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Overview

This bill creates the Minnesota Reinsurance Association, to administer, through its association and board, an individual health plan reinsurance program.

Section

- 1 **Minnesota Health Reinsurance Association.** Provides that certain data maintained by the Minnesota Health Reinsurance Association is classified.
- 2 **[62W.01] Citation.** Provides that this chapter may be cited as the “Minnesota Health Reinsurance Association Act.”
- 3 **[62W.02] Definitions.** Provides definitions for chapter 62W, including “eligible individual,” “health reinsurance program,” and “member.”
- 4 **[62W.03] Duties of commissioner.** Allows the commissioner of commerce to formulate general policies to advance the purposes of this chapter, supervise the creation of the association, appoint advisory committees, conduct audits, contract with government units to coordinate the program with other programs, contract with health carriers for administrative services, and use rulemaking authority in connection with this chapter.
- 5 **[62W.04] Approval of reinsurance payments.**
 - Subd. 1. Information submitted to commissioner.** Requires the association to submit information to the commissioner regarding the reinsurance payments to be made the following year.

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Subd. 2. Modification by the commissioner. Allows the commissioner to modify the association's anticipated reinsurance payment schedule in accordance with certain criteria.

6 [62W.05] Minnesota Health Reinsurance Association.

Subd. 1. Creation; tax exemption. Establishes the Minnesota Health Reinsurance Association and provides that membership in the association consists of all health carriers in the individual market. Exempts the association from all state taxes, including those relating to health insurance.

Subd. 2. Board of directors; organization. Creates the requirements to be a director, how members can vote for directors, and what the commissioner must consider when appointing directors.

Subd. 3. Membership. Requires all health carriers offering individual health plans to maintain membership in the association as a condition of participating in the individual market.

Subd. 4. Operation. Requires the association to submit its articles, bylaws, and operating rules to the commissioner for approval and exempts these documents from chapter 14.

Subd. 5. Open meetings. Requires all meetings of the board and committees to comply with chapter 13D.

Subd. 6. Data. Provides that the association and board are subject to chapter 13 and classifies data the board receives from a member about an individual as private.

Subd. 7. Appeals. Allows a decision of the board to be appealed to the commissioner within 30 days after the decision was made. Provides that chapter 14 governs judicial review of a determination of an appeal to the commissioner. Allows a decision of the board to be judicially reviewed instead of appealed to the commissioner.

Subd. 8. Antitrust exemption. Provides that the members are exempt from sections 325D.49 to 325D.66 when in performance of their duties as members of the association.

Subd. 9. General powers. Allows the association to exercise powers granted to insurers under state law, sue or be sued, establish administrative and accounting procedures for its operation, and enter into certain contracts.

Subd. 10. Rulemaking. Exempts the association from the Administrative Procedures Act. Allows the association to adopt rules using the expedited rulemaking process, if they wish to make rules.

7 [62W.06] Association; administration of program.

Subd. 1. Acceptance of risk. Requires the association to accept a transfer from a member to the program of the risk and associated cost of an eligible individual.

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Subd. 2. Payment to members. Requires the association to reimburse members on a quarterly basis for claims paid on behalf of an eligible individual whose risk and cost has been transferred to the program.

Subd. 3. Payment from reinsurance account. Requires reinsurance payments from the association to members to be paid from the reinsurance account

Subd. 4. Plan of operation. Requires the association, in consultation with the commissioners of health and commerce, to create a plan of operation to administer the program. Requires the plan of operation to include certain items.

Subd. 5. Use of premium payments. Requires the association to retain premiums it receives in excess of administrative and operational expenses and claims. Requires the association to apply any excess premiums to future administrative and operation expenses and claims. Requires all premiums to be deposited in the reinsurance association account.

8 [62W.07] Members; compliance with program.

Subd. 1. Transfer of Risk. Requires a member to transfer the risk and cost associated with providing health coverage to an eligible individual to the program. Requires a member to transfer the risk and cost within 10 days of having paid a claim for the individual that indicates the individual is eligible for the program. Reinsurance by the program is effective as of the date the claim is incurred and continues until the individual stops coverage with the member.

Subd. 2. Reinsurance payments. Requires the member to meet certain requirements in order to receive reinsurance payments, including paying to the association all premiums and pharmacy rebates received in relation to the eligible individual and report other payments.

Subd. 3. Duties; members. Requires members to comply with the plan of operation, administer and manage the health plans of eligible individuals in compliance with the terms of the health plan, not raise premiums or change premium rates due to an individual's eligibility, and submit claims to the association within 12 months of being incurred.

9 [62W.08] Care coordination. Requires a member to: (1) implement a system for care coordination, including the use of health care homes; and (2) create a model for payment of health care providers where the provider agrees upon the total cost of care or a risk/gain sharing arrangement.

10 [62W.09] Accounts and audits.

Subd. 1. Reports and audits. Requires the association to maintain certain documents, accountings, allocations of funds, and engage auditors.

Subd. 2. Annual settle-up. Requires the association to create an annual settle-up process for members to make adjustments for credits, reductions, and payments made to members and the association. Requires the commissioner to ensure federal risk adjustments transfers are reviewed and accounted for.

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- 11** **[62W.10] Reinsurance association account.** Creates the reinsurance association account in the special revenue fund and appropriates funds in the account to the association.
- 12** **State innovation waiver.**
- Subd. 1. Submission of waiver application.** Requires the commissioner to apply to the secretary of Health and Human Services for a state innovation waiver to implement the program for plan years beginning on or after January 1, 2018. Requires the state innovation waiver application to request that (1) the association receive federal funding equal to that which the federal government saves in advance premium tax credits; and (2) MinnesotaCare continues to operate and receive federal funding as a basic health program.
- Subd. 2. Consultation.** Requires the commissioner to consult with the commissioners of human services and health and the MNsure board when developing the waiver application.
- Subd. 3. Application timelines; notification.** Requires the commissioner to make the application available for public comment and submit to the secretary within certain dates. Requires the commissioner to notify the legislature and board of any federal actions regarding the waiver request.
- Subd. 4. Board review; contingent report.** Requires the board to review the final decision of the state innovation waiver and report to the legislature within a certain time period if the waiver is rejected.
- 13** **Minnesota Comprehensive Health Association Board.** Requires the commissioner of commerce to offer all members of the board of directors and current employees of MCHA roles as directors or employees of the Minnesota Reinsurers Association.
- 14** **Transfer.** Transfers funds from the health care access fund to the reinsurance association account for the payment of reinsurance payments and the operational and administrative costs of the program and association.
- 15** **Repealer.** Repeals Laws 2011, First Special Session, chapter 9, article 6, section 97, subdivision 6.
- 16** **Effective.** Sections 1 to 15 are effective the day following final enactment and apply to individual health plans providing coverage on or after January 1, 2018.