

WHAT DOES THIS BILL DO?

This proposal requests funding that will add additional staff to support processing and reviewing company licensing and financial review of insurance companies. The funding would also allow for contract actuarial support for property and casualty rate review and network adequacy reviews. Staffing level adjustments will increase Commerce's ability to maximize efforts needed to regulate an evolving and complex insurance industry. The staffing adjustments will enable the Department to maximize the process improvement efforts within the division.

WHY IS THIS BILL IMPORTANT?

Changes in insurance industry that have resulted in the Insurance Division needing different skillsets to adequately regulate and monitor the insurance industry. Furthermore, in the department's recent accreditation review from National Association of Insurance Commissioners (NAIC), the accreditation team noted that the Insurance Division is extremely short staffed for the number of reviews they complete. In addition to noting the need for additional staff, the NAIC also noted the need for realignment of certain existing positions.

Staffing levels in the Department have not kept pace with retirements and workloads have increased. The number of filings has remained relatively constant, however, changes within insurance industry practices have become more complex, and resulted in reviews taking more time to complete. This has resulted in significant delays in completing certain regulatory tasks. With this additional staffing, the Insurance division will be able to more promptly complete reviews and provide improved customer service.

HOW WILL MINNESOTANS BE BETTER OFF IF WE PASS THIS BILL?

This proposal will help the department to continue to protect the public interest by ensuring that insurance companies are adequately regulated, solvent and monitored, while also allowing the department to continue to be a trusted resource by being able to respond to industry questions and requests in a timely manner. The staffing and actuarial support in this proposal will help ensure a strong and competitive marketplace.

Minnesota families who purchase health, home or auto insurance will be positively impacted by this proposal, as it will allow the department to maintain a strong and competitive marketplace by having the staff and supports necessary to complete needed reviews around rates and network adequacy. This proposal is primarily focused on ensuring that Minnesota's insurance companies are solvent and can pay their policyholders' claims as promised. Additionally, part of this work would include conducting additional actuarial review to ensure that people's auto and homeowners insurance rates are actuarially justified.

WHAT DOES THIS BILL DO?

The Governor recommends \$136,000 in FY 2024, and on-going starting in FY 2025 from the General Fund for staff in the Insurance Division. The additional staff person will work to advance Commerce's efforts toward making health insurance simpler and easier for Minnesotans to understand and use. This proposal also includes statutory changes around standardized health plans.

WHY IS THIS BILL IMPORTANT?

The standardized health plans will enable Minnesotans' ability to meaningfully distinguish between plans and to choose a product that best fits their medical and economic needs. This initiative would utilize the regulatory policy decision process as provided in the Annual Instruction Guide to users, to promote and inform users about standardization. This process will allow the agency to adequately make changes from year to year based on market trends. In addition, the process will allow for ongoing input from stakeholders, including health plans and consumers.

Additionally, standardized health plans will create a framework through which Commerce can advance additional goals, such as increasing affordability, improving access to needed care, and reducing health disparities. This proposal would provide Commerce, Minnesota Department of Health (MDH) and MNsure with increased ability to react in a systemic way to specific complaints or concerns received about consumer confusion related to the selection of insurance coverage and plans.

HOW WILL MINNESOTANS BE BETTER OFF IF WE PASS THIS BILL?

This proposal advances Commerce's effort to have health insurance be simpler and easier for Minnesotans to understand and use. This proposal will make it easier for people to meaningfully distinguish between plans and choose a product that best fits their medical and economic needs. It creates the framework Commerce needs to be able to advance other goals includes increasing affordability, improving access to needed care, and reducing health disparities.

CONTACT INFORMATION

Jon Kelly, MPA
Director of Government Affairs
651-356-4061

WHAT DOES THIS BILL DO?

The Governor recommends codifying into state statute existing federal statutes and regulations, specifically Section 2713 of the Affordable Care Act (ACA), that allow Minnesotans to access certain preventive services at no cost. These federal rules are currently subject to legal challenges. Commerce's proposal includes funding for part of an FTE to manage policy changes associated with these legal challenges.

WHY IS THIS BILL IMPORTANT?

Section 2713 of the ACA requires most non-grandfathered health plans to provide coverage for certain preventive services with zero cost-sharing to enrollees. Zero-cost preventive services for enrollees are defined at the federal level. The elimination of the ACA's preventive care coverage provision would make it permissible for health plans to require cost-sharing (or even deny coverage) for over 100 clinically accepted preventive care services currently covered by commercial health plans.

In September 2022, a district court in Texas ruled that components of Section 2713 were unconstitutional. However, a ruling from the district court on the scope of remedy is still forthcoming and expected sometime in 2023. It is also expected that the Biden administration will appeal the court's decision to the U.S. Court of Appeals for the Fifth Circuit.

Minnesota's existing preventive care statutes address only a fraction of the services recommended by the USPSTF, HRSA, and ACIP. This proposal seeks to ensure that the clinically appropriate recommendations made by experts and that are accepted by the general medical community continue to be a baseline for preventive care coverage in Minnesota.

HOW WILL MINNESOTANS BE BETTER OFF IF WE PASS THIS BILL?

This proposal will ensure that health insurers regulated by state law will be required to provide preventive services at no cost to enrollees absent a federal requirement to do so. These preventive services include a variety of screenings, tests, and exams that help prevent more expensive or deadly health problems and include services such as immunizations, well-child visits, and mental health screenings which will benefit all Minnesotans and especially improve in minority populations within the State, which historically have experience barriers to care and health disparities.

CONTACT INFORMATION

Jon Kelly, MPA
Director of Government Affairs
651-356-4061

WHAT DOES THIS BILL DO?

The Governor recommends \$318,000 per year in FY2024 and FY2025 to conduct a feasibility study and fund staffing for contract management on a proposal to offer free primary care to Minnesotans.

WHY IS THIS BILL IMPORTANT?

Access to insurance is still a significant problem for a small percentage of Minnesotans. However, high out-of-pocket costs are a growing problem for many people. Minnesota has the highest rate of out-of-pocket spending on health care in the country. On average, Minnesotans spend \$3,000 a year; this is almost double the national average of \$1,725 (State Health Access Data Assistance Center, 2021).

With this study, it will provide guidance on how the proposal to offer free primary care could be structured and will include several components:

1. An actuarial analysis evaluating the impact of the proposal on Minnesotans' benefits; include an analysis of how a future proposal would lower longer-term spending on health care in Minnesota and determine if access to more primary care avoids other future costs.
2. An evaluation of how the proposal would impact provider billing and reimbursement, and projecting the impact these changes would have on supply issues such as patient wait times
3. An evaluation of how the proposal would interact with existing state and federal laws, including federal health insurance and employment tax laws and existing health insurance programs such as Medicare, Medicaid, Indian Health Services, the Marketplace, and Employer Sponsored Insurance. This would also include an analysis of what federal waivers would be needed to implement.
4. An assessment of how this proposal would impact Minnesota's existing goals of improving access to health care, as well as an assessment of how it would drive improvement in health equity.
5. An estimated cost impact for the state administration of this program.

HOW WILL MINNESOTANS BE BETTER OFF IF WE PASS THIS BILL?

This study will evaluate if the primary care proposal helps to reduce or eliminate inequities for any Minnesotans, including people of color, Native Americans, people with disabilities, people in the LGBTQ community, other protected classes and veterans.

CONTACT INFORMATION

Jon Kelly, MPA
Director of Government Affairs
651-356-4061

WHAT DOES THIS BILL DO?

The Commerce Department is requesting \$41,000 in FY2024 and \$21,000 per fiscal year in ongoing funding for Body Worn Camera's/Personal Recording Devices for Fraud Bureau agents so that the bureau is aligned with other state and local law enforcement entities that have body worn cameras assigned to their sworn personnel.

WHY IS THIS BILL IMPORTANT?

This proposal will increase organizational transparency with the public while providing protection for Commerce Fraud Bureau agents. Body worn cameras will help ensure the Commerce Fraud Bureau remains a trusted resource. This will also allow the CFB to keep pace with other law enforcement entities that have body worn cameras as part of their equipment.

HOW WILL MINNESOTANS BE BETTER OFF IF WE PASS THIS BILL?

Minnesotans deserve consistency and transparency from all the law enforcement officers who are sworn to protect them. There has been an increased interest and concerted effort to equip Minnesota law enforcement agencies with body worn cameras.

Adding the Commerce Fraud Bureau to the list of state law enforcement entities such as the Bureau of Criminal Apprehension (BCA) and Minnesota State Patrol (MSP) that have recently adopted this policy and equipped their personnel with body worn camera's is an important step in the continued efforts towards transparency and accountability.

WHAT DOES THIS BILL DO?

The Governor recommends \$248,000 in FY2024 and ongoing from the General Fund for the Enforcement Division. This appropriation will fund the reallocation and reorganization within the division and one additional consumer support position.

WHY IS THIS BILL IMPORTANT?

This proposal would create a new Senior Director of Insurance Investigations position that oversees Market Conduct and Civil Insurance investigations. This position would coordinate state and national enforcement related insurance policy, coordinate information between the enforcement division and the insurance division and develop and implements staff development programs.

This proposal would also create a new Senior Director of Enforcement Services position that oversees the customer care team. This position would coordinate consumer data with investigative teams to help focus investigative resources on emerging consumer issues. The position would also conduct community outreach on areas like natural disaster response and preparation, complaint submission process and develop and distribute data analysis tools for the enforcement division. The position would also maintain division policies and facilitate regular reviews and updates. The proposal would also add a consumer aide position to support consumer care team efforts.

HOW WILL MINNESOTANS BE BETTER OFF IF WE PASS THIS BILL?

This proposal increases the Enforcement Division's capacity to serve Minnesota consumers and licensees by adding key personnel and realigning its management structure. Minnesota consumer will benefit from increased Enforcement Division capacity to engage with communities, allowing them to better understand such flood insurance, homeowners' insurance, claims filing and disaster response and resiliency.

CONTACT INFORMATION

Jon Kelly, MPA
Director of Government Affairs
651-356-4061

WHAT DOES THIS BILL DO?

The Governor and Lt. Governor request \$1.239 million in FY24 and FY25 and \$26.2 million starting in FY26 and ongoing from the General Fund for the “Strengthen Minnesota Homes” grant program. This appropriation will support program staffing, operations and public engagement in FY24 with program operations appropriations beginning in FY26.

This proposal will help Minnesotans be more resilient to our changing climate by providing grants to protect homes against extreme weather events. Modeled after successful programs in other states, this proposal will save Minnesotans money on homeowner insurance premiums and prevent property damage from the increasing number of storms and extreme weather.

WHY IS THIS BILL IMPORTANT?

The program features will be specifically targeted to historically disadvantaged Minnesotans who live in areas of the state that are the high risk of climate-driven perils. In doing so, the program will build climate change resilience at the individual and community levels while improving health and safety outcomes. The program will reduce economic barriers to access these climate change mitigation and resiliency opportunities by offering direct financial assistance to make home improvements – and through insurance discounts that make insurance more affordable in the long term. By mitigating climate-driven insurance risk, the program will help insurance markets remain stable, competitive, and affordable.

Through effective stewardship of the program, the Department of Commerce will serve as a trusted resource for Minnesotans and for the economic systems the agency regulates. This program provides an opportunity to take direct action to mitigate the effects of climate change in Minnesota, which is in the public interest. The program does so with intentional design to lower costs for Minnesotans who are most vulnerable to a changing climate, cumulative benefits on the community level, and positive economic opportunities for the insurance industry.

HOW WILL MINNESOTANS BE BETTER OFF IF WE PASS THIS BILL?

This proposal will specifically targeted to historically disadvantaged Minnesotans who live in areas of the state that are the high risk of climate-driven perils. In doing so, the program will build climate change resilience at the individual and community levels while improving health and safety outcomes.

The program will reduce economic barriers to access these climate change mitigation and resiliency opportunities by offering direct financial assistance to make home improvements – and through insurance discounts that make insurance more affordable in the long term.

By prioritizing income-eligible Minnesotans living in geographic areas with a higher climate burden or vulnerability as identified through the use of a Climate & Equity Index, insurance catastrophe modeling and insurance claims data, the program can design an eligibility criteria that supports an equitable transition to a more resilient state for front-line communities that shoulder higher insurance risks.

WHAT DOES THIS BILL DO?

The Commerce Department is requesting \$250,000 in FY2024 and ongoing to fully staff the Senior Financial Fraud Prevention Program by adding two (2) FTE. The additional staff resources will ensure that it can accomplish the program's goal of helping those 65 or older or 18 or older and defined as vulnerable avoid becoming fraud or financial exploitation victims by helping them directly or through outreach activities.

WHY IS THIS BILL IMPORTANT?

The proposal will help protect seniors (those 65 years of age or more and anyone 18 years old or older who is defined by Minnesota law and their families) from potential financial fraud.

With the approval of this proposal there will be a positive impact to Minnesotans over 65 or vulnerable adults over 18 as well as their families who may be susceptible to financial exploitation and protected by the provisions of Minn. Stat. Chapter 45A.

HOW WILL MINNESOTANS BE BETTER OFF IF WE PASS THIS BILL?

With the approval of this proposal, Commerce will be able to reach out even further to communities in Greater Minnesota, groups representing people of color and other diverse groups. These additional resources will help Commerce Department to overcome the obstacles to helping all Minnesotans.

A better resourced team at Commerce will allow for more customized outreach and translated messaging to the different ethnic and racial communities that reside across the State. This will help increase awareness of fraud and provide practical knowledge that empowers people to spot fraud before it starts and to report it when it happens.

In addition to direct public outreach, this funding would support outreach with community organizations and leaders to share information and provide training about effective fraud prevention methods they can use within these communities.

WHAT DOES THIS BILL DO?

If enacted, the CSBS Money Transmitter Model Act would provide the department with the tools needed to regulate money transmitters of all sizes, including those that operate globally or small businesses operating locally.

The bill would standardize the following areas in state statute:

- Definitions applicable to money transmitters, eliminating technical differences between states that make compliance difficult for companies operating in multiple states.
- Exemptions from money transmitter licensing to promote consistency among states.
- The licensing process, including standardized determinations of who is in control of a licensee and the vetting process.
- Safety and soundness requirements, including net worth, bonding, and permissible investments.

The bill would also enable Multistate licensing and enhanced Multistate supervision as well as the facilitation of the development of technology and data analytics necessary to supervise money transmitters at scale with local accountability.

WHY IS THIS BILL IMPORTANT?

A common regulatory baseline across the country is a crucial step in advancing multistate harmonization in the money transmission industry, as states will be better able to work together in the licensing, regulation and supervision of money transmitters operating across state lines.

HOW WILL MINNESOTANS BE BETTER OFF IF WE PASS THIS BILL?

CLEARER STANDARDS FOR BOTH THE DEPARTMENT AND MONEY TRANSMITTERS DOING BUSINESS IN MINNESOTA.

Common licensing and regulatory standards would add efficiencies to the multistate process, allowing states to leverage common practices, analysis and data. The model act would also provide a common standard to apply to all issues of state licensing and regulation of money transmission.

The Model Money Transmitter Model Law would enhance information sharing, better positioning states to increase focus on consumer harm and examine risk on a nationwide basis. Common standards would make it easier to share examination resources across the state system and give greater access to a diversity of expertise.

IMPROVED CONSUMER PROTECTION FOR MINNESOTANS WHO UTILITIES MONEY TRANSMISSION SERVICES.

Consumer protections will be improved by protecting the public from financial crime, increasing the safety of customer funds and guaranteeing adequate capitalization of licensees. The standardization of safety and soundness requirements across the states ensures that industry maintains a high level of competency, integrity and security.

WHAT DOES THIS BILL DO?

The Governor and Lt. Governor recommend additional funding of \$1.056M in FY 2024 and \$2.069M in each subsequent year from the general fund, \$20,000 in FY 2024 and \$41,000 in each subsequent year from the Petrofund and \$27,000 in FY2024 and \$54,000 in each subsequent year from the Workers Compensation Fund to maintain the current level of service delivery at the Minnesota Department of Commerce.

WHY IS THIS BILL IMPORTANT?

The Governor and Lt. Governor recommend increasing agency operating budgets to support maintaining the delivery of current services. For the Department of Commerce, this funding will cover employee compensation growth and employer-paid pension costs to stabilize the basic infrastructure of the Department and to support Commerce's work to serve Minnesotans by assisting and protecting consumers and working to ensure a fair and competitive marketplace.

HOW WILL MINNESOTANS BE BETTER OFF IF WE PASS THIS BILL?

This proposal is intended to allow Commerce to continue to provide current levels of service and information to all Minnesotans, and to continue to serve Minnesotans by assisting and protecting consumers and working to ensure a fair and competitive marketplace.