contingent elimination of the 1 percent premium and MinnesotaCare provider taxes, for calendar years beginning on or after January 1, 2001.

Section

1 Tobacco settlement revenues. Adds § 16A.725. Requires the commissioner of finance to credit to the health care access fund the one-time tobacco settlement payments received by the state on January 2, 2002 and January 2, 2003, and all ongoing payments due December 31 of each year, beginning with the payment due December 31, 1999.

2 Domestic and foreign companies. Amends § 60A.15, subd. 1. Provides the methodology for setting premium tax rates for nonprofit health plan companies for calendar years beginning on or after January 1, 2001. Requires the commissioner of finance, each September 1 beginning September 1, 2000, to determine the structural balance of the health care access fund for the fiscal year that begins the following July 1. If the commissioner determines that there is no structural deficit, no tax is imposed for the calendar year that begins immediately following that September 1. If the commissioner determines that there will be a structural deficit, then the commissioner, in consultation with the commissioner of revenue, is directed to set a tax rate of one-quarter of 1 percent, one-half of 1 percent, three-quarters of 1 percent, or 1 percent, whichever is the lowest rate that the commissioner determines will eliminate the projected deficit. Requires the commissioner to publish in the State Register, each October 1 beginning October 1, 2000, the amount of the tax to be imposed for the following calendar year. Requires the commissioner to not count revenues resulting from any increase in the MinnesotaCare provider taxes, when determining the structural balance of the health care access fund under this paragraph.

3 Pass-through of savings to purchasers. Adds § 62Q.68. Requires health plan company
premium rates to reflect all savings resulting from the contingent elimination of the MinnesotaCare provider taxes and the 1 percent premium tax on nonprofit health plan companies. Requires each health plan company to document compliance, and allows the commissioners of health and commerce to take enforcement action.

4 **Tax reduction.** Amends § 295.52, subd. 7. Strikes language that sets the MinnesotaCare provider tax rate at 1.5 percent for calendar year 2001.

5 **Contingent elimination of tax.** Amends § 295.52, by adding subd. 8. Provides the methodology for setting MinnesotaCare provider tax rates for calendar years beginning on or after January 1, 2001. Requires the commissioner of finance, each September 1 beginning September 1, 2000, to determine the structural balance of the health care access fund for the fiscal year that begins the following July 1. If the commissioner determines that there is no structural deficit, no taxes shall be imposed for the calendar year that begins immediately following that September 1. If the commissioner of finance determines that there will be a structural deficit, then the commissioner of revenue, in consultation with the commissioner of finance, shall set the tax rate in one-quarter of 1 percent increments up to 2 percent, using the lowest rate that the commissioner determines will eliminate the projected deficit. Requires the commissioner of revenue to publish in the State Register, each October 1 beginning October 1, 2000, the amount of the tax to be imposed for the following calendar year. Requires the commissioner of finance to count revenues resulting from any increase in the 1 percent premium tax, when determining the structural balance of the health care access fund under this subdivision.