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MNsure

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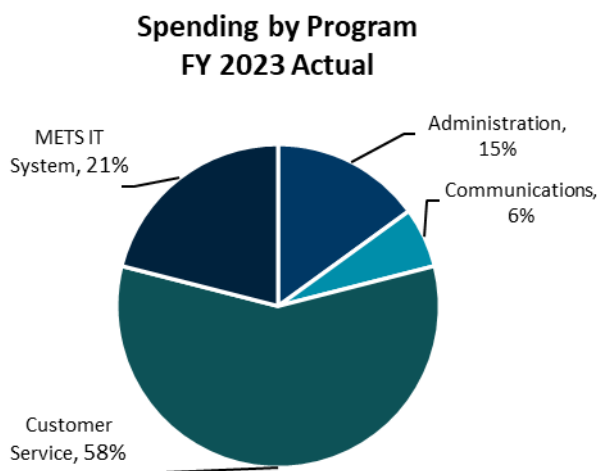
<https://www.mnsure.org/>

AT A GLANCE

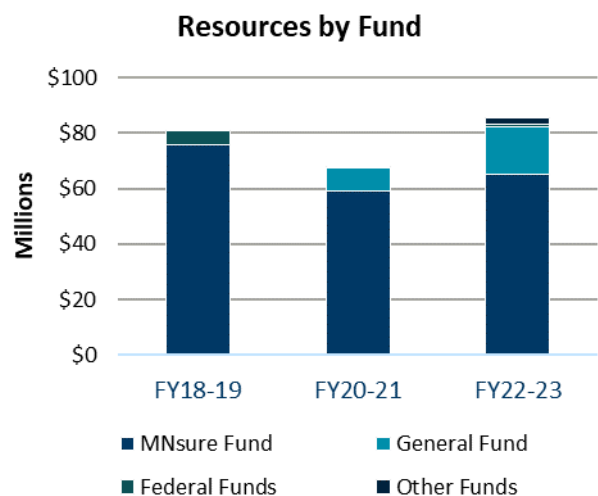
- MNSure is Minnesota’s health insurance marketplace. Through the MNSure website, Minnesotans can shop, compare, and choose private health insurance coverage, and access public health care programs.
- MNSure is the only place Minnesotans can access federal advanced premium tax credits to lower the cost of their private health insurance.
- Since the marketplace was established in 2013, MNSure has helped Minnesotans save over \$2 billion on their health insurance and has helped cut the uninsured rate from 8.2% in 2013 to under 4% in 2023.
- In 2023, over 344,500 Minnesotans accessed health coverage through MNSure:
 - 159,000+ private health insurance sign-ups
 - 38,000+ dental plan sign-ups
 - 130,000+ Medical Assistance applicants
 - 16,000+ MinnesotaCare applicants
- In 2023, nearly 60% of private plan households received tax credits averaging \$503 per month, or \$6,036 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 mission of MNSure is to ensure all Minnesotans have the security of health insurance. MNSure is 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. MNSure’s work contributes to the goals of equity and inclusion, thriving communities, and improving the health of Minnesotans across the state 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 through MNsure:

- Private: The MNsure marketplace offers health and dental plans through partnership with private insurance companies. These are known as qualified health plans (QHPs) or qualified dental plans. 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 is reviewed by state regulators and approved to be sold through MNsure. Most Minnesotans purchasing a QHP qualify for advanced premium tax credits (APTC), which lower the cost of monthly premiums.
- Public: Minnesotans can also access Medical Assistance (MA), Minnesota's Medicaid program, and MinnesotaCare, Minnesota's Basic Health Program through MNsure. MA is the largest of Minnesota's publicly funded health care programs, providing health care coverage each month to nearly 1.4 million low-income Minnesotans in 2023. Like MA, MinnesotaCare provides health care coverage for people with low incomes, but has higher income limits. 105,000 Minnesotans were enrolled in MinnesotaCare coverage in 2023.

The MNsure budget seeks to leverage its resources efficiently and effectively to carry out its mission and goals. 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 marketplace. Additional resources come from the general fund and the health care access fund (HCAF).

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 Minnesota 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 submitted to Centers for Medicare & Medicaid Services by DHS. Approximately 30% of MNsure's resources come from reimbursements from DHS.

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 in July 2020 and is run through a partnership between MNsure and the Minnesota Board of Pharmacy. To support this work, the legislature appropriated \$547,000 in one-time funding from the HCAF to develop the navigator training program, issue payments to navigators, and launch a public awareness campaign. In 2023, the legislature appropriated an additional \$800,000 to MNsure from the HCAF to continue this work through June 2027 and, in 2024, the legislature granted MNsure greater flexibility to use these funds as needs arise. 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 2023, nearly \$280,000, or 51.1%, 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.

¹ Governor Walz news release, April 13, 2022, <https://mn.gov/governor/newsroom/press-releases/#/detail/appId/1/id/525142>

STRATEGIES

As a state-based marketplace, MNsure can adeptly respond to state and federal law, implement policies and procedures in a timely manner, conduct effective outreach in local communities, and support a variety of actions to protect and expand access to insurance coverage. This flexibility proved especially helpful for Minnesotans following the end of federal continuous coverage requirements for Medicaid, which had ensured Americans kept their health insurance during the COVID-19 pandemic.

MNsure has played a crucial role in mitigating pandemic-related coverage losses and continuing to drive down the rate of uninsurance statewide. When the continuous coverage requirements ended in spring 2023, MNsure was ready to help as many Minnesotans as possible stay covered during the “Medicaid unwinding.” In close partnership with DHS, MNsure thoughtfully planned and executed communications and operations strategies to promote continuity of coverage, including using its statutory authority to create extended and retroactive private health plan enrollment opportunities for Minnesotans no longer eligible for MA or MinnesotaCare. As of July 2024, 12,500 Minnesotans successfully selected private health plan coverage through MNsure out of approximately 39,500 Minnesotans who have been determined QHP-eligible during the Medicaid unwinding. This means over 30% of the newly QHP-eligible population chose to sign up for a QHP through MNsure to stay covered.²

MNsure supports a network of insurance agents, brokers, navigators, and other assisters who provide consumers with in-person application and enrollment help. MNsure executes year-round outreach and marketing campaigns to drive enrollment and awareness. This campaign includes traditional, digital, and social media, as well as grassroots activation and outreach.

MNsure 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. In 2023, the legislature passed a Health Omnibus bill that included funding to update MNsure’s legacy information technology (IT) platform.

MNsure depends on multiple IT systems to support its operations 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 over 1.4 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.
- 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.
- The funding to upgrade and replace the remaining legacy components of the IT platform supports MNsure’s efforts to improve service levels provided to QHP members and establish more sustainable operations with lower maintenance and operations costs and greater flexibility to support future federal and state health care policy innovation.

² MNsure Board of Directors, July 31, 2024, https://www.mnsure.org/assets/bd-2024-07-31-deck_tcm34-639208.pdf

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.

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 ³	96%	96.2%	2021, 2023
Quantity	MNsure Cumulative QHP Sign-ups for the Plan Year ⁴	151,547	159,139	2021, 2023
Result	Savings via Tax Credits to Consumers for the Plan Year ⁵	\$251 million	\$264 million	2021, 2023
Quantity	Percentage of Minnesotans Receiving Tax Credits ⁶	57.6%	59.3%	2021, 2023

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

³ Minnesota Department of Health, Findings from the 2023 Minnesota Health Access Survey, <https://www.health.state.mn.us/data/economics/hasurvey/docs/mnha2023.pdf>

⁴ MNsure Board of Directors, January 12, 2022, https://www.mnsure.org/assets/bd-2022-01-12-deck_tcm34-515211.pdf and MNsure 2023 Annual Report, January 15, 2024, <https://mn.gov/mnsure-stat/assets/MNsure-Annual-Report-2023.pdf>

⁵ MNsure 2021 Annual Report, January 15, 2022, https://www.mnsure.org/assets/mnsure-annual-report-2021_tcm34-515243.pdf and MNsure 2023 Annual Report, January 15, 2024, <https://mn.gov/mnsure-stat/assets/MNsure-Annual-Report-2023.pdf>

⁶ MNsure 2021 Annual Report, January 15, 2022, https://www.mnsure.org/assets/mnsure-annual-report-2021_tcm34-515243.pdf and MNsure 2023 Annual Report, January 15, 2024, <https://mn.gov/mnsure-stat/assets/MNsure-Annual-Report-2023.pdf>

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

2000 - Restrict Misc Special Revenue				150	150	150	150	150
2360 - Health Care Access	72	72	227	849				
3015 - ARP-State Fiscal Recovery	1,374	595						
4120 - MN Health Insurance Exchange	33,011	33,462	48,269	55,359	47,268	51,592	62,268	51,592
Total	34,457	34,128	48,496	56,358	47,418	51,742	62,418	51,742
Biennial Change				36,269		(5,694)		9,306
Biennial % Change				53		(5)		9
Governor's Change from Base								15,000
Governor's % Change from Base								15

Expenditures by Program

Health Insurance Marketplace	34,457	34,128	48,496	56,358	47,418	51,742	62,418	51,742
Total	34,457	34,128	48,496	56,358	47,418	51,742	62,418	51,742

Expenditures by Category

Compensation	15,878	16,815	18,471	21,843	22,918	23,629	22,918	23,629
Operating Expenses	14,167	12,924	25,623	29,990	20,003	23,541	35,003	23,541
Grants, Aids and Subsidies	4,401	4,366	4,400	4,503	4,475	4,550	4,475	4,550
Other Financial Transaction	11	22	1	22	22	22	22	22
Total	34,457	34,128	48,496	56,358	47,418	51,742	62,418	51,742

Full-Time Equivalent

	181.81	189.65	189.51	195.92	195.75	195.75	195.75	195.75
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(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
1000 - General								
Direct Appropriation			11,095	16,647	70	70	70	70
Transfers Out			11,095	16,647	70	70	70	70

2000 - Restrict Misc Special Revenue

Transfers In				150	150	150	150	150
Expenditures				150	150	150	150	150
Biennial Change in Expenditures				150		150		150
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

2360 - Health Care Access

Balance Forward In	419	347	276	849				
Direct Appropriation			800				15,000	
Transfers Out							15,000	
Balance Forward Out	347	276	849					
Expenditures	72	72	227	849				
Biennial Change in Expenditures				933		(1,076)		(1,076)
Biennial % Change in Expenditures				651		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.01	0.17				

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)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
4120 - MN Health Insurance Exchange								
Balance Forward In	3,029	6,803	24,706	27,208	30,349	28,514	30,349	28,514
Receipts	31,424	39,857	39,677	41,853	45,363	45,012	45,363	45,012
Transfers In	3,844	13,269	11,095	16,647	70	70	15,070	70
Balance Forward Out	5,286	26,467	27,209	30,349	28,514	22,004	28,514	22,004
Expenditures	33,011	33,462	48,269	55,359	47,268	51,592	62,268	51,592
Biennial Change in Expenditures				37,155		(4,768)		10,232
Biennial % Change in Expenditures				56		(5)		10
Governor's Change from Base								15,000
Governor's % Change from Base								15
Full-Time Equivalents	181.81	189.65	189.50	195.75	195.75	195.75	195.75	195.75

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Direct				
Fund: 1000 - General				
FY2025 Appropriations	16,647	16,647	16,647	33,294
Base Adjustments				
All Other One-Time Appropriations		(2,330)	(2,330)	(4,660)
One-Time IT Appropriations		(14,247)	(14,247)	(28,494)
Forecast Base	16,647	70	70	140
Total Governor's Recommendations	16,647	70	70	140
Fund: 2360 - Health Care Access				
Change Items				
Premium Security Plan		15,000		15,000
Total Governor's Recommendations		15,000		15,000
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	150	150	150	300
Forecast Base	150	150	150	300
Total Governor's Recommendations	150	150	150	300
Fund: 4120 - MN Health Insurance Exchange				
Planned Spending	55,359	47,268	51,592	98,860
Forecast Base	55,359	47,268	51,592	98,860
Change Items				
Premium Security Plan		15,000		15,000
Total Governor's Recommendations	55,359	62,268	51,592	113,860
Revenue Change Summary				
Dedicated				
Fund: 4120 - MN Health Insurance Exchange				
Forecast Revenues	41,853	45,363	45,012	90,375
Total Governor's Recommendations	41,853	45,363	45,012	90,375

Change Item Title: Minnesota Premium Security Plan Program

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	15,000	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	15,000	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$15.000 million in FY2026 from the Health Care Access Fund (HCAF) to support MNSure’s operations through the FY2026-2027 biennium and FY 2028 due to the extension of the Minnesota Premium Security Plan Program (MPSP) as proposed in the change item titled “Reinsurance Issuer Fee”.

Rationale/Background:

The MPSP was implemented beginning in plan year 2018 to provide reinsurance coverage to the individual market. It is currently administered by the Minnesota Comprehensive Health Association (MCHA) and funded through a combination of funding from the federal government via an Affordable Care Act 1332 waiver and state general funds. These state funds are set to expire at the end of plan year 2025 and absent this funding, the MPSP will cease to exist. Based on recent annual rate filings, it is expected that individual market premiums would rise, on average, by an additional 25% beyond year over year increases if the state’s reinsurance program were to go away. Affordability of health insurance coverage is one of the One Minnesota goal priorities and is a fundamental component of the other health-related goal priorities as increased premiums have a direct impact on people being able to maintain insurance coverage and access needed health care services.

Proposal:

This proposal would continue to hold MNSure harmless from the loss of revenue if the reinsurance program is funded through the FY2026-2027 biennium and FY 2028.

Impact on Children and Families:

N/A

Equity and Inclusion:

N/A

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

 X No

Results:

This proposal intends to hold MNsure harmless from the loss of revenue if the reinsurance program is funded and mitigate the impacts it would have to current levels of service and information to the public.

Statutory Change(s):

62E.23