Overview

This bill involves the Minnesota Comprehensive Health Association, known as MCHA (pronounced "em-cha"), and state employee health coverage. Prior to January 1, 2000, the state covered its employees through five or six health plans, two of which (the State Health Plan and State Health Plan Select) were self-insured. The state's premium payments to HMOs for the non-self-insured plans were subject to MCHA's assessments on premiums received by those HMOs. Beginning January 1, 2000, the state made all of its plans self-insured, with the result that none of the state's employee health care costs are subject to MCHA assessments. This bill would subject the state to MCHA assessments for all of its self-insured employee health plans. Under federal law, MCHA cannot assess private sector self-insured plans, but federal law does not prohibit assessment of self-insured plans sponsored by a state.

1 **Contributing member.** Makes the state a contributing member of MCHA with respect to the state's self-insured health plans for state employees. The effect is to make the state's employee health plan costs subject to MCHA assessments.

2 **Creation; tax exemption.** Makes the state an MCHA member, on the basis of its self-insured health plans.

3 **Appropriation.** Appropriates $6 million from the general fund for fiscal 2001 to pay the estimated MCHA assessment on the state resulting from this bill.

4 **Effective date.** Makes sections 1 and 2 effective retroactive to January 1, 2000.