STABILIZING THE INDIVIDUAL MARKET
Governor Walz and Lt. Governor Flanagan’s proposal stabilizes the individual market and expands access to health insurance. The proposal repeals the sunset provision for the Provider Tax which is an essential source of funding for the Health Care Access Fund. The Fund provides health care coverage through the MinnesotaCare and Medical Assistance (MA) programs and supports public health activities through the Minnesota Department of Health (MDH). The proposal also enhances Minnesotans’ ability to purchase affordable health care coverage by establishing a 20 percent premium subsidy starting in plan year 2020 and a State Based Health Insurance Tax Credit for Minnesotans who enroll in a Qualified Health Plan (QHP) in the individual market through MNsure, beginning in plan year 2021.

MAKE HEALTH CARE MORE AFFORDABLE FOR MINNESOTANS

Maintain the Health Care Access Fund
Governor Walz’s proposal maintains the Health Care Access Fund by repealing the sunset provision for the Provider Tax which would otherwise expire at the end of 2019. This proposal increases Health Care Access Fund revenues by $992 million in the FY2020-21 biennium. The Health Care Access Fund provides essential health care coverage through the MinnesotaCare and Medical Assistance (MA) programs and supports public health activities through the Minnesota Department of Health. Funding from the Health Care Access Fund will support the Health Insurance Premium Subsidy and the State Based Health Insurance Tax Credit – new programs which will target Minnesotans who currently pay full price for their health insurance on the individual market. Repealing the sunset provision for the Provider Tax maintains essential health programs for thousands of Minnesotans and provides stable funding for Minnesota’s innovative health policy initiatives that promote access to health care, improve the quality of care, and contain health care costs.

Provide a 20 Percent Health Insurance Premium Subsidy
The Governor will take immediate action by creating a subsidy program to reduce by 20 percent the monthly premiums for Minnesotans who receive their insurance through MNsure. This subsidy will be applied directly against a consumer’s premiums. This proposal provides relief to Minnesotans with incomes over 400 percent of the federal poverty level do not qualify for the federal premium tax credit which helps lower the costs of health insurance premiums. Up to 80,000 people could participate in the program, reducing the out-of-pocket costs of their health insurance premiums.
Establish a Health Insurance Tax Credit

The Governor’s proposal establishes a State Based Health Insurance Tax Credit to help ensure Minnesotans on the individual market pay no more than roughly 10 percent of their income on health care. This proposal also provides relief for consumers who do not qualify for the federal tax credit or other state-based health coverage programs. Minnesotans will be able to qualify for the credit beginning with plan year 2021 coverage. Almost 50,000 Minnesotans could be eligible to receive the State Based Health Insurance Tax Credit and see a reduction in their health insurance premium costs by 2023.