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HOUSE FILE NO. 181

FIRST COMMITTEE ENGROSSMENT

January 22, 2009
Authored by Thissen and Slawik
The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight
April 2, 2009
Committee Recommendation and Adoption of Report:
To Pass as Amended and re-referred to the Committee on Finance

Referred by Chair to K-12 Education Finance Division.
April 7, 2009
Returned to the Committee on Finance as Amended.

A bill for an act

relating to health; simplifying enrollment and renewal procedures for medical assistance and MinnesotaCare; changing eligibility provisions for MinnesotaCare; changing coverage provisions and sliding fee scale for MinnesotaCare; appropriating money; amending Minnesota Statutes 2008, sections 256.962, subdivisions 2, 6; 256L.04, subdivisions 1, 7a, by adding a subdivision; 256L.05, subdivisions 3, 3a; 256L.07, subdivisions 1, 2, 3, by adding a subdivision; 256L.15, subdivisions 2, 3; 256L.17, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 2008, section 256L.17, subdivision 6.

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

Section 1. **[256.0122] SIMPLIFICATION OF ENROLLMENT AND RENEWAL PROCEDURES.**

Subdivision 1. **Preprinted forms for renewals.** For children enrolled in medical assistance or MinnesotaCare, the commissioner shall develop a preprinted renewal form that contains the child's income information available to the commissioner. This form must be mailed to the parent of the child prior to the child's renewal date, along with a notice to the parent that eligibility of the child for medical assistance or MinnesotaCare shall be renewed based on the information contained in the form. The parent must review the information and if the information is no longer accurate, indicate this on the form and return the form to the commissioner with the current information. If the form is not returned, the commissioner shall determine eligibility for the child based on information on the form. Nothing in this subdivision shall be construed as prohibiting the commissioner from verifying income through electronic or other means. If the commissioner determines that the child is no longer eligible, the commissioner shall disenroll the child.

Subd. 2. **Continuous eligibility.** Children under the age of 19 who, at the time of application or renewal, meet the eligibility criteria for medical assistance or

MinnesotaCare, shall be continuously eligible for the program for 12 months or until the child reaches age 19, whichever is earlier.

Subd. 3. **Open enrollment and streamlined application and enrollment process.** (a) The commissioner and local agencies working in partnership must develop a streamlined and efficient application and enrollment process for medical assistance and MinnesotaCare enrollees that meets the criteria specified in this subdivision.

(b) The commissioners of human services and education shall provide recommendations to the legislature by January 15, 2010, on the creation of an open enrollment process for medical assistance and MinnesotaCare that is coordinated with the public education system. The recommendations must:

(1) be developed in consultation with medical assistance and MinnesotaCare enrollees and representatives from organizations that advocate on behalf of children and families, low-income persons and minority populations, counties, school administrators and nurses, health plans, and health care providers;

(2) be based on enrollment and renewal procedures best practices, including express lane eligibility as required under subdivision 4;

(3) simplify the enrollment and renewal processes wherever possible; and

(4) establish a process:

(i) to disseminate information on medical assistance and MinnesotaCare to all children in the public education system, including prekindergarten programs; and

(ii) for the commissioner of human services to enroll children and other household members who are eligible.

The commissioner of human services in coordination with the commissioner of education shall implement an open enrollment process by August 1, 2010, to be effective beginning with the 2010-2011 school year.

(c) The commissioner and local agencies shall develop an online application process for medical assistance and MinnesotaCare.

(d) The commissioner shall develop an application that is easily understandable and does not exceed four pages in length.

(e) The commissioner of human services shall present to the legislature, by January 15, 2010, an implementation plan for the open enrollment period and online application process.

Subd. 4. **Express lane eligibility.** (a) Children who complete an application for educational benefits and indicate an interest in enrolling in medical assistance or MinnesotaCare on the application form shall have the form considered an application for those programs.

(b) The commissioner of education shall forward electronically the information for families who are eligible for educational benefits to the commissioner of human services as required under section 124D.1115.

(c) The commissioner of human services shall accept the income determination made by the commissioner of education in administering the free and reduced-price school lunch program as proof of income for medical assistance and MinnesotaCare eligibility until renewal. Within 30 days of receipt of information provided by the commissioner of education under paragraph (d), the commissioner of human services shall:

(1) enroll all eligible children in the medical assistance or MinnesotaCare programs; and

(2) provide information about medical assistance and MinnesotaCare to other household members.

The date of application for the medical assistance and MinnesotaCare programs is the date on the signed application for educational benefits.

Sec. 2. Minnesota Statutes 2008, section 256.962, subdivision 2, is amended to read:

Subd. 2. **Outreach grants.** (a) The commissioner shall award grants to public and private organizations, regional collaboratives, and regional health care outreach centers for outreach activities, including, but not limited to:

(1) providing information, applications, and assistance in obtaining coverage through Minnesota public health care programs;

(2) collaborating with public and private entities such as hospitals, providers, health plans, legal aid offices, pharmacies, insurance agencies, and faith-based organizations to develop outreach activities and partnerships to ensure the distribution of information and applications and provide assistance in obtaining coverage through Minnesota health care programs; ~~and~~

(3) providing or collaborating with public and private entities to provide multilingual and culturally specific information and assistance to applicants in areas of high uninsurance in the state or populations with high rates of uninsurance; and

(4) targeting families with incomes below 200 percent of the federal poverty guidelines or who belong to underserved populations. $2,000,000 shall be allocated out of the health care access fund for outreach grants.

(b) The commissioner shall ensure that all outreach materials are available in languages other than English.

(c) The commissioner shall establish an outreach trainer program to provide training to designated individuals from the community and public and private entities on

application assistance in order for these individuals to provide training to others in the community on an as-needed basis.

Sec. 3. Minnesota Statutes 2008, section 256.962, subdivision 6, is amended to read:

Subd. 6. **School districts and charter schools.** (a) At the beginning of each school year, a school district or charter school shall provide information to each student on the availability of health care coverage through the Minnesota health care programs and how to obtain an application for the Minnesota health care programs.

(b) ~~For each child who is determined to be eligible for the free and reduced-price school lunch program, the district shall provide the child's family with information on how to obtain an application for the Minnesota health care programs and application assistance.~~

~~(c)~~ A school district or charter school shall also ensure that applications and information on application assistance are available at early childhood education sites and public schools located within the district's jurisdiction.

~~(d)~~ (c) Each district shall designate an enrollment specialist to provide application assistance and follow-up services with families who have indicated an interest in receiving information or an application for the Minnesota health care program. A district is eligible for the application assistance bonus described in subdivision 5.

~~(c) Each~~ (d) If a school district or charter school maintains a district Web site, the school district or charter school shall provide on ~~their~~ its Web site a link to information on how to obtain an application and application assistance.

Sec. 4. Minnesota Statutes 2008, section 256L.04, subdivision 1, is amended to read:

Subdivision 1. **Families with children.** (a) Families with children with family income equal to or less than 275 percent of the federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare according to this section. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, shall apply unless otherwise specified.

(b) Parents who enroll in the MinnesotaCare program must also enroll their children, if the children are eligible. Children may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. If one spouse in a household enrolls, the other spouse in the household must also enroll, unless other insurance is available. Families cannot choose to enroll only certain uninsured members.

(c) Beginning October 1, 2003, the dependent sibling definition no longer applies to the MinnesotaCare program. These persons are no longer counted in the parental household and may apply as a separate household.

(d) Beginning July 1, 2003, or upon federal approval, whichever is later, parents are not eligible for MinnesotaCare if their gross income exceeds $57,500.

(e) Children formerly enrolled in medical assistance and automatically deemed eligible for MinnesotaCare according to section 256B.057, subdivision 2c, are exempt from the requirements of this section until renewal.

(f) Children deemed eligible for MinnesotaCare under section 256L.07, subdivision 8, are exempt from the requirements of this subdivision.

Sec. 5. Minnesota Statutes 2008, section 256L.04, is amended by adding a subdivision to read:

Subd. 1b. **Children with family income greater than 275 percent of federal poverty guidelines.** Children with family income greater than 275 percent of federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, shall apply unless otherwise specified.

Sec. 6. Minnesota Statutes 2008, section 256L.04, subdivision 7a, is amended to read:

Subd. 7a. **Ineligibility.** ~~Applicants~~ Adults whose income is greater than the limits established under this section may not enroll in the MinnesotaCare program.

Sec. 7. Minnesota Statutes 2008, section 256L.05, subdivision 3, is amended to read:

Subd. 3. **Effective date of coverage.** (a) The effective date of coverage is the first day of the month following the month in which eligibility is approved and the first premium payment has been received. As provided in section 256B.057, coverage for newborns is automatic from the date of birth and must be coordinated with other health coverage. The effective date of coverage for eligible newly adoptive children added to a family receiving covered health services is the month of placement. The effective date of coverage for other new members added to the family is the first day of the month following the month in which the change is reported. All eligibility criteria must be met by the family at the time the new family member is added. The income of the new family member is included with the family's gross income and the adjusted premium begins in the month the new family member is added.

(b) The initial premium must be received by the last working day of the month for coverage to begin the first day of the following month.

(c) Benefits are not available until the day following discharge if an enrollee is hospitalized on the first day of coverage.

(d) Notwithstanding any other law to the contrary, benefits under sections 256L.01 to 256L.18 are secondary to a plan of insurance or benefit program under which an eligible person may have coverage and the commissioner shall use cost avoidance techniques to ensure coordination of any other health coverage for eligible persons. The commissioner shall identify eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance.

(e) The effective date of coverage for single adults and households with no children formerly enrolled in general assistance medical care and enrolled in MinnesotaCare according to section 256D.03, subdivision 3, is the first day of the month following the last day of general assistance medical care coverage.

(f) The effective date of coverage for children eligible under section 256L.07, subdivision 8, is the first day of the month following the date of termination from foster care or release from a juvenile residential facility.

Sec. 8. Minnesota Statutes 2008, section 256L.05, subdivision 3a, is amended to read:

Subd. 3a. **Renewal of eligibility.** (a) Beginning July 1, 2007, an enrollee's eligibility must be renewed every 12 months. The 12-month period begins in the month after the month the application is approved.

(b) Each new period of eligibility must take into account any changes in circumstances that impact eligibility and premium amount. An enrollee must provide all the information needed to redetermine eligibility by the first day of the month that ends the eligibility period. If there is no change in circumstances, the enrollee may renew eligibility at designated locations that include community clinics and health care providers' offices. The designated sites shall forward the renewal forms to the commissioner. The commissioner may establish criteria and timelines for sites to forward applications to the commissioner or county agencies. The premium for the new period of eligibility must be received as provided in section 256L.06 in order for eligibility to continue.

(c) For single adults and households with no children formerly enrolled in general assistance medical care and enrolled in MinnesotaCare according to section 256D.03, subdivision 3, the first period of eligibility begins the month the enrollee submitted the application or renewal for general assistance medical care.

(d) ~~An enrollee~~ Notwithstanding paragraph (e), an enrollee who fails to submit renewal forms and related documentation necessary for verification of continued eligibility in a timely manner shall remain eligible for one additional month beyond the end of the current eligibility period before being disenrolled. The enrollee remains responsible for MinnesotaCare premiums for the additional month.

(e) Children in families with family income equal to or below 275 percent of federal poverty guidelines who fail to submit renewal forms and related documentation necessary for verification of continued eligibility in a timely manner shall remain eligible for the program. The commissioner shall use the means described in subdivision 2 or any other means available to verify family income. If the commissioner determines that there has been a change in income in which premium payment is required to remain enrolled, the commissioner shall notify the family of the premium payment, and that the children will be disenrolled if the premium payment is not received effective the first day of the calendar month following the calendar month for which the premium is due.

(f) For children enrolled in MinnesotaCare under section 256L.07, subdivision 8, the first period of renewal begins the month the enrollee turns 21 years of age.

Sec. 9. Minnesota Statutes 2008, section 256L.07, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) Children enrolled in the original children's health plan as of September 30, 1992, children who enrolled in the MinnesotaCare program after September 30, 1992, pursuant to Laws 1992, chapter 549, article 4, section 17, and children who have family gross incomes that are equal to or less than ~~150~~ 200 percent of the federal poverty guidelines are eligible without meeting the requirements of subdivision 2 and the four-month requirement in subdivision 3, as long as they maintain continuous coverage in the MinnesotaCare program or medical assistance. ~~Children who apply for MinnesotaCare on or after the implementation date of the employer-subsidized health coverage program as described in Laws 1998, chapter 407, article 5, section 45, who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines, must meet the requirements of subdivision 2 to be eligible for MinnesotaCare.~~

~~Families~~ Parents enrolled in MinnesotaCare under section 256L.04, subdivision 1, whose income increases above 275 percent of the federal poverty guidelines, are no longer eligible for the program and shall be disenrolled by the commissioner. Beginning January 1, 2008, individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty guidelines or 250 percent of the federal poverty guidelines on or after July 1, 2009, are no longer eligible for

the program and shall be disenrolled by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month following the month in which the commissioner determines that the income of a family or individual exceeds program income limits.

(b) ~~Notwithstanding paragraph (a),~~ Children may remain enrolled in MinnesotaCare if ~~ten percent of~~ their ~~gross individual or~~ gross family income as defined in section 256L.01, subdivision 4, is ~~less than the annual premium for a policy with a $500 deductible available through the Minnesota Comprehensive Health Association. Children who are no longer eligible for MinnesotaCare under this clause shall be given a 12-month notice period from the date that ineligibility is determined before disenrollment~~ greater than 275 percent of federal poverty guidelines. The premium for children remaining eligible under this ~~clause~~ paragraph shall be the maximum premium determined under section 256L.15, subdivision 2, paragraph (b).

(c) Notwithstanding ~~paragraphs~~ paragraph (a) ~~and (b)~~, parents are not eligible for MinnesotaCare if gross household income exceeds $57,500 for the 12-month period of eligibility.

Sec. 10. Minnesota Statutes 2008, section 256L.07, subdivision 2, is amended to read:

Subd. 2. **Must not have access to employer-subsidized coverage.** (a) To be eligible, a family or individual must not have access to subsidized health coverage through an employer and must not have had access to employer-subsidized coverage through a current employer for 18 months prior to application or reapplication. A family or individual whose employer-subsidized coverage is lost due to an employer terminating health care coverage as an employee benefit during the previous 18 months is not eligible.

(b) This subdivision does not apply to a family or individual who was enrolled in MinnesotaCare within six months or less of reapplication and who no longer has employer-subsidized coverage due to the employer terminating health care coverage as an employee benefit. This subdivision does not apply to children with family gross incomes that are equal to or less than 200 percent of federal poverty guidelines.

(c) For purposes of this requirement, subsidized health coverage means health coverage for which the employer pays at least 50 percent of the cost of coverage for the employee or dependent, or a higher percentage as specified by the commissioner. Children are eligible for employer-subsidized coverage through either parent, including the noncustodial parent. The commissioner must treat employer contributions to Internal Revenue Code Section 125 plans and any other employer benefits intended to pay

health care costs as qualified employer subsidies toward the cost of health coverage for employees for purposes of this subdivision.

Sec. 11. Minnesota Statutes 2008, section 256L.07, subdivision 3, is amended to read:

Subd. 3. **Other health coverage.** (a) Families and individuals enrolled in the MinnesotaCare program must have no health coverage while enrolled ~~or for at least four months prior to application and renewal~~. Children with family gross incomes greater than 200 percent of federal poverty guidelines, and adults, must have had no health coverage for at least four months prior to application and renewal. Children enrolled in the original children's health plan and children in families with income equal to or less than ~~150~~ 200 percent of the federal poverty guidelines, who have other health insurance, are eligible if the coverage:

(1) lacks two or more of the following:

(i) basic hospital insurance;

(ii) medical-surgical insurance;

(iii) prescription drug coverage;

(iv) dental coverage; or

(v) vision coverage;

(2) requires a deductible of $100 or more per person per year; or

(3) lacks coverage because the child has exceeded the maximum coverage for a particular diagnosis or the policy excludes a particular diagnosis.

The commissioner may change this eligibility criterion for sliding scale premiums in order to remain within the limits of available appropriations. The requirement of no health coverage does not apply to newborns.

(b) Medical assistance, general assistance medical care, and the Civilian Health and Medical Program of the Uniformed Service, CHAMPUS, or other coverage provided under United States Code, title 10, subtitle A, part II, chapter 55, are not considered insurance or health coverage for purposes of the four-month requirement described in this subdivision.

(c) For purposes of this subdivision, an applicant or enrollee who is entitled to Medicare Part A or enrolled in Medicare Part B coverage under title XVIII of the Social Security Act, United States Code, title 42, sections 1395c to 1395w-152, is considered to have health coverage. An applicant or enrollee who is entitled to premium-free Medicare Part A may not refuse to apply for or enroll in Medicare coverage to establish eligibility for MinnesotaCare.

(d) Applicants who were recipients of medical assistance or general assistance medical care within one month of application must meet the provisions of this subdivision and subdivision 2.

(e) Cost-effective health insurance that was paid for by medical assistance is not considered health coverage for purposes of the four-month requirement under this section, except if the insurance continued after medical assistance no longer considered it cost-effective or after medical assistance closed.

Sec. 12. Minnesota Statutes 2008, section 256L.07, is amended by adding a subdivision to read:

Subd. 8. **Automatic eligibility for certain children.** Any child who was residing in foster care or a juvenile residential facility on the child's 18th birthday is automatically deemed eligible for MinnesotaCare upon termination or release and exempt from the requirements of this section until the child reaches the age of 21.

Sec. 13. Minnesota Statutes 2008, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly gross individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly gross individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly gross individual or family income. The sliding fee scale must contain separate tables based on enrollment of one, two, or three or more persons. Until June 30, 2009, the sliding fee scale begins with a premium of 1.5 percent of monthly gross individual or family income for individuals or families with incomes below the limits for the medical assistance program for families and children in effect on January 1, 1999, and proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8 percent. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit for families and children in effect on January 1, 1999, to 275 percent of the federal poverty guidelines for the applicable family size, up to a family size of five. The sliding fee scale for a family of five must be used for families of more than five. The sliding fee scale and percentages are not subject to the provisions of chapter 14. If a family or individual reports increased income after enrollment, premiums shall be adjusted at the time the change in income is reported.

(b) Children in families whose gross income is above 275 percent of the federal poverty guidelines shall pay the maximum premium. The maximum premium is defined as a base charge for one, two, or three or more enrollees so that if all MinnesotaCare

cases paid the maximum premium, the total revenue would equal the total cost of MinnesotaCare medical coverage and administration. In this calculation, administrative costs shall be assumed to equal ten percent of the total. The costs of medical coverage for pregnant women and children under age two and the enrollees in these groups shall be excluded from the total. The maximum premium for two enrollees shall be twice the maximum premium for one, and the maximum premium for three or more enrollees shall be three times the maximum premium for one.

(c) Beginning July 1, 2009, MinnesotaCare enrollees shall pay premiums according to the premium scale specified in paragraph (d) with the exception that children in families with income at or below ~~150~~ 200 percent of the federal poverty guidelines shall pay ~~a monthly premium of $4~~ no premiums. For purposes of paragraph (d), "minimum" means a monthly premium of $4.

(d) The following premium scale is established for individuals and families with gross family incomes of 300 percent of the federal poverty guidelines or less:

Federal Poverty Guideline Range	**Percent of Average Gross Monthly Income**
0-45%	minimum
46-54%	1.1%
55-81%	1.6%
82-109%	2.2%
110-136%	2.9%
137-164%	3.6%
165-191%	4.6%
192-219%	5.6%
220-248%	6.5%
249-274%	7.2%
275-300%	8.0%

Sec. 14. Minnesota Statutes 2008, section 256L.15, subdivision 3, is amended to read:

Subd. 3. **Exceptions to sliding scale.** Children in families with income at or below ~~150~~ 200 percent of the federal poverty guidelines shall pay ~~a~~ no monthly ~~premium of $4~~ premiums.

Sec. 15. Minnesota Statutes 2008, section 256L.17, subdivision 5, is amended to read:

Subd. 5. **Exemption.** This section does not apply to pregnant women or children. For purposes of this subdivision, a woman is considered pregnant for 60 days postpartum.

Sec. 16. **FEDERAL APPROVAL.**

The commissioner of human services shall resubmit for federal approval the following:

(1) the elimination of depreciation for self-employed farmers in determining income eligibility for MinnesotaCare passed in Laws 2007, chapter 147, article 5, section 33; and

(2) extending for two months medical assistance eligibility for children under the age of 19 and automatic MinnesotaCare eligibility until renewal passed in Laws 2007, chapter 147, article 13, sections 1, 2, and 3.

Sec. 17. **APPROPRIATION.**

$..... is appropriated from the health care access fund to the commissioner of education, for the biennium beginning July 1, 2009, to implement Minnesota Statutes, section 256.0122, subdivisions 3 and 4.

Sec. 18. **REPEALER.**

Minnesota Statutes 2008, section 256L.17, subdivision 6, is repealed.