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MNsure

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<https://www.mnsure.org/>

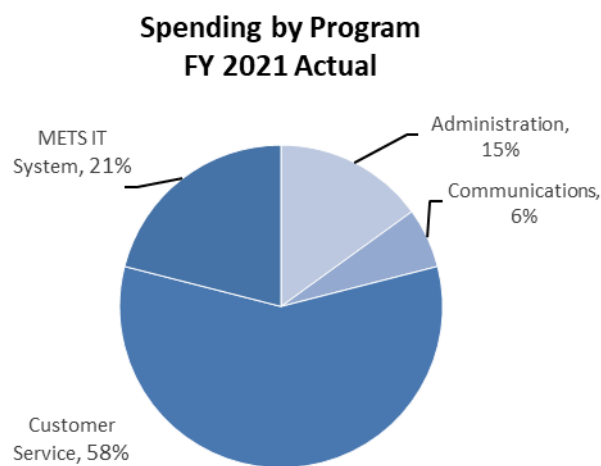
AT A GLANCE

- MNSure is Minnesota's health insurance marketplace. Through the MNSure website, Minnesotans can shop, compare, and choose private health insurance coverage, and access public health care programs.
- MNSure continues efforts to promote informed consumer choice, simplify health plan comparisons, and help Minnesotans obtain affordable, comprehensive access to health care coverage.
- Despite increased public health and economic challenges over the past two years, the number of uninsured Minnesotans declined from 4.7% in 2019 to 4.1% in January 2021.
- The American Rescue Plan Act (ARPA) increased the level of federal financial help available under the Affordable Care Act, improving health care access and making health coverage more affordable.
 - Of the 349,000 Minnesotans who obtained health coverage through MNSure in 2021, over 84% qualified for tax credits, MinnesotaCare, or Medical Assistance.
 - As of December 2021, nearly 58% of households received tax credits averaging \$517 per month, or \$6,204 in savings per year.
- MNSure employs between 175 and 210 people throughout the year, increasing staff levels to meet consumer needs during open enrollment.

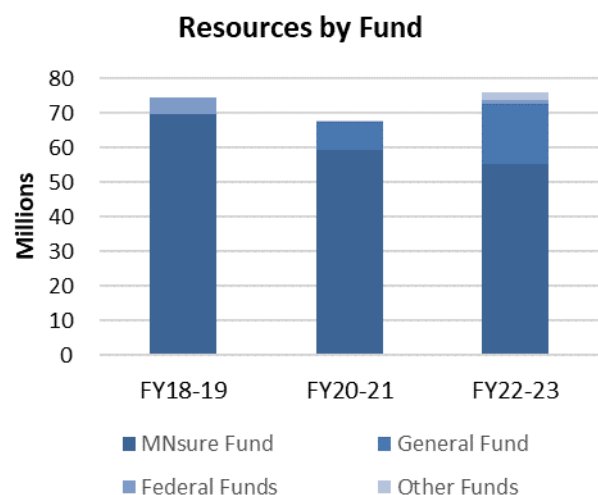
PURPOSE

The purpose of MNSure is to ensure that every Minnesota resident and small business, regardless of health status, can easily find, choose, and purchase a health insurance product that they value and does not consume a disproportionate share of their income. MNSure remains the only place where Minnesotans can easily shop and compare health insurance plans, find free and expert enrollment assistance, and access low-cost or no-cost health insurance through Medical Assistance or MinnesotaCare, or private health insurance with financial help including federal tax credits and cost-sharing reductions.

BUDGET



Source: Statewide Integrated Financial Tools System (SWIFT)



Source: Statewide Integrated Financial Tools System (SWIFT) and July 20, 2022 board-approved FY23 budget. Other Funds include Health Care Access, Covid Relief, and ARP State Fiscal Recovery Funds

Plans and programs available to enroll in through MNsure:

- Private: Health and dental plans are offered by partnering insurance companies through the MNsure marketplace. These are known as qualified health plans (QHPs) or qualified dental plans (QDPs). All private plans offer the same core set of benefits called "essential health benefits" which include preventive services, mental health and substance abuse services, emergency services, prescription drugs and hospitalization, and follow established limits on cost-sharing (deductibles, co-payments and out-of-pocket maximum amounts). Each private health and dental plan has been reviewed by state regulators and is approved to be sold through MNsure. Most Minnesotans purchasing a QHP qualify for APTC (tax credits).
- Public: Medical Assistance (MA or Medicaid), and MinnesotaCare (Basic Health Program). MA is the largest of Minnesota's publicly funded health care programs, providing health care coverage each month to nearly a million low-income Minnesotans. Like MA, MinnesotaCare provides health care coverage for people with low incomes, but has higher income limits.

MNsure's work contributes to the goals of optimal health for Minnesotans, a thriving economy that encourages business growth and employment opportunities, and Minnesota families and communities that are strong and stable.

The MNsure budget seeks to leverage its resources efficiently and effectively to carry out its mission and goals. While MNsure continues to meet its mission, the agency is committed to continuous improvement efforts that focus on efficiency, sustainability, and scalability. Funding for agency operations and program activities comes from a mix of state and federal funds, with the largest source coming from a 3.5% fee on insurers' premium revenues for plans sold on the exchange. Additional resources come from General fund transfers, reimbursement payments from other agencies, Health Care Access fund, Covid Relief fund, and ARPA federal and state funds.

In state fiscal year 2020, the legislature appropriated an \$8 million transfer from the General fund to the MNsure fund to hold MNsure resources harmless by replacing lost revenue resulting from the extension of the state reinsurance program. In state fiscal year 2022, the legislature appropriated \$3.8 million to the MNsure fund and in state fiscal year 2023, appropriated \$13.3 million to the MNsure fund for replacement of lost revenue through calendar year 2025 due to additional extensions of the state reinsurance program. MNsure resources also include reimbursements from the Department of Human Services (DHS) for costs incurred which benefit public health care programs and their enrollees, as outlined in the Public Assistance Cost Allocation Plan (PACAP) submitted to Centers for Medicare & Medicaid Services (CMS) by DHS. Approximately one quarter of MNsure's resources come from reimbursements from DHS.

During the pandemic, MNsure continued expanding coverage and providing financial assistance to consumers and focused on health equity and quality while managing organizational impacts of the pandemic. In state fiscal year 2020, MNsure received \$502.6 thousand from the Covid Relief fund for the Special Enrollment Period (SEP) held between March 23 and April 21, 2020. The SEP was in direct response to COVID-19 to help uninsured Minnesota residents enroll into the security of comprehensive health insurance coverage during the pandemic. MNsure handled almost 40,000 calls and supported approximately 100,000 plan comparison sessions during the SEP, and nearly 10,000 Minnesotans were newly enrolled into a QHP. In March 2021, President Biden signed ARPA into law. It expanded access to and affordability of health coverage, increasing eligibility for financial assistance to help pay for health coverage, which required MNsure to make significant investments in IT development and consumer education/outreach. In the fiscal year 2022-2023 biennium, MNsure received a \$1.1 million direct federal ARPA grant for exchange modernization and \$2 million from the ARPA State Fiscal Recovery fund to cover the remaining cost of that work.

Finally, in April 2020, Governor Walz signed into law the Alec Smith Insulin Affordability Act to provide relief to Minnesotans struggling to afford their insulin. The Minnesota Insulin Safety Net Program launched July, 2020 and is run through a partnership between MNsure and the Minnesota Board of Pharmacy. To support this work, the

legislature appropriated \$547 thousand in one-time funding from the Health Care Access fund to develop the navigator training program, issue payments to navigators, and launch a public awareness campaign. MNsure continues to support the program by shifting resources to cover finance and administrative costs for managing communications contracts, outreach efforts by MNsure staff, and processing navigator payments. Through the end of fiscal year 2022, nearly \$200 thousand, or 36.5%, of MNsure's one-time funding has been expended. More than 1,100 Minnesotans used the Minnesota Insulin Safety Net Program to access over \$6 million worth of insulin in 2021.¹ Many more Minnesotans are likely eligible for assistance and, therefore, public awareness efforts are ongoing.

STRATEGIES

The ongoing pandemic spurred efforts at the federal level to expand access to health coverage, including initiating a national public health emergency in 2020, opening an extended SEP in 2021, and expanding the Affordable Care Act (ACA) to reduce the cost of coverage in the individual market. MNsure quickly responded by establishing an extended SEP from February to July 2021 and implemented enhanced federal premium tax credits that made health insurance premiums in Minnesota more affordable. MNsure partnered with DHS and Minnesota IT Services (MNIT) to coordinate the development and implementation of those benefits in the Minnesota Eligibility Technology System (METS) and continues its partnership in preparation for the eventual end of the public health emergency to ensure Minnesotans maintain their health coverage or experience a smooth transition to new coverage.

Even in the midst of a global pandemic, MNsure has successfully met multiple challenges and continually sought to deliver on its mission. Despite public health and economic challenges, the Minnesota Department of Health reports the number of uninsured Minnesotans declined from 4.7% in 2019 to 4.1% as of January 2021.² Their analysis showed that MNsure played an important role in mitigating pandemic-related coverage losses and continuing to drive down the rate of uninsurance. While Minnesota's uninsured rate remains among the lowest in the nation, MNsure is working to improve access to information and services in multiple languages and to increase outreach efforts statewide to reach uninsured and underserved populations.

MNsire remains committed to enhancing the consumer experience through excellent personal customer service, convenient online features like plan shopping comparisons and consumer self-service functionality, streamlined internal processes, strengthened relationships with stakeholder partners, and ongoing training and instructional design support. MNsure has dedicated staff working to support a network of insurance agents, brokers, navigators, and assisters who provide consumers with in-person help.

MNsire executes an outreach and marketing campaign before and during the annual open enrollment period, and throughout the year, to drive enrollment and awareness. This campaign includes traditional, digital, and social media, as well as grassroots activation and outreach.

MNsire depends on information technology to support the organization and deliver value to both MNsure and its consumers.

- METS is the online IT system used by MNsure and DHS. METS serves as a centralized resource for individuals to apply for public health care programs and explore private health insurance options. DHS and counties rely on METS to help determine eligibility and maintain enrollment records for the 1.3 million individuals enrolled in public programs.
- MNsure, MNIT, and DHS all have roles in the governance and administration of METS; however, MNIT is responsible for the design, maintenance, and operation of the system. Expenditures for METS in fiscal year 2020 totaled \$62.8 million.

¹ Governor Walz news release, dated April 13, 2022, <http://mn.gov/governor/news/index.jsp?id=1055-525142>

² Minnesota Department of Health, <https://www.health.state.mn.us/data/economics/docs/inscoverage2021.pdf>; Issued May 2021.

- MNsure relies on technology from an outside health insurance and e-commerce technology vendor for decision support, plan comparison, shopping and enrollment tools that help Minnesotans enrolling in a private health plan find a health insurance product that matches their budget and their individual health care needs.

A constant focus on investments in technology and process improvements to back-end operations and administration ensures MNsure will be able to meet the needs of the future and continue to improve the services Minnesotans rely on. MNsure remains committed to continuous improvement and effective strategies such as introducing consumer self-service capabilities and publishing the online health insurance application in multiple languages to build on the progress made in recent years.

The MNsure budget for the fiscal years 2022-2023 biennium is a testament to the success of these continuous improvement efforts and our sustained fiscal prudence.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	Insured Rate in Minnesota	95.3%	95.9%	2019, 2021
Quantity	MNsure Cumulative QHP Sign-ups for the Plan Year ³	140,914	151,547	2019, 2021
Result	Savings via Tax Credits to Consumers for the Plan Year ⁴	\$164 million	\$251 million	2019, 2021
Quantity	Percentage of Minnesotans Receiving Tax Credits ⁵	50.8%	57.6%	11/15/2020, 12/15/2021

M.S. 62V <https://www.revisor.mn.gov/statutes/?id=62V> provides the legal authority for MNsure.

³ MNsure Board of Directors Meetings, November 13, 2019, https://www.mnsure.org/assets/bd-2019-11-13-deck_tcm34-410230.pdf, and January 12, 2022, https://www.mnsure.org/assets/bd-2022-01-12-deck_tcm34-515211.pdf

⁶ MNsure Annual Report, Issued January 15, 2022, https://www.mnsure.org/assets/mnsure-annual-report-2021_tcm34-515243.pdf

⁶ Note: The Minnesota Premium Security Plan has reduced premiums in the individual market via a statewide reinsurance program since 2018. Because the APTC benefit is calculated using the benchmark cost of insurance coverage to an individual, the reductions in premiums via reinsurance result in a corresponding reduction in the percentage of individuals qualifying for APTC and the amount of APTC qualifying individuals receive. Minnesota's reinsurance program works in tandem with the federal APTC benefit to lower the cost of insurance coverage for MNsure enrollees. ARPA expanded the APTC benefit.

⁵ MNsure Board of Directors Meeting, November 18, 2020, https://www.mnsure.org/assets/bd-2020-11-18-deck_tcm34-454165.pdf, and MNsure Annual Report, Issued January 15, 2022, https://www.mnsure.org/assets/mnsure-annual-report-2021_tcm34-515243.pdf

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Enacted Budget	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
2360 - Health Care Access	30	124	72	347			800	
3010 - Coronavirus Relief	503	1						
3015 - ARP-State Fiscal Recovery			1,374	595				
4120 - MN Health Insurance Exchange	37,296	36,367	33,011	35,638	36,065	35,209	47,160	49,526
Total	37,828	36,492	34,457	36,580	36,065	35,209	47,960	49,526
Biennial Change				(3,283)		237		26,449
Biennial % Change				(4)		0		37
Enacted Budget Change from Base								26,212
Enacted Budget % Change from Base								37

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Enacted Budget	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
1000 - General								
Direct Appropriation	8,000						11,095	14,317
Transfers Out	8,000						11,095	14,317

2360 - Health Care Access

Balance Forward In		530	419	347			800	
Direct Appropriation	547							
Balance Forward Out	517	406	347					
Expenditures	30	124	72	347			800	
Biennial Change in Expenditures				264		(419)		381
Biennial % Change in Expenditures				172		(100)		91
Enacted Budget Change from Base								800
Enacted Budget % Change from Base								

3010 - Coronavirus Relief

Direct Appropriation	503	25						
Cancellations	0	24						
Expenditures	503	1						
Biennial Change in Expenditures				(504)		0		0
Biennial % Change in Expenditures				(100)				
Enacted Budget Change from Base								0
Enacted Budget % Change from Base								

3015 - ARP-State Fiscal Recovery

Balance Forward In			595					
Direct Appropriation			1,969					
Balance Forward Out			595					
Expenditures			1,374	595				
Biennial Change in Expenditures				1,969		(1,969)		(1,969)
Biennial % Change in Expenditures						(100)		(100)
Enacted Budget Change from Base								0
Enacted Budget % Change from Base								

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Enacted Budget FY24 FY25	
4120 - MN Health Insurance Exchange								
Balance Forward In	4,516	8,471	3,029	5,286	14,740	10,264	14,740	10,264
Receipts	29,331	28,165	31,424	31,823	31,589	31,026	31,589	31,026
Transfers In	8,000		3,844	13,269			11,095	14,317
Balance Forward Out	4,551	269	5,286	14,740	10,264	6,081	10,264	6,081
Expenditures	37,296	36,367	33,011	35,638	36,065	35,209	47,160	49,526
Biennial Change in Expenditures				(5,013)		2,625		28,037
Biennial % Change in Expenditures				(7)		4		41
Enacted Budget Change from Base								25,412
Enacted Budget % Change from Base								36

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Direct				
Fund: 1000 - General				
Change Items				
Technology Modernization		11,025	14,247	25,272
Easy Enrollment		70	70	140
Total Enacted Budget		11,095	14,317	25,412
Fund: 2360 - Health Care Access				
Change Items				
Expanding Public Awareness of the Minnesota Insulin Safety Net Program		800		800
Total Enacted Budget		800		800
Dedicated				
Fund: 4120 - MN Health Insurance Exchange				
Planned Spending	35,638	36,065	35,209	71,274
Forecast Base	35,638	36,065	35,209	71,274
Change Items				
Technology Modernization		11,025	14,247	25,272
Easy Enrollment		70	70	140
Total Enacted Budget	35,638	47,160	49,526	96,686
Revenue Change Summary				
Dedicated				
Fund: 4120 - MN Health Insurance Exchange				
Forecast Revenues	31,823	31,589	31,026	62,615
Total Enacted Budget	31,823	31,589	31,026	62,615

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
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Technology Modernization

This provision provides one-time funding to allow MNSure to modernize their IT infrastructure by creating a new IT platform to support the health insurance marketplace. This provision funds the work necessary to separate MNSure's IT infrastructure from METS IT system, and launch the new platform. Session law requires these general fund appropriations to be transferred to the enterprise fund established for MNSure.

1000 - General Fund Cost (Savings)	0	11,025	14,247	25,272	0	0	0
Transfers Out	0	11,025	14,247	25,272	0	0	0

4120 - MN Health Insurance Exchange Fund Cost (Savings)	0	0	0	0	0	0	0
Transfers In	0	11,025	14,247	25,272	0	0	0
Expenditures	0	11,025	14,247	25,272	0	0	0

Easy Enrollment

This provision is a multi-agency initiative to create a check-box on tax returns which allows individuals to consent to their tax returns to be sent to MNSure to receive information about their health care coverage options and potential subsidies for their annual enrollment. This provision funds staff time needed for MNSure to implement the program, and mail notices to individuals participating in this program. Session law requires these appropriations to be transferred to the enterprise fund established for MNSure.

1000 - General Fund Cost (Savings)	0	70	70	140	70	70	140
Transfers Out	0	70	70	140	70	70	140
Expenditures	0	0	0	0	0	0	0

4120 - MN Health Insurance Exchange Fund Cost (Savings)	0	0	0	0	0	0	0
Transfers In	0	70	70	140	70	70	140
Expenditures	0	70	70	140	70	70	140

Expanding Public Awareness of the Minnesota Insulin Safety Net Program

This provision provides additional funding for MNSure's public awareness campaign of the insulin safety net program. This campaign was established in 2020, and funding would have expired at the end of calendar year 2024. These funds are available through the end of fiscal year 2027.

2360 - Health Care Access Fund Cost (Savings)	0	800	0	800	0	0	0
Expenditures	0	800	0	800	0	0	0