SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 3936

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02/26/2026	6409	Introduction and first reading Referred to Commerce and Consumer Protection

A bill for an act

relating to health insurance; extending reinsurance assessment authority; amending Minnesota Statutes 2025 Supplement, sections 62E.23, subdivisions 1a, 2, 3; 62E.24, subdivisions 1, 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2025 Supplement, section 62E.23, subdivision 1a, is amended to read:

Subd. 1a. **~~2028~~ Assessment on group health carriers.** (a) An assessment is imposed ~~in~~ each calendar year ~~2028~~ on group health carriers operating under the Minnesota premium security plan ~~in~~ during the previous benefit year ~~2027~~. ~~This is a onetime assessment.~~

(b) By May 1~~, 2028~~ each year, the association must provide each group health carrier with an estimate of the carrier's assessment under paragraph (a).

(c) By June 30~~, 2028~~ each year, the association must notify each group health carrier of the carrier's assessment amount under paragraph (a). The association must determine each carrier's assessment amount, in consultation with the commissioner, based on the group health carrier's portion of the total premiums for group health plans written in Minnesota for the previous benefit year ~~2027~~. The association must establish the assessment amount for each group health plan so that the aggregate assessment amount collected from group health plans under this subdivision equals the amount necessary for the appropriations and transfers under section 62E.25, subdivision 1.

(d) Subject to paragraph (e), each group health carrier must pay the assessment under paragraph (a) to the association by August 1~~, 2028~~ each year. A group health plan must pay the assessment in the manner determined by the commissioner.

(e) A group health carrier may apply to the commissioner to defer all or part of the assessment imposed under paragraph (a). The application must be submitted to the commissioner by May 15~~, 2028~~ of the calendar year after the applicable benefit year. The commissioner may defer all or part of the assessment if the commissioner determines the payment of the assessment places the group health carrier in a financially impaired condition. The commissioner may deny an application for deferral under this paragraph. No later than June 15~~, 2028~~ of the calendar year after the applicable benefit year, the commissioner must notify the association and the group health carrier whether the assessment deferral is approved or denied. If the commissioner approves the deferral request, the notice must include the amount of and due date for the deferred portion of the assessment. If all or part of the assessment is deferred, the association must include the amount deferred in the other group health carriers' assessments in a proportionate manner consistent with this subdivision. The group health carrier that receives a deferral is liable to the association for the amount deferred and is prohibited from receiving or becoming entitled to a reinsurance payment under the Minnesota premium security plan until the group health carrier has paid the deferred assessment.

(f) If the association determines the assessment imposed under paragraph (a) exceeds or is less than the amount necessary to operate and administer the Minnesota premium security plan and issue reinsurance payments, the association must require group health carriers to pay an additional amount or the association must issue a refund to the group health carriers. The association must determine the accuracy of the assessment ~~by May 30, 2029~~ within two years of the assessment.

(g) By August 15~~, 2028~~ of the year after the applicable benefit year, the association must remit the assessments collected under this subdivision to the commissioner for deposit in the premium security plan account created under section 62E.25.

Sec. 2. Minnesota Statutes 2025 Supplement, section 62E.23, subdivision 2, is amended to read:

Subd. 2. **Payment parameters.** (a) The board must design and adjust the payment parameters to ensure the payment parameters:

(1) will stabilize or reduce premium rates in the individual market;

(2) will increase participation in the individual market;

(3) will improve access to health care providers and services for those in the individual market;

(4) mitigate the impact high-risk individuals have on premium rates in the individual market;

(5) take into account any federal funding available for the plan;

(6) ~~for benefit year 2027,~~ take into account the assessment under subdivision 1a;

(7) ensure the premium security plan account created under section 62E.25, subdivision 1, has sufficient money to ensure MNsure's stable operation after taking into account the Minnesota premium security plan's effect on MNsure's funding; and

(8) take into account the total amount available to fund the plan.

(b) The attachment point for the plan is the threshold amount for claims costs incurred by an eligible health carrier for an enrolled individual's covered benefits in a benefit year, beyond which the claims costs for benefits are eligible for reinsurance payments. The attachment point shall be set by the board at $50,000 or more, but not exceeding the reinsurance cap.

(c) The coinsurance rate for the plan is the rate at which the association will reimburse an eligible health carrier for claims incurred for an enrolled individual's covered benefits in a benefit year above the attachment point and below the reinsurance cap. The coinsurance rate shall be set by the board at a rate between 50 and 80 percent.

(d) The reinsurance cap is the threshold amount for claims costs incurred by an eligible health carrier for an enrolled individual's covered benefits, after which the claims costs for benefits are no longer eligible for reinsurance payments. The reinsurance cap shall be set by the board at $250,000 or less.

(e) The board may adjust the payment parameters to the extent necessary to secure federal approval of the state innovation waiver request in Laws 2017, chapter 13, article 1, section 8.

(f) For purposes of paragraph (a), clause (7), the association must consult with the commissioner of management and budget and the board of directors of MNsure to determine the amount of funding necessary to ensure MNsure's stable operation.

Sec. 3. Minnesota Statutes 2025 Supplement, section 62E.23, subdivision 3, is amended to read:

Subd. 3. **Operation.** (a) The board shall propose to the commissioner the payment parameters for the next benefit year by January 15 of the year before the applicable benefit year. The commissioner shall approve or reject the payment parameters no later than 14

days following the board's proposal. If the commissioner fails to approve or reject the payment parameters within 14 days following the board's proposal, the proposed payment parameters are final and effective.

(b) If the amount in the premium security plan account in section 62E.25, subdivision 1, is not anticipated to be adequate to fully fund the approved payment parameters as of July 1 of the year before the applicable benefit year, the board, in consultation with the commissioner and the commissioner of management and budget, shall propose payment parameters within the available appropriations or~~, for benefit year 2027,~~ assess group health carriers to obtain the necessary funding. The commissioner must permit an eligible health carrier to revise an applicable rate filing based on the final payment parameters for the next benefit year.

(c) Notwithstanding paragraph (a), the payment parameters for benefit years 2023 through 2027 are:

(1) an attachment point of $50,000;

(2) a coinsurance rate of 80 percent; and

(3) a reinsurance cap of $250,000.

Sec. 4. Minnesota Statutes 2025 Supplement, section 62E.24, subdivision 1, is amended to read:

Subdivision 1. **Accounting.** The board must keep an accounting for each benefit year of all:

(1) funds appropriated for reinsurance payments and administrative and operational expenses;

(2) requests for reinsurance payments received from eligible health carriers;

(3) ~~for benefit year 2027,~~ assessments collected and deferred under section 62E.23, subdivision 1a;

(4) reinsurance payments made to eligible health carriers; and

(5) administrative and operational expenses incurred for the plan.

Sec. 5. Minnesota Statutes 2025 Supplement, section 62E.24, subdivision 2, is amended to read:

Subd. 2. **Reports.** (a) The board must submit to the commissioner and to the chairs and ranking minority members of the legislative committees with jurisdiction over commerce and health and make available to the public quarterly reports on plan operations and an annual report summarizing the plan operations for each benefit year. All reports must be made public by posting the report on the Minnesota Comprehensive Health Association website. The annual summary must be made available by November 1 of the year following the applicable benefit year or 60 calendar days following the final disbursement of reinsurance payments for the applicable benefit year, whichever is later.

(b) The reports must include information about:

(1) the reinsurance parameters used;

(2) the metal levels affected;

(3) the number of claims payments estimated and submitted for payment per products offered on-exchange and off-exchange and per eligible health carrier;

(4) the estimated reinsurance payments by plan type based on carrier-submitted templates;

(5) funds appropriated for reinsurance payments and administrative and operational expenses for each year, including: (i) the federal and state contributions received; (ii) investment income; (iii) ~~for benefit year 2027,~~ assessments collected under section 62E.23, subdivision 1a; and (iv) any other revenue or funds received;

(6) the total amount of reinsurance payments made to each eligible health carrier; and

(7) administrative and operational expenses incurred for the plan, including the total amount incurred and as a percentage of the plan's operational budget.