

# HOUSE RESEARCH

## Bill Summary

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### BACKGROUND

This bill involves the Minnesota Comprehensive Health Association (abbreviated MCHA, pronounced “em-cha”). MCHA is a private nonprofit corporation created under state law to function as a high-risk pool to provide health insurance to Minnesota residents who have health conditions that make it impossible for them to get individual health coverage in the private-sector market. All health insurers doing business in this state are required to be “contributing members” of MCHA and to pay assessments to MCHA to cover the difference between the premiums MCHA charges and the amount MCHA spends to cover health claims of its enrollees. MCHA premiums are 20 percent higher than the premiums charged in the regular market for healthy people of the same age. The MCHA board of directors is controlled by its members (insurers), and MCHA is regulated by the commissioner of commerce.

#### Section

- 1 Rate increase or benefit change.** Under current law, MCHA must hold a public meeting for its enrollees (it often holds several around the state) each time it requests an increase in premium rates or a change in benefits it provides. This section would allow MCHA the option of instead notifying enrollees by mail or electronic means.
- 2 Minimum benefits of comprehensive health insurance plan.** Under current law, MCHA need not cover the cost of treatment for mental or nervous disorders in a hospital located outside of the state, unless no similar treatment is available in Minnesota. This section would extend that principle to allow MCHA to exclude coverage of the same type of care in an inpatient facility that is not a hospital.
- 3 Inclusion in employer plan.** Since 1993, employees who have access to health coverage through an employer have not been eligible to enroll in MCHA. Paragraph (a) of this section makes purely technical changes in that existing provision. Paragraph (b) extends the principle in paragraph (a) to people who have access to employer-based health coverage as a

dependent of an employee, instead of as an employee. Provides a “grandfathering” provision for people who are covered, or have applied for coverage, by MCHA as of July 31, 2010.