

This Document can be made available in alternative formats upon request

State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH  
SESSION

HOUSE FILE No. **650**

February 9, 2009

Authored by Abeler, Gottwalt and Kiffmeyer

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

1.1 A bill for an act  
1.2 relating to health care access; establishing the MinnesotaCare CMF program;  
1.3 providing coverage through medical benefit accounts and high-deductible health  
1.4 plans; proposing coding for new law in Minnesota Statutes, chapter 256L.

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

1.6 Section 1. **[256L.30] MINNESOTACARE CARE FOR MORE FAMILIES**  
1.7 **PROGRAM.**

1.8 The commissioner shall establish the MinnesotaCare Care for More Families (CMF)  
1.9 program. The commissioner shall implement the program on January 1, 2010, or upon  
1.10 federal approval, whichever is later.

1.11 Sec. 2. **[256L.31] ELIGIBILITY.**

1.12 Subdivision 1. **General requirements.** Families and children meeting the eligibility  
1.13 requirements of this section are eligible for the MinnesotaCare CMF program. Enrollment  
1.14 in the program is voluntary. For purposes of the program, a child is an individual under  
1.15 age 19.

1.16 Subd. 2. **Income limit.** Families and children with family income equal to or less  
1.17 than 300 percent of the federal poverty guidelines for the applicable family size are  
1.18 eligible for the MinnesotaCare CMF program.

1.19 Subd. 3. **No other health coverage.** (a) Families and children must have no other  
1.20 health coverage at the time of application, except that families and children that contribute  
1.21 15 percent or more of their gross income toward the cost of employer-sponsored coverage  
1.22 are eligible for the program.

2.1 (b) Families and children eligible to enroll in the medical assistance program are not  
2.2 eligible for the MinnesotaCare CMF program.

2.3 (c) Families and children enrolled in the MinnesotaCare program under section  
2.4 256L.04, subdivision 1, may voluntarily enroll in the MinnesotaCare CMF program.

2.5 Subd. 4. **Other MinnesotaCare eligibility requirements.** (a) To be eligible for  
2.6 MinnesotaCare CMF, families and children must comply with the citizenship requirement  
2.7 in section 256L.04, subdivision 10, and the residency requirement in section 256L.09.

2.8 (b) Section 256L.07, subdivisions 2 and 3, do not apply to enrollment under the  
2.9 MinnesotaCare CMF program.

2.10 **Sec. 3. [256L.33] PROGRAM ADMINISTRATION.**

2.11 Unless otherwise specified, the commissioner shall administer the MinnesotaCare  
2.12 CMF program using the procedures and methods used to administer the MinnesotaCare  
2.13 program for persons enrolled under section 256L.04, subdivision 1.

2.14 **Sec. 4. [256L.35] COVERED SERVICES.**

2.15 Covered services under the MinnesotaCare CMF program consist of all  
2.16 comprehensive health maintenance services covered under a standard HMO contract, as  
2.17 defined under section 62D.02, subdivision 7, and Minnesota Rules, chapter 4685, or  
2.18 their actuarial equivalent.

2.19 **Sec. 5. [256L.37] HIGH-DEDUCTIBLE HEALTH PLAN.**

2.20 Subdivision 1. **Purchase required.** Enrollees shall purchase a high-deductible  
2.21 health plan through a health insurance exchange established under section 62U.02. For  
2.22 purposes of this requirement, a high-deductible health plan is a health plan with an  
2.23 annual deductible equal to \$1,000 for individuals and \$2,000 for families, indexed by the  
2.24 Consumer Price Index (CPI-urban). The health plan purchased may be either a family or  
2.25 individual policy, at the option of the enrollee. Enrollees who receive premium subsidies  
2.26 must select the least costly high-deductible health plan available to the enrollee.

2.27 Subd. 2. **Plan coverage.** High-deductible health plans must provide coverage for  
2.28 all services required to be covered under section 256L.35.

2.29 Subd. 3. **Cost-sharing.** High-deductible plans shall have no enrollee cost-sharing  
2.30 beyond the deductible.

2.31 **Sec. 6. [256L.39] MEDICAL BENEFIT ACCOUNT.**

3.1           Subdivision 1. **Establishment of account.** Each enrollee shall manage a medical  
3.2 benefit account. A medical benefit account is a trust established and owned by the state of  
3.3 Minnesota for the sole benefit of the MinnesotaCare CMF enrollee, that may be used to  
3.4 pay for health care services subject to a deductible, other qualified medical expenses, and  
3.5 qualified educational expenses of the enrollee. The medical benefit account shall consist  
3.6 of a deductible account and a freedom account.

3.7           Subd. 2. **Deductible account.** The deductible account shall be funded by the  
3.8 enrollee and the state, to the value of the annual deductible of the high-deductible health  
3.9 plan. Expenditures from the deductible account are limited to medical expenses that count  
3.10 toward the deductible, according to the terms of the high-deductible health plan.

3.11           Subd. 3. **Freedom account.** The freedom account shall be funded with money  
3.12 rolled over from the enrollee's previous year's unspent deductible account dollars,  
3.13 investment gains, and any additional private contributions. Money in the freedom account  
3.14 may be spent on:

3.15           (1) all qualified medical expenses, as defined in section 213(d) of the Internal  
3.16 Revenue Code;

3.17           (2) qualified education expenses; and

3.18           (3) private sector health plan premiums, for persons who lose eligibility for or are no  
3.19 longer enrolled in MinnesotaCare CMF.

3.20           For purposes of this subdivision, "qualified educational expenses" means tuition and fees  
3.21 at postsecondary educational institutions. Money in the freedom account may be invested  
3.22 by the enrollee, using the procedures that apply to individual retirement accounts.

3.23           Subd. 4. **Administration.** Any organization qualified to administer individual  
3.24 retirement accounts may administer the medical benefit account, subject to any restrictions  
3.25 specified in the trust documents. Funds in the medical benefits account must be accessible  
3.26 through a debit card. Charges on the debit card must be limited to allowed expenditures.

3.27           Subd. 5. **Additional contributions.** Enrollees, and employers and other third  
3.28 parties, may contribute additional funds to the medical benefit account. These funds are  
3.29 subject to the same spending restrictions as contributions by the enrollee and the state.

3.30           Subd. 6. **Continued access to account.** Individuals who become ineligible for or  
3.31 leave the MinnesotaCare CMF program shall continue to have access to money in the  
3.32 medical benefit account, if they had been enrolled in the MinnesotaCare CMF program for  
3.33 at least 12 consecutive months. Medical benefit account funds for persons enrolled in the  
3.34 MinnesotaCare CMF program for less than 12 consecutive months shall be forfeited by  
3.35 the person and deposited into the general fund.

4.1       Sec. 7. **[256L.41] PREMIUMS.**

4.2           Subdivision 1. **Requirement.** Families and children shall pay a premium based on  
4.3 the sliding scale specified in section 256L.15. All other provisions of section 256L.15  
4.4 shall apply to premium administration and collection under the MinnesotaCare CMF  
4.5 program, unless otherwise specified in this section. Families and children with incomes  
4.6 that exceed the income limit for the MinnesotaCare CMF program may remain on the  
4.7 program, but must pay the full cost of the high-deductible premium and must fully fund  
4.8 the deductible account without any state subsidy.

4.9           Subd. 2. **Premiums applied first to deductible account.** The commissioner  
4.10 shall fully fund each enrollee's deductible account at the time of initial enrollment and  
4.11 at the start of each plan year, and shall use the required premium contributions from the  
4.12 enrollee to pay back the cost of fully funding the deductible. The commissioner shall  
4.13 apply the premiums collected under this section to the cost of premium payments for the  
4.14 high-deductible health plan policy only if the enrollee still has a premium obligation  
4.15 after fully funding the deductible account.

4.16           Subd. 3. **Payment to exchange.** The commissioner shall require families and  
4.17 children to pay sliding scale premiums to the health insurance exchange from which the  
4.18 MinnesotaCare CMF high-deductible health plan is purchased.

4.19       Sec. 8. **[256L.43] WAIVERS AND FEDERAL APPROVAL.**

4.20           The commissioner shall seek all necessary federal waivers and approvals to  
4.21 implement the MinnesotaCare CMF program and to use federal medical assistance and  
4.22 state children's health insurance program dollars to pay for health care services covered  
4.23 under the MinnesotaCare CMF program.