DEPARTMENT OF HUMAN SERVICES

MinnesotaCare: The First Basic Health Program

Julie Marquardt

Interim Assistant Commissioner and State Medicaid Director

MinnesotaCare History

Original program established in 1992

- Subsidized program
  - Families make too much for Medicaid
  - Struggling to afford health coverage
- Bipartisan
- Statewide

Medicaid Waiver (Section 1115) in 1995

- Federal matching funds

Children and Families, expanded to adults

MinnesotaCare Today

Basic Health Program (BHP) under federal law – established in 2015

- State and federal program (not Medicaid)
- Authorized under Section 1331 of the Affordable Care Act
  - States to purchase coverage directly for people
  - Pooling the premium tax credits and cost-sharing reduction subsidies they would have otherwise received
- Two states, for now

MinnesotaCare Population

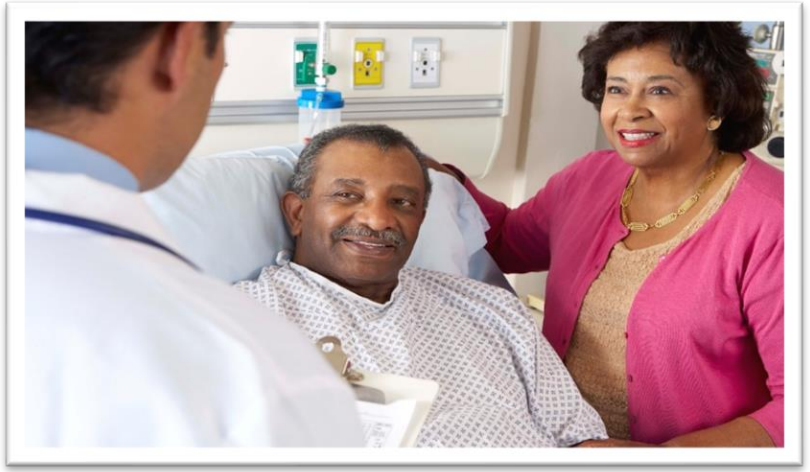
Serves more than 100,000 Minnesotans

- Mostly adults over age 18 – many are parents
- Income 133%-200% FPG
  - Individual $27,180 annually
  - Family of four -$55,500 annually

MinnesotaCare Coverage

Comprehensive health care coverage

- Additional benefits not typically available under most individual market plans
  - Dental
  - Eyeglasses
  - Broader array of behavioral health benefits



Low Cost-Sharing (94% AV) – certain populations exempt (e.g. children under 21, AI/AN individuals)

MinnesotaCare Service Delivery

Provided by Managed Care Organizations contracted with DHS

- Required under BHP regulations
  - Choice of at least 2 health plans
- 9 health plans
  - 5 licensed private HMOs
  - 1 licensed county owned HMO (Hennepin county)
  - 3 county-based purchasing plans (33 rural counties)

MinnesotaCare Financing

State and Federal program

- Federal funds
  - equal to 95 percent of the advanced premium tax credits that would otherwise be available to eligible people enrolled in commercial health care coverage through MNsure.
- State funds
  - Health Care Access Fund – state tax on hospitals and other providers
  - Administrative costs
- Enrollee Premiums
  - Premiums based on sliding scale and range from $0-$80 (January 2024)

Learnings

Understand the marketplace and populations

- How does a BHP “fit”?
  - Uninsured populations
  - Medicaid program coverage
  - Individual market
  - Financial considerations and relationships
- Benefit design
  - Medicaid benefits and rates vs. commercial vs. other
  - Essential Health Benefits and benchmark plans
  - Cost sharing

Opportunities

Economies of Scale

- Leverage Medicaid program or Marketplace infrastructure
- Operations, purchasing, policy development, etc.

Alignment to Reduce Disruptions Related to Transitions

- Same plans across Medicaid, BHP, and Individual Market

Expanding to other populations

- Undocumented residents
- Public options

Part of Improving Health in the State

- Lower uninsurance rates
- Improve access to care

The Final Word

Leslea Hodgson, who raises beef cattle with her husband near Fountain, Minn., told the Star Tribune that MinnesotaCare has been a good plan, even better than an employer plan she once had. It has been essential for her and her husband, especially since farming includes a risk of injury. “When he [her husband] didn’t have any insurance, that was walking a thin line.” -Leslea Hodgson Star Tribune, Oct. 6, 2017

As a musician, Sorum, 35, works three jobs and likes them all – but none provide benefits. She pays about $70 a month for MinnesotaCare premiums, which are based on a sliding income scale. “It is the best policy I’ve ever had. I haven’t had any trouble finding care, and all of the providers that I have needed to see have accepted it.” -Sorum

DEPARTMENT OF HUMAN SERVICES

Questions?