

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 2877**

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DATE  
03/01/2018

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OFFICIAL STATUS  
Introduction and first reading  
Referred to Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act  
1.2 relating to health care coverage; extending the premium subsidy program through  
1.3 2018; terminating the Minnesota premium security plan; appropriating money;  
1.4 amending Laws 2017, chapter 2, article 1, sections 2; 5, as amended; 7, as amended;  
1.5 repealing Minnesota Statutes 2017 Supplement, sections 62E.21; 62E.22; 62E.23;  
1.6 62E.24; 62E.25; Laws 2017, chapter 13, article 1, sections 1; 7; 8; 9; 10; 11; 12;  
1.7 13; 14; 15; Laws 2017, First Special Session chapter 6, article 5, section 10.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Laws 2017, chapter 2, article 1, section 2, as amended by Laws 2017, chapter  
1.10 13, article 2, sections 3 and 4; and Laws 2017, First Special Session chapter 6, article 18,  
1.11 section 13, is amended to read:

1.12 **Sec. 2. PAYMENT TO HEALTH CARRIERS ON BEHALF OF ELIGIBLE**  
1.13 **INDIVIDUALS.**

1.14 Subdivision 1. **Program established.** The commissioner of Minnesota Management  
1.15 and Budget, in consultation with the commissioner of commerce and the commissioner of  
1.16 human services, shall establish and administer the premium subsidy program authorized by  
1.17 this act, to help eligible individuals pay for coverage in the individual market in 2017 and  
1.18 2018.

1.19 Subd. 2. **Premium subsidy provided.** As soon as practicable, but no later than April  
1.20 30, 2017 of each calendar year, health carriers shall begin paying a premium subsidy to  
1.21 each eligible individual who purchases a health plan in the individual market, for all the  
1.22 months for which the net premium is paid. An eligible individual shall pay the net premium  
1.23 amount to the health carrier.

2.1 Subd. 3. **Payments to health carriers.** (a) The commissioner shall make payments to  
2.2 health carriers on behalf of eligible individuals effectuating coverage for calendar year 2017  
2.3 or 2018, for the months in that year for which the individual has paid the net premium  
2.4 amount to the health carrier. Payments to health carriers shall be based on the premium  
2.5 subsidy available to eligible individuals in the individual market, regardless of the cost of  
2.6 coverage purchased. The commissioner shall not withhold payments because a health carrier  
2.7 cannot prove an enrollee is an eligible individual.

2.8 (b) Health carriers seeking reimbursement from the commissioner must submit an invoice  
2.9 and supporting information to the commissioner, using a form developed by the  
2.10 commissioner, in order to be eligible for payment. The commissioner shall finalize the form  
2.11 by March 1, 2017.

2.12 (c) Total state payments to health carriers must be made within the limits of the available  
2.13 appropriation. The commissioner shall reimburse health carriers at the full requested amount  
2.14 up to the level of the appropriation. The commissioner, by July 15, ~~2017~~ of each calendar  
2.15 year, shall determine whether the available appropriation will be sufficient to provide  
2.16 premium subsidies equal to 25 percent of the gross premium for the period September 1,  
2.17 ~~2017~~, through December 31, ~~2017~~ of that calendar year. If the commissioner determines  
2.18 that the available appropriation is not sufficient, the commissioner shall reduce the premium  
2.19 subsidy percentage, beginning September 1, ~~2017~~, of that calendar year through the remainder  
2.20 of the calendar year, by an amount sufficient to ensure that the total amount of premium  
2.21 subsidies provided for the calendar year does not exceed the available appropriation. The  
2.22 commissioner shall notify health carriers of any reduced premium subsidy percentage within  
2.23 five days of making a determination. Health carriers shall provide enrollees with at least 30  
2.24 days' notice of any reduction in the premium subsidy percentage.

2.25 (d) The commissioner shall consider health carriers as vendors under Minnesota Statutes,  
2.26 section 16A.124, subdivision 3, and each monthly invoice shall represent the completed  
2.27 delivery of the service.

2.28 (e) The commissioner, with the November 2017 forecast, shall certify the extent to which  
2.29 appropriations exceed forecast obligations under this subdivision. Notwithstanding Laws  
2.30 2017, chapter 2, article 1, section 7, the estimated value of available funds, up to \$98,779,000,  
2.31 shall be canceled to the general fund. The cancellation in this paragraph shall be reduced  
2.32 by any difference in medical assistance expenditures estimated in the trend calculation under  
2.33 section 15.

3.1 Subd. 4. **Data practices.** (a) The definitions in Minnesota Statutes, section 13.02, apply  
3.2 to this subdivision.

3.3 (b) Government data on an enrollee or health carrier under this section are private data  
3.4 on individuals or nonpublic data, except that the total reimbursement requested by a health  
3.5 carrier and the total state payment to the health carrier are public data.

3.6 (c) Notwithstanding Minnesota Statutes, section 138.17, not public government data on  
3.7 an enrollee or health carrier for a calendar year under this section must be destroyed by June  
3.8 ~~30, 2018~~ of the subsequent calendar year, or upon completion by the legislative auditor of  
3.9 the audits required by section 3, whichever is later. This paragraph does not apply to data  
3.10 maintained by the legislative auditor.

3.11 Subd. 5. **Data sharing.** (a) Notwithstanding any law to the contrary, government entities  
3.12 are permitted to share or disseminate data as follows:

3.13 (1) the commissioner of human services and the board of directors of MNsure must  
3.14 share data on public program enrollment under Minnesota Statutes, sections 256B.055 and  
3.15 256L.04, as well as data on an enrollee's receipt of a premium tax credit under Code of  
3.16 Federal Regulations, title 26, section 1.36B-2, with the commissioner of management and  
3.17 budget; and

3.18 (2) the commissioner of management and budget must disseminate data on an enrollee's  
3.19 public program coverage enrollment under Minnesota Statutes, sections 256B.055 and  
3.20 256L.04, to health carriers to the extent the commissioner determines is necessary for  
3.21 determining the enrollee's eligibility for the premium subsidy program authorized by this  
3.22 act.

3.23 (b) Data shared under this subdivision may be collected, stored, or used only for the  
3.24 purposes of administration of the premium subsidy program authorized by this act and may  
3.25 not be further shared or disseminated except as otherwise provided by law.

3.26 (c) ~~By June 30, 2018,~~ A health carrier must destroy any data for a calendar year it received  
3.27 pursuant to this subdivision by June 30 of the subsequent calendar year.

3.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.29 Sec. 2. Laws 2017, chapter 2, article 1, section 5, as amended by Laws 2017, First Special  
3.30 Session chapter 6, article 5, section 8, is amended to read:

3.31 Sec. 5. **SUNSET.**

4.1 This article, other than section 2, subdivision 5; section 3; and section 7, sunsets August  
4.2 31, ~~2018~~ 2019.

4.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.4 Sec. 3. Laws 2017, chapter 2, article 1, section 7, as amended by Laws 2017, First Special  
4.5 Session chapter 6, article 5, section 9, is amended to read:

4.6 Sec. 7. **APPROPRIATIONS.**

4.7 (a) \$311,788,000 in fiscal year 2017 is appropriated from the general fund to the  
4.8 commissioner of management and budget for premium assistance under section 2. This  
4.9 appropriation is onetime and is available through August 31, ~~2018~~ 2019.

4.10 (b) \$157,000 in fiscal year 2017 is appropriated from the general fund to the legislative  
4.11 auditor for purposes of section 3. This appropriation is onetime.

4.12 (c) Any unexpended amount from the appropriation in paragraph (a) after June 30, ~~2018~~  
4.13 2019, shall be transferred no later than August 31, ~~2018~~ 2019, from the general fund to the  
4.14 budget reserve account under Minnesota Statutes, section 16A.152, subdivision 1a.

4.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.16 Sec. 4. **TERMINATION OF MINNESOTA PREMIUM SECURITY PLAN.**

4.17 (a) The commissioner of commerce, in consultation with the board of directors of the  
4.18 Minnesota Comprehensive Health Association, shall develop and implement a process to  
4.19 terminate the Minnesota premium security plan authorized under Minnesota Statutes, section  
4.20 62E.23, and reinsurance payments provided through the plan.

4.21 (b) The Minnesota premium security plan, and reinsurance payments provided through  
4.22 the plan, must be completely terminated within 90 days of the effective date of this section.

4.23 (c) The Minnesota premium security plan shall not be financially responsible for any  
4.24 reinsurance payments requested by an eligible health carrier after 60 days of the effective  
4.25 date of this section.

4.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.27 Sec. 5. **TRANSFER OF MINNESOTA PREMIUM SECURITY PLAN FUNDS.**

4.28 (a) All funds in the Minnesota premium security plan account under Minnesota Statutes,  
4.29 section 62E.25, must be transferred to the health care access fund established under

5.1 Minnesota Statutes, section 16A.724, within ten days of the termination of the Minnesota  
5.2 premium security plan.

5.3 (b) Notwithstanding paragraph (a), any funds attributable to the federal government  
5.4 shall be transferred from the premium security plan account to the basic health plan trust  
5.5 account in the federal fund.

5.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.7 Sec. 6. **APPROPRIATIONS.**

5.8 (a) \$..... in fiscal year 2018 is appropriated from the general fund to the commissioner  
5.9 of management and budget for premium assistance under section 1. This appropriation is  
5.10 available through August 31, 2018.

5.11 (b) \$..... in fiscal year 2018 is appropriated from the general fund to the legislative  
5.12 auditor for purposes of Laws 2017, chapter 2, article 1, section 3, as amended by Laws  
5.13 2017, chapter 13, article 2, section 5.

5.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.15 Sec. 7. **REPEALER; MINNESOTA PREMIUM SECURITY PLAN.**

5.16 (a) Laws 2017, chapter 13, article 1, sections 1; 7; 8; 9; 10; 11; 12; 13; 14; and 15 are  
5.17 repealed.

5.18 (b) Laws 2017, First Special Session chapter 6, article 5, section 10, is repealed.

5.19 (c) Minnesota Statutes 2017 Supplement, sections 62E.21; 62E.22; 62E.23; 62E.24; and  
5.20 62E.25, are repealed.

5.21 **EFFECTIVE DATE.** This section is effective 90 days after final enactment.