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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **463**

January 29, 2007

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The bill was read for the first time and referred to the Committee on Health and Human Services

February 8, 2007

Committee Recommendation and Adoption of Report:

To Pass and re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to health care; creating a small employer buy-in option to MinnesotaCare;
1.3 proposing coding for new law in Minnesota Statutes, chapter 256L.

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

1.5 Section 1. [256L.20] MINNESOTACARE OPTION FOR SMALL EMPLOYERS.

1.6 Subdivision 1. Definitions. (a) For the purposes of this section, the terms used
1.7 have the meanings given them.

1.8 (b) "Dependent" means an unmarried child under the age of 21.

1.9 (c) "Eligible employee" means an employee who works at least 20 hours per week
1.10 for an eligible employer. Eligible employee does not include an employee who works
1.11 on a temporary or substitute basis or who does not work more than 26 weeks annually.

1.12 Coverage of an eligible employee includes the employee's spouse.

1.13 (d) "Eligible employer" means a business that employs at least two, but not more
1.14 than 50, eligible employees, the majority of whom are employed in the state, and includes
1.15 a municipality that has 50 or fewer employees.

1.16 (e) "Maximum premium" has the meaning given under section 256L.15, subdivision
1.17 2, paragraph (b), clause (3).

1.18 (f) "Participating employer" means an eligible employer who meets the requirements
1.19 in subdivision 3 and applies to the commissioner to enroll its eligible employees and their
1.20 dependents in the MinnesotaCare program.

1.21 (g) "Program" means the MinnesotaCare program.

1.22 Subd. 2. Option. Eligible employees and their dependents may enroll in
1.23 MinnesotaCare if the eligible employer meets the requirements of subdivision 3. The
1.24 effective date of coverage is as defined in section 256L.05, subdivision 3.

2.1 Subd. 3. **Employer requirements.** The commissioner shall establish procedures for
2.2 an eligible employer to apply for coverage through the program. In order to participate, an
2.3 eligible employer must meet the following requirements:

2.4 (1) agree to contribute toward the cost of the premium for the employee, the
2.5 employee's spouse, and the employee's dependents according to subdivision 4;

2.6 (2) certify that at least 75 percent of its eligible employees who do not have other
2.7 creditable health coverage are enrolled in the program;

2.8 (3) offer coverage to all eligible employees, spouses, and dependents of eligible
2.9 employees; and

2.10 (4) have not provided employer-subsidized health coverage as an employee benefit
2.11 during the previous 12 months, as defined in section 256L.07, subdivision 2, paragraph (c).

2.12 Subd. 4. **Premiums.** (a) The premium for coverage provided under this section is
2.13 equal to the maximum premium regardless of the income of the eligible employee, as
2.14 defined in section 256L.15, subdivision 2, paragraph (b).

2.15 (b) For eligible employees without dependents with income equal to or less than 200
2.16 percent of the federal poverty guidelines and for eligible employees with dependents with
2.17 income equal to or less than 275 percent of the federal poverty guidelines, the participating
2.18 employer shall pay 50 percent of the premium established under paragraph (a) for the
2.19 eligible employee, the employee's spouse, and any dependents, if applicable.

2.20 (c) For eligible employees without dependents with income over 200 percent of the
2.21 federal poverty guidelines and for eligible employees with dependents with income over
2.22 275 percent of the federal poverty guidelines, the participating employer shall pay the
2.23 full cost of the premium established under paragraph (a) for the eligible employee, the
2.24 employee's spouse, and any dependents, if applicable. The participating employer may
2.25 require the employee to pay a portion of the cost of the premium so long as the employer
2.26 pays 50 percent. If the employer requires the employee to pay a portion of the premium,
2.27 the employee shall pay the portion of the cost to the employer.

2.28 (d) The commissioner shall collect premium payments from participating employers
2.29 for eligible employees, spouses, and dependents who are covered by the program as
2.30 provided under this section. All premiums collected shall be deposited in the health care
2.31 access fund.

2.32 Subd. 5. **Coverage.** The coverage offered to those enrolled in the program under
2.33 this section must include all health services described under section 256L.03 and all
2.34 co-payments and coinsurance requirements under section 256L.03, subdivision 5, apply.

2.35 Subd. 6. **Enrollment.** Upon payment of the premium, according to this section
2.36 and section 256L.06, eligible employees, spouses, and dependents shall be enrolled in

- 3.1 MinnesotaCare. For purposes of enrollment under this section, income eligibility limits
3.2 established under sections 256L.04 and 256L.07, subdivision 1, and asset limits established
3.3 under section 256L.17 do not apply. The barriers established under section 256L.07,
3.4 subdivision 2 or 3, do not apply to enrollees eligible under this section. The commissioner
3.5 may require eligible employees to provide income verification to determine premiums.