



Administrative Bulletin 2014-4

Date: November 14, 2014
To: Minnesota Health Plan Companies
From: Commissioner Mike Rothman
Subject: Easing Transition of MCHA Enrollees into Private Market

Background

Coverage available through the Minnesota Comprehensive Health Association (MCHA) will end on December 31, 2014. The Commissioner of Commerce (Commerce) has the responsibility to ensure the least amount of disruption to enrollees in MCHA as they transition to new coverage.

Consistent with special enrollment rights available under federal law for individuals losing minimum essential coverage, MCHA enrollees currently in a traditional (non-Medicare Supplement) plan will be able to find new coverage between November 15, 2014 and March 1, 2015. Commerce recognizes that enrollees transitioning from MCHA to the private market may need additional assistance to enroll in a new plan, and resources will be made available to assist individuals with this transition.

MCHA enrollees that find new health plan coverage by December 31, 2014, either through MNsure or directly through a carrier, will have coverage effective on January 1, 2015, avoiding any lapse in coverage or care. However, MCHA enrollees who choose a new plan after January 1, 2015 will not be automatically granted coverage that begins on January 1 and may experience a lapse in coverage that leads to a disruption in care. Commerce has determined it is in the public interest and consistent with the stated goals of the MCHA Final Draft Transition Plan to ensure these enrollees do not experience a disruption in any treatment.

Retroactive Enrollment Allowance for MCHA Enrollees

Similar to existing allowances for COBRA and continuation coverage in the private market, carriers must allow MCHA enrollees that find new coverage between January 1, 2015 and March 1, 2015 to request retroactive coverage on their selected plan with an effective date of January 1, 2015. Once the consumer has enrolled in a new plan (either through MNsure or directly through the company), the consumer may contact the company issuing the policy to request retroactive coverage on the same plan effective January 1, 2015. MCHA enrollees may make this request to the carrier at any time prior to March 31, 2015, and this coverage would be effective from January 1 through the effective date of the plan previously assigned to the enrollee by MNsure or the company.

Carriers may require payment of owed premiums for retroactively enrolling a consumer that requests this option. If a consumer opts to receive retroactive coverage effective January 1, it should be made clear to any enrollee who purchased a plan through MNsure that they will not be eligible for cost-sharing reductions or advance premium tax credit assistance for the additional months of coverage prior to their MNsure

effective date. Advance premiums tax credits and cost-sharing reductions would only be available on a go-forward basis to consumers who are eligible for subsidies and choose coverage through MNsure, beginning on the effective date assigned through the MNsure enrollment.

Commissioner Authority

The Commissioner of Commerce has broad authority related to the appropriate termination of coverage through MCHA and to regulate insurance in Minnesota.

Laws of Minnesota 2013, Chapter 9, Section 15:

Sec. 15. MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION TERMINATION.

The commissioner of commerce, in consultation with the board of directors of the Minnesota Comprehensive Health Association, has the authority to develop and implement the phase-out and eventual appropriate termination of coverage provided by the Minnesota Comprehensive Health Association under Minnesota Statutes, chapter 62E. The phase-out of coverage shall begin no sooner than January 1, 2014, or upon the effective date of the operation of the Minnesota Insurance Marketplace and the ability to purchase qualified health plans through the Minnesota Insurance Marketplace, whichever is later, and shall, to the extent practicable, ensure the least amount of disruption to the enrollees' health care coverage. The member assessments established under Minnesota Statutes, section 62E.11, shall take into consideration any phase-out of coverage implemented under this section.

Minnesota Statutes section 60A.03 subdivision 2:

Subd. 2. Powers of commissioner.

The commissioner shall have and exercise the power to enforce all the laws of this state relating to insurance, and shall enforce all the provisions of the laws of this state relating to insurance in the manner provided by the laws defining the powers and duties of the commissioner of commerce, or, in the absence of any law prescribing the procedure, by any reasonable procedure the commissioner prescribes.

Note that this bulletin applies to all insurers regulated by Commerce and health maintenance organizations regulated by Health that offer major medical coverage in the individual market in Minnesota.

Questions

Questions on this bulletin may be directed to:

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Signed

Minnesota Department of Commerce

A handwritten signature in black ink that reads "Mike Rothman". The signature is written in a cursive, flowing style.

Mike Rothman
Commissioner

Minnesota Department of Health

A handwritten signature in black ink that reads "Edward P. Ehlinger". The signature is written in a cursive, flowing style.

Edward P. Ehlinger, MD, MSPH
Commissioner