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BILL SUMMARY

S.F. No. 3936 – Reinsurance assessment authority extension provision (as amended by the A-1 Amendment)

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Bill Overview

The Minnesota Premium Security Plan, also referred to as the state's reinsurance program, is authorized by a federal waiver through benefit year 2027. **S.F. 3936, as amended,** directs the commissioner of commerce to apply for federal approval to extend the reinsurance program beyond benefit year 2027. In addition, existing law funds the final benefit year of the program through a one-time assessment on group health carriers. The health carriers then receive a tax credit to offset the paid assessment. SF 3936 makes the assessment ongoing to fund future years of the reinsurance program.

Section Summaries

Section 1 (amends Minn. Stat. § 62E.23, subd. 1a; Assessment on group health carriers) This section converts the current one-time assessment on group health carriers into an ongoing annual assessment to fund future years in which the reinsurance program is operated. The assessment is based on carriers operating under the plan during the previous benefit year. It is due by August 1 annually, in an amount determined by the Minnesota Comprehensive Health Association, in consultation with the commissioner of commerce, based on the applicable group health carrier's portion of the total premiums for group health plans written in Minnesota for the previous benefit year.

Sections 2 - 5 (amends Minn. Stat. §§ 62E.23 - .24) These sections make conforming changes to align with the ongoing assessment on group health plans established in section 1 of the bill, such as the removal of "for benefit year 2027" throughout the two statutory sections.

Section 6 (uncodified; Continuation of State Innovation Waiver) This section directs the commissioner of commerce to apply to the Secretary of the United States Department of Health and Human Services, by December 31, 2026, to continue the reinsurance program

under a state innovation waiver. This uncodified section of the bill further requires the commissioner to reapply for the waiver as necessary to continue the operation of the Minnesota premium security plan on an ongoing basis. The commissioner must notify the legislature, and the board of directors of the Minnesota Comprehensive Health Association, regarding (1) the commissioner's intent to submit a waiver application, and (2) federal action taken with respect to the waiver request.