Overview

This bill involves various changes in the Minnesota Comprehensive Health Association (abbreviated MCHA and pronounced "em-chá"). MCHA provides health insurance to Minnesota residents who have been denied health insurance by a Minnesota health plan company due to a preexisting condition. Premiums cover about half of the cost. The remaining costs are covered by assessments on Minnesota health plan companies.

In general, this bill would reduce the number of people enrolled in MCHA, reduce its actuarial costs, permit MCHA to offer a $2,000 annual deductible plan, and slightly increase permissible MCHA premium rates. This bill also appropriates money to the

commissioner of commerce, to reduce the MCHA assessment.

1 Eligible person. Makes a technical change needed to reflect the new $2,000 deductible plan permitted later in the bill, which is neither a qualified plan or a Medicare supplement plan. Provides that persons receiving payments from government programs for health insurance premiums, deductibles, copayments, or coinsurance may not be enrolled in MCHA.

2 State plan premium.

Subd. 1. Establishment. Provides that MCHA premium rates are to be based on plans offered in the private market, regardless of whether those plans are "qualified plans" and with less actuarial analysis than is now required to compare plans with different features. Adds language in the new paragraph (c) to account for the new

$2,000 deductible plan permitted in this bill. Strikes the word "qualified" to reflect the fact that under current law only one of MCHA's two Medicare supplement plans is qualified. Permits use of a smaller sample of insurers to determine market premium rates.

Subd. 2. No changes.
Subd. 3. Determination of rates. Permits premium rates set based on April 1 rates to be "trended " to reflect MCHA's July 1 renewal date.

Subd. 4. Smokers rates. Permits MCHA to charge different rates to smokers and nonsmokers.

Minimum benefits of comprehensive health insurance plan. Permits MCHA to offer a $2,000 annual deductible plan. Technical changes to clarify description of MCHA's Medicare supplement coverages.

Selection of writing carrier. Conforming change to reflect the new $2,000 plan.

Certificate; contents. Requires rejections from two private insurers, instead of one, in order to be eligible for MCHA. (Current law also provides eligibility without rejections in certain circumstances, and this section does not affect that.)

Annual verification. Permits MCHA to annually verify that its enrollees are uninsurable.

Health insurance for retired employees not eligible for Medicare. Technical change to reflect the new $2,000 deductible plan.

Study of MCHA premium rates. Requires MCHA to study and report to the legislature on the concept of increasing MCHA premium rates and providing sliding fee rates for those unable to afford the higher rates.

Minnesota comprehensive health association assessment offset. Appropriates money from the general fund to the commissioner of commerce, to offset the MCHA assessment on contributing members for calendar year 2000. Specifies that this appropriation does not become part of the base of the commerce department for the 2001-2003 biennium.

Effective date. Provides that section 1 is effective July 1, 2001, and sections 2 to 8 are effective the day following final enactment.