



MINNESOTA DEPARTMENT OF
COMMERCE

Review of Market Rules for the
Commercial Market

What Makes up the Commercial Market?

- **Individual Market**
 - Through MNSure and from carriers directly (“Off-Exchange”)
- **Small Group Market**
 - Through MNSure’s SHOP and “Off-Exchange”
- **Fully-Insured Large Group Market**
- **Self-Insured Large Group Market**
- **Student Health Plans**
- **Dental Plans**
 - Through MNSure and “Off-Exchange”
- **Vision Plans**

What Laws Apply to the Commercial Market?

****Provisions of the Affordable Care Act apply to the entire commercial market****

- Individual Market
 - State Insurance Laws enforced by Commerce
- Small Group Market
 - State Insurance Laws enforced by Commerce
- Fully-Insured Large Group Market
 - State Insurance Laws enforced by Commerce
- Self-Insured Large Group Market
 - ERISA enforced by Federal Department of Labor

What Coverage Standards are Applied to the Commercial Market?

- Individual Market
 - Federal & State Essential Health Benefits (EHB)
- Small Group Market
 - Federal & State Essential Health Benefits (EHB)
- Fully-Insured Large Group Market
 - ONLY Minimum Essential Coverage (MEC)
- Self-Insured Large Group Market
 - ONLY Minimum Essential Coverage (MEC)

Essential Health Benefits (EHB)

- EHB encompass the types of care you need to prevent and treat sickness
- Federal EHB:
 1. Ambulatory patient services
 2. Emergency services
 3. Hospitalization
 4. Maternity and newborn care
 5. Mental health services and addiction treatment
 6. Prescription drugs
 7. Rehabilitative services and devices
 8. Laboratory services
 9. Preventative services, wellness services, and chronic disease treatment
 10. Pediatric services
- EHB are not subject to annual or lifetime dollar limits

Essential Health Benefits, continued

- Minn. Stat. 62Q defines EHB and requires all individual and small group plans to include EHB or greater scope of care
 - Does not provide clear authority to define the process to select Minnesota EHB Benchmark

More Essential Health Benefits (EHB)

- Minnesota has an additional 61 specific state-required essential health benefits
 - Examples: treatment for Lyme Disease and TMJ
- The [Minnesota EHB list](https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/minnesota-ehb-benchmark-plan.pdf) can be found at:
<https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/minnesota-ehb-benchmark-plan.pdf>

State Plan Design Requirements - Market-wide

- Minn. Stat. 62A.65; 62L.03; 62Q
 - Guaranteed Renewability
 - Guaranteed Issue
 - Prohibition on Pre-existing Condition Limitations
 - State Mandated Coverages
 - Contract Provision Standards

Plan Design Requirements- Small Group and Individual Markets

- 62K – Minnesota Health Plan Market Rules
 - Network adequacy – 62K.10
 - Provider networks must include sufficient number and type of providers, including mental health and substance use disorders
 - Service area requirements- 62K.13
 - Must offer a health plan in the entire geographic area of a county unless serving a smaller geographic area is necessary, nondiscriminatory, and in the best interest of enrollees
 - Open enrollment periods – 62K.15
 - Limit annual enrollment to the designated open enrollment period, except for special and limited enrollment periods defined by the ACA

Plan Design Requirements – Small Group and Individual Markets

- Adjusted Community Rating Under the ACA
 - Prohibited Rating Factors:
 - Health status, medical history
 - Gender
 - Industry
 - Block of Business
 - Allowed Rating Factors:
 - Age rating
 - Tobacco Use
 - Geography
 - Family Size

Cost-Sharing – Metal Levels

- Health Plans in the commercial market are categorized by metal levels, which represent different benefit sets
 - Applies to entire market with the exception of “off-exchange” large group and self-insured large group
- Platinum & Gold plans generally have higher monthly premiums but pay more of the costs of care
- Silver and Bronze plans cost less per month but pay less of the costs of care

Cost-Sharing - Principles

- Annual Out of Pocket Maximum for individual= \$6850 under the ACA
- No lifetime maximum on essential health benefits
- Costs Coverage per Metal Level
 - Platinum: plan must cover 90% expected costs
 - Gold: plan must cover 80% expected costs
 - Silver: plan must cover 70% expected costs
 - Bronze: plan must cover 60% expected costs

Actuarial Plan Comparison

Comparing Different Plan Tiers

Jane Doe

Age: 24

Premium Credit: \$3,552

Income: \$22,980

Example 1: Silver Plan

Total Premium: \$5,000

Jane's Premium

Contribution:

\$120.67/month

Plan AV: 70%

Example 2: Bronze Plan

Total Premium: \$4,000

Jane's Premium

Contribution:

\$37.33 / month

Plan AV: 60%

Sample Silver Plan (enrollee pays)

Deductible

\$2,500

OOP Maximum

\$4,000

Physician Visit

\$35

Sample Bronze Plan (enrollee pays)

\$4,000

\$6,850

\$50