

FACT SHEET | A 25 Percent Health Insurance Premium Rebate

Governor Dayton's proposed premium rebate for Minnesotans who are not eligible for federal tax credits

Governor Dayton is calling for a 25 percent health insurance premium rebate to address rising health insurance premiums for the 123,000 Minnesotans expected to purchase health insurance on the individual market in 2017, who do not qualify for federal tax credits due to their income. For these Minnesotans, who make more than \$47,520 for an individual or \$97,200 for a family of four, and are not eligible for a federal tax credit, the Governor's direct relief will reduce average 2017 rate increases from 55 percent to a 16 percent increase.

Below, find more information on how the Governor's plan would work for affected Minnesotans.

Why Provide Rebates for Healthcare Premiums?

- Any Minnesotan purchasing coverage on the individual market should first go to MNsure to confirm whether they are eligible for federal tax credits
- There are 123,000 Minnesotans expected to purchase health coverage on the individual market in 2017, who are not eligible for federal tax credits because of their income
- These individuals and families are unfairly shouldering the burden of the health insurers' 50 percent to 66 percent premium increases in 2017

Who Would Qualify?

- The Governor's proposed 25 percent health insurance premium rebate is targeted to help Minnesotans who purchase coverage on the individual market and whose income is above the federal tax credit eligibility: 400 percent of the federal poverty level, or \$47,500 for an individual and \$97,200 for a family of four
- For these consumers, who are not eligible for federal tax credits, the rebate would automatically reduce consumers' monthly 2017 premiums bill by 25 percent
- Overall, the Governor's rebate reduces the 2017 rate increases from an average 55 percent increase to an 16 percent increase

How Would Minnesotans Receive the Rebate?

- The Governor's proposed 25 percent health insurance premium rebate would be available to these Minnesotans when they pay their monthly premiums to the health insurers
- The rebate would be administered by the health insurers, who would receive state funding to reduce these consumers' monthly premium bill by 25 percent from 2017 projections
- This is the fastest, most efficient way to keep more money in the pockets of Minnesotans who do not qualify for federal tax credits

How Would the Rebate Be Paid For?

- The one-time 25 percent health insurance premium rebate would be financed with the approximately \$313 million which is scheduled to be added to the existing \$1.9 billion Budget Reserves this December

How Rebates Would Impact Different Premium Scenarios

The 25% rebate is based on the second-lowest cost silver plan in a given county. Below, see how the Governor's proposed 25 percent health insurance premium rebate would impact different premium scenarios for a silver plan.

Premium Scenario	Monthly Premium, Current Projected*	Monthly Premium, Dayton Plan	Monthly Projected Rebate
Family of four (two 50-year-old parents and two kids) in Rochester	\$2,378	\$1,784	\$594
Family of four (two 50-year-old parents and two kids) in Duluth	\$1,934	\$1,451	\$483
Family of four (two 50-year-old parents and two kids) in the Metro Area	\$1,652	\$1,239	\$413
55-year-old in Rochester	\$968	\$726	\$242
55-year-old in Duluth	\$775	\$581	\$194
55-year-old in the Metro Area	\$638	\$479	\$159
40-year-old in Rochester	\$555	\$416	\$139
40-year-old in Duluth	\$444	\$333	\$111
40-year-old in the Metro Area	\$366	\$275	\$91

*These premiums are based on the second-lowest cost, silver-level plan available in each county.

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