

NUMBER

#21-21-06

DATE

May 20, 2021

OF INTEREST TO

County Directors

Social Services Supervisors and
Staff

Financial Assistance Supervisors
and Workers

Tribal Chairpersons and Tribal
Health Directors

Health Care Eligibility
Operations (HCEO) Managers,
Supervisors, and Staff

ACTION/DUE DATE

Please read information and
prepare for implementation

EXPIRATION DATE

May 20, 2023

DHS Announces MinnesotaCare Premium Reductions for 2021 and 2022

TOPIC

MinnesotaCare premium reductions for 2021 and 2022.

PURPOSE

This bulletin announces reduced MinnesotaCare premiums for 2021 and 2022.

CONTACT

Counties and tribal agencies should submit policy questions via HealthQuest. All others should direct questions to the following:

Health Care Eligibility and Access (HCEA) Division
PO Box 64989
540 Cedar Street
St. Paul, MN 55164-0989

SIGNED

MATT ANDERSON

Assistant Commissioner/State Medicaid Director
Health Care Administration

TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.

I. Background

Section 1331 of the Patient Protection and Affordable Care Act gives states the option of creating a Basic Health Program (BHP); a health benefits coverage program for low-income individuals who would otherwise qualify to purchase coverage through the health insurance marketplace. A BHP gives states the ability to provide more affordable coverage for these low-income individuals and improve continuity of care for people whose income fluctuates above Medicaid levels. The monthly premium and cost sharing charged to BHP eligible individuals cannot exceed what they would have paid if they were to receive coverage from a qualified health plan (QHP) through the federal or a state-based marketplace. A state that operates a BHP receives federal funding equal to 95 percent of the amount of the premium tax credits and the cost sharing reductions that would have otherwise been provided to eligible individuals if they enrolled in QHPs through the marketplace. MinnesotaCare is a federally-qualified BHP that provides coverage to people who do not have access to affordable health insurance and have income above Medical Assistance (MA) income levels. Most individuals must pay a monthly premium to start and maintain MinnesotaCare coverage.

The American Rescue Plan Act of 2021 (ARPA) has two provisions to improve the affordability of health care coverage purchased through the health insurance marketplace by increasing premium tax credits people can receive in 2021 and 2022. Because MinnesotaCare is a BHP and premium amounts cannot exceed what an individual would have paid for a QHP, these ARPA provisions will reduce MinnesotaCare premiums for 2021 and 2022 in the following ways:

- Section 9661 increases advanced premium tax credits (APTC) for people with income not exceeding 400% of the federal poverty guidelines (FPG) to purchase coverage through the health insurance marketplace and expands eligibility for APTC to people with income above 400% FPG. The increase in premium tax credits significantly lowers the amount a person would pay for a benchmark QHP. Accordingly, MinnesotaCare premiums must be reduced to ensure they are not higher than the premiums individuals would have to pay for a benchmark plan through MNsure, Minnesota's marketplace.
- Section 9663 provides the maximum amount of APTC to a person who has received, or has been approved to receive, unemployment compensation for any week in 2021. These individuals are eligible for a zero-premium benchmark plan and reduced cost-sharing in 2021 only. This provision results in the elimination of monthly premiums for MinnesotaCare enrollees in 2021 if they or a member of their family have received, or have been approved to receive, unemployment compensation for any week this year.

This bulletin provides information on how these two provisions of ARPA reduce MinnesotaCare premiums for this year and next year.

II. MinnesotaCare Premium Changes

A. Premium scale changes for 2021 and 2022

The MinnesotaCare premium scale reflects the 2020 pre-ARPA premium scale and the changes required by the ARPA that are in effect for coverage beginning January 1, 2021, through December 31, 2022. The [MinnesotaCare Premium Estimator Table](#) includes family size and annual income figures for each FPG bracket that is effective January 1, 2021, through December 31, 2021. We will update the premium estimator table for January 1, 2022, through December 31, 2022, in October 2021.

Annual Family Income as a Percentage of the Federal Poverty Guideline	2020 Monthly Premium Amount per Person	2021 and 2022 Monthly Premium Amount per Person
0% - 34% FPG	\$0	\$0
35% - 54% FPG	\$4	\$0
55% - 79% FPG	\$6	\$0
80% - 89% FPG	\$8	\$0
90% - 99% FPG	\$10	\$0
100% - 109% FPG	\$12	\$0
110% - 119% FPG	\$14	\$0
120% - 129% FPG	\$15	\$0
130% - 139% FPG	\$16	\$0
140% - 149% FPG	\$25	\$0
150% - 159% FPG	\$37	\$0
160% - 169% FPG	\$44	\$4
170% - 179% FPG	\$52	\$9
180% - 189% FPG	\$61	\$15
190% - 199% FPG	\$71	\$21
200% FPG	\$80	\$28

Under the new premium scale, households with income below 160% FPG are eligible for MinnesotaCare without a premium and premiums for households with income at or above 160% FPG to 200% FPG have been significantly lowered. The maximum per person premium for MinnesotaCare is lowered from \$80 per month to \$28 per month.

Also, under current state law the following people do not have a premium for their MinnesotaCare coverage:

- People under age 21
- American Indians and Alaska Natives and their family members
- Military members who have completed a tour of active duty within 24 months of approval for MinnesotaCare and their family members (for up to 12 months)

B. Premium changes related to unemployment compensation in 2021

The ARPA requires the Department of Human Services (DHS) to treat people who have received, or who have been approved to receive, unemployment compensation for any week in 2021 as though they have income low enough to receive the maximum amount of premium tax credits. The result of this change is that MinnesotaCare households in which one or more members have received, or have been approved to receive, unemployment compensation for any week in 2021 are eligible to receive MinnesotaCare coverage without a premium in 2021.

To be eligible for MinnesotaCare without a premium in 2021 under this provision, a member of the household must attest that he or she has received, or has been approved to receive, unemployment compensation for any week in 2021 and the attestation must be verified. If the attestation cannot be verified electronically, workers can accept any of the following as proof:

- A print out or screen shot of an electronic record from the Department of Employment and Economic Development (DEED) showing unemployment compensation received in 2021
- A determination of benefits account statement indicating eligibility for unemployment compensation in 2021
- A bank statement showing a direct deposit of unemployment compensation made in 2021
- An unemployment debit card account statement showing unemployment compensation received in 2021
- A printed payment history showing unemployment compensation received in 2021

The premium exception for households with unemployment compensation is effective only for a temporary period, for coverage beginning January 1, 2021, through December 31, 2021. Beginning with MinnesotaCare premiums for January 2022 coverage, DHS will use the new sliding scale in section A to determine premium amounts for households previously exempt due to receipt of unemployment compensation.

III. Implementation of MinnesotaCare Premium Changes

DHS will implement the changes to MinnesotaCare premiums in 2021 and 2022 in four phases, as follows:

- **Phase 1 - Lower future premiums:** DHS will apply the new premium scale beginning with the coverage month of July 2021. Current MinnesotaCare enrollees will see their new lower premium amount on their July 2021 premium invoice, which DHS will send to enrollees in May 2021. DHS will include a notice with the July 2021 premium invoice to explain the lower premium.

DHS will apply the new premium scale to initial premiums for people who are approved for MinnesotaCare on and after June 1, 2021. For people approved for MinnesotaCare before June 1, 2021, DHS will continue to use the previous premium scale to determine the initial premium. These people will need to pay the higher initial premium until work to retroactively lower MinnesotaCare premiums for January 2021 through June 2021 coverage is completed. Ongoing premiums will be billed at the newer lower premium amount.

- **Phase 2 - Lower past premiums already billed in 2021:** DHS will retroactively lower MinnesotaCare premiums already billed for January 2021 through June 2021 coverage. DHS will credit MinnesotaCare enrollees who paid the higher premiums for these months with the difference between the amount they paid and the new lower premium amount. Enrollees who have not paid their premiums will have their past due balance lowered by the difference between the previously billed amount and the new lower premium amount.
- **Phase 3 - Activate coverage that is pending awaiting payment of the initial premium:** For individuals who are not required to pay a premium, MinnesotaCare coverage begins the first day of the month following the month MinnesotaCare is approved. DHS will activate MinnesotaCare coverage for people whose coverage is pending awaiting payment of the initial premium if they no longer have to pay a premium due to the new premium scale. Coverage for these people will begin the first day of the month after the month they were approved for MinnesotaCare. People whose coverage is retroactively activated will receive MinnesotaCare on a fee-for-service delivery basis for the retroactive months. Managed care enrollment will occur for future months of coverage, following usual procedures.
- **Phase 4 - Lower premiums for MinnesotaCare households with unemployment compensation:** DHS will identify households with one or more family members who have attested to receiving, or having been approved to receive, unemployment compensation for any week in 2021. DHS will change premiums previously billed for months of coverage in 2021 to zero for these households, if they have not already been changed to zero. DHS will credit households the amount they paid for these premiums. DHS will issue premium invoices for the remaining months of coverage in 2021 with a zero premium.

IV. Action Required

County, tribal, and DHS workers must follow the policies outlined in this bulletin and instructions that were issued by SIR announcements in advance of the publication of this bulletin.

Workers can find procedures for implementing the policies outlined in this bulletin on the COVID-19 ONEsource page.

V. Legal Citations

American Rescue Plan Act of 2021 (Public Law Number 117-2)

Code of Federal Regulations, title 42, section 600.505

Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling 651-297-3862 or toll free at 800-657-3672, or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.