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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE NO. 42

January 12, 2009
Authored by Thissen, Champion, Nelson and Clark
The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight
March 12, 2009
Committee Recommendation and Adoption of Report:
To Pass as Amended and re-referred to the Committee on Finance
March 18, 2009
By motion, recalled and re-referred to the Committee on Civil Justice

1.1 A bill for an act
1.2 relating to health; providing temporary MinnesotaCare eligibility for certain
1.3 individuals receiving unemployment benefits; requiring guaranteed issue in the
1.4 individual insurance market for certain individuals who had received temporary
1.5 MinnesotaCare coverage; appropriating money; amending Minnesota Statutes
1.6 2008, sections 62A.65, subdivision 5; 256L.07, by adding a subdivision.

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

1.8 Section 1. Minnesota Statutes 2008, section 62A.65, subdivision 5, is amended to read:

1.9 Subd. 5. **Portability and conversion of coverage.** (a) No individual health plan
1.10 may be offered, sold, issued, or with respect to children age 18 or under renewed, to a
1.11 Minnesota resident that contains a preexisting condition limitation, preexisting condition
1.12 exclusion, or exclusionary rider, unless the limitation or exclusion is permitted under this
1.13 subdivision and under chapter 62L, provided that, except for children age 18 or under,
1.14 underwriting restrictions may be retained on individual contracts that are issued without
1.15 evidence of insurability as a replacement for prior individual coverage that was sold
1.16 before May 17, 1993. The individual may be subjected to an 18-month preexisting
1.17 condition limitation, unless the individual has maintained continuous coverage as defined
1.18 in section 62L.02. The individual must not be subjected to an exclusionary rider. An
1.19 individual who has maintained continuous coverage may be subjected to a onetime
1.20 preexisting condition limitation of up to 12 months, with credit for time covered under
1.21 qualifying coverage as defined in section 62L.02, at the time that the individual first is
1.22 covered under an individual health plan by any health carrier. Credit must be given for
1.23 all qualifying coverage with respect to all preexisting conditions, regardless of whether
1.24 the conditions were preexisting with respect to any previous qualifying coverage. The
1.25 individual must not be subjected to an exclusionary rider. Thereafter, the individual must

2.1 not be subject to any preexisting condition limitation, preexisting condition exclusion,
2.2 or exclusionary rider under an individual health plan by any health carrier, except an
2.3 unexpired portion of a limitation under prior coverage, so long as the individual maintains
2.4 continuous coverage as defined in section 62L.02.

2.5 (b) A health carrier must offer an individual health plan to any individual previously
2.6 covered under a group health plan issued by that health carrier, regardless of the size of
2.7 the group, so long as the individual maintained continuous coverage as defined in section
2.8 62L.02. If the individual has available any continuation coverage provided under sections
2.9 62A.146; 62A.148; 62A.17, subdivisions 1 and 2; 62A.20; 62A.21; 62C.142; 62D.101; or
2.10 62D.105, or continuation coverage provided under federal law, the health carrier need not
2.11 offer coverage under this paragraph until the individual has exhausted the continuation
2.12 coverage. The offer must not be subject to underwriting, except as permitted under this
2.13 paragraph. A health plan issued under this paragraph must be a qualified plan as defined
2.14 in section 62E.02 and must not contain any preexisting condition limitation, preexisting
2.15 condition exclusion, or exclusionary rider, except for any unexpired limitation or
2.16 exclusion under the previous coverage. The individual health plan must cover pregnancy
2.17 on the same basis as any other covered illness under the individual health plan. The offer
2.18 of coverage by the health carrier must inform the individual that the coverage, including
2.19 what is covered and the health care providers from whom covered care may be obtained,
2.20 may not be the same as the individual's coverage under the group health plan. The offer
2.21 of coverage by the health carrier must also inform the individual that the individual, if
2.22 a Minnesota resident, may be eligible to obtain coverage from (i) other private sources
2.23 of health coverage, or (ii) the Minnesota Comprehensive Health Association, without a
2.24 preexisting condition limitation, and must provide the telephone number used by that
2.25 association for enrollment purposes. The initial premium rate for the individual health
2.26 plan must comply with subdivision 3. The premium rate upon renewal must comply with
2.27 subdivision 2. In no event shall the premium rate exceed 100 percent of the premium
2.28 charged for comparable individual coverage by the Minnesota Comprehensive Health
2.29 Association, and the premium rate must be less than that amount if necessary to otherwise
2.30 comply with this section. An individual health plan offered under this paragraph to a
2.31 person satisfies the health carrier's obligation to offer conversion coverage under section
2.32 62E.16, with respect to that person. Coverage issued under this paragraph must provide
2.33 that it cannot be canceled or nonrenewed as a result of the health carrier's subsequent
2.34 decision to leave the individual, small employer, or other group market. Section 72A.20,
2.35 subdivision 28, applies to this paragraph.

3.1 (c) A health carrier must offer, sell, issue, and renew an individual health plan on a
3.2 guaranteed issue basis, without any preexisting condition limitation, to individuals and
3.3 their family members who exhaust temporary MinnesotaCare coverage for unemployed
3.4 individuals under section 256L.07, subdivision 8, who are not eligible for regular
3.5 MinnesotaCare coverage as determined by the commissioner of human services, and who
3.6 apply for coverage from the health carrier within 63 days after denial of eligibility for
3.7 regular MinnesotaCare coverage. Guaranteed issue coverage under this paragraph must be
3.8 retroactive to the date of denial of eligibility for regular MinnesotaCare coverage. For
3.9 purposes of this paragraph, "guaranteed issue" means that a health carrier shall not decline
3.10 to cover under a health plan any individual or eligible dependent, including persons
3.11 who become eligible dependents after issuance of the health plan. For purposes of this
3.12 paragraph, "family" has the meaning provided in section 256L.07, subdivision 8. This
3.13 paragraph expires July 1, 2011.

3.14 **EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to health
3.15 plans offered, sold, issued, or renewed on or after that date.

3.16 Sec. 2. Minnesota Statutes 2008, section 256L.07, is amended by adding a subdivision
3.17 to read:

3.18 Subd. 8. **Temporary MinnesotaCare coverage for unemployed individuals.** (a)
3.19 An individual is eligible for temporary MinnesotaCare coverage under this subdivision if
3.20 the individual:

3.21 (1) is involuntarily unemployed, but not for cause, and had been employed for at
3.22 least 18 consecutive months prior to the loss of employment;

3.23 (2) is either not eligible for continuation coverage as described by the Consolidated
3.24 Omnibus Budget Reconciliation Act of 1985 (COBRA), Public Law 99-272, as amended,
3.25 or state continuation coverage under sections 62A.146, 62A.148, 62A.17, 62A.20,
3.26 62A.21, 62D.101, and 62D.105, and similar laws of other states under which a Minnesota
3.27 resident is eligible, or premiums for this continuation coverage exceed eight percent of
3.28 gross household income;

3.29 (3) has gross individual or family income that does not exceed 275 percent of the
3.30 federal poverty guidelines; and

3.31 (4) does not have available to them health coverage through Medicare or
3.32 employer-subsidized coverage through a spouse. For purposes of this requirement,
3.33 "employer-subsidized coverage" means health coverage for which the employer pays at
3.34 least 50 percent of the cost of coverage for the employee or dependent.

4.1 (b) Members of the individual's family are also eligible for MinnesotaCare under
4.2 this subdivision. For purposes of this subdivision "family" has the meaning provided
4.3 in Minnesota Rules, part 9506.0010, subpart 11, but also includes any individual who
4.4 had been covered under health coverage provided by the most recent employer of the
4.5 individual applying for temporary MinnesotaCare coverage.

4.6 (c) Individuals and family members eligible under this subdivision are exempt from
4.7 subdivisions 2 and 3; and section 256L.17. All other requirements of this chapter apply.

4.8 (d) The commissioner of employment and economic development shall provide all
4.9 individuals eligible to receive unemployment benefits under chapter 268, a Minnesota
4.10 emergency unemployment compensation program, or a federal emergency compensation
4.11 program, with written notice that the individual and family members may be eligible
4.12 under this subdivision for temporary MinnesotaCare coverage, and an application for
4.13 this coverage. This information must be provided by the commissioner of employment
4.14 and economic development at the same time that information about eligibility for
4.15 unemployment benefits is provided.

4.16 (e) Individuals and family members shall submit applications for temporary
4.17 MinnesotaCare coverage to the commissioner of human services. The commissioner
4.18 of human services shall determine eligibility for persons seeking coverage under this
4.19 subdivision, using the procedures specified in this chapter, unless otherwise provided
4.20 in this subdivision.

4.21 (f) Individuals eligible under this subdivision shall receive coverage for the health
4.22 services provided under section 256L.03 to nonpregnant adults with children, except
4.23 that the annual limit on inpatient hospital services in section 256L.03, subdivision 3,
4.24 shall not apply.

4.25 (g) Individuals eligible under this subdivision shall receive coverage on a
4.26 fee-for-service basis with state-only funds, and are exempt from managed care enrollment
4.27 under section 256L.12. The commissioner of human services shall seek federal approval
4.28 for matching funds within 30 days of the effective date of this subdivision.

4.29 (h) Individuals eligible under this subdivision shall pay premiums as determined
4.30 under section 256L.15. These individuals are subject to the cost-sharing requirements
4.31 specified in section 256L.03, subdivision 5, except that the ten percent coinsurance
4.32 requirement for inpatient hospital services shall not apply. Individuals eligible under this
4.33 subdivision are exempt from disenrollment for failure to pay premiums.

4.34 (i) Individuals and family members are eligible under this subdivision for 145 days
4.35 of coverage, regardless of whether the eligibility criteria under paragraph (a) continue to
4.36 be met after the initial determination of eligibility.

5.1 (j) Coverage under this subdivision is secondary to a plan of insurance or benefit
5.2 program under which an individual or family member has coverage, and the commissioner
5.3 of human services shall apply the procedures in section 256L.05, subdivision 3, paragraph
5.4 (d). To be eligible under this subdivision, individuals and family members must comply
5.5 with section 256L.04, subdivision 2.

5.6 (k) Individuals and family members who are no longer eligible under this
5.7 subdivision may reapply for MinnesotaCare. The commissioner of human services shall
5.8 provide individuals covered under this subdivision with reapplication materials no later
5.9 than 115 days from the effective date of coverage. All eligibility, premium payment,
5.10 and other requirements of this chapter shall apply at the time of reapplication. The
5.11 effective date of coverage for persons reapplying shall be the day following the last day
5.12 of coverage under this subdivision, for persons who have submitted a written request for
5.13 retroactive MinnesotaCare coverage with a completed application within 30 days of the
5.14 loss of eligibility. The applicant must provide all required verifications within 30 days of
5.15 the written request for verification. For all other persons, the effective date of coverage is
5.16 the day specified in section 256L.05, subdivision 3. Individuals denied MinnesotaCare
5.17 coverage upon reapplication are eligible to purchase private sector individual health
5.18 coverage on a guaranteed issue basis, as provided in section 62A.65, subdivision 5,
5.19 paragraph (c), and health carriers as defined in that section must accept applicants and
5.20 issue coverage on that basis.

5.21 (l) This subdivision expires July 1, 2011.

5.22 **EFFECTIVE DATE.** This section is effective July 1, 2009.

5.23 Sec. 3. **APPROPRIATION.**

5.24 $....... is appropriated from the health care access fund to the commissioner of
5.25 human services for the biennium beginning July 1, 2009, to implement Minnesota
5.26 Statutes, section 256L.07, subdivision 8.