



Minnesota Department of **Human Services**

DHS Initiative: 2013 Legislative Session

Affordable Care Act (ACA) implementation

Minnesota has long been a leader in providing quality health care to its residents, but as costs rise so do the challenges of maintaining and improving that care. Gov. Mark Dayton and the Minnesota Legislature have approved changes that capitalize on opportunities in the Affordable Care Act (ACA). These changes build on Minnesota's tradition as a national leader in health care by improving the levels of coverage and service in its publicly funded programs. An additional 235,000 Minnesotans will receive health care coverage within existing resources, while simplifying eligibility and lowering the growth in costs.

Affordable Care Act legislation:

- **Next generation MinnesotaCare:** This new and improved MinnesotaCare will provide better coverage for enrollees through better benefits, such as no hospital cap, no waiting period, lower premiums and lower hospital copays. A new funding mechanism — the Basic Health Plan (BHP) — will be used to continue and improve upon MinnesotaCare for people with incomes between 138 percent of federal poverty guidelines (FPG) and 200 percent FPG. This will provide coverage for an additional 127,000 Minnesotans. BHP funding will cover approximately 85 percent of MinnesotaCare costs beginning in calendar year 2015, saving Minnesota taxpayers hundreds of millions of dollars.
- **Expand Medical Assistance (MA):** Expand MA coverage to adults without children with incomes between 75 and 138 percent of FPG at 100 percent federal funding, parents and people ages 19 through 20 with incomes between 100 and 138 percent of FPG. This will provide coverage for an additional 35,000 low income adults.
- **Simplify MA eligibility processing:** Streamline eligibility and automate annual renewals using electronic verification methods. In addition, ease program barriers by permitting hospitals to presume MA eligibility, eliminating asset tests for parents and providing coverage to children leaving foster care until age 26. These changes are required under ACA and will result in 63,000 additional Minnesotans receiving coverage.
- **Expand MA for children to 275 percent FPG:** Raise the MA income limit for children ages 2 through 18 from 150 to 275 percent of FPG. Enroll pregnant women with incomes up to 275 percent FPG in MA instead of MinnesotaCare. This eliminates premiums for children and pregnant women. These changes provide coverage for an additional 10,000 Minnesotan children.

Other health care initiatives:

- **PMA, Medical Education and Research Costs (MERC) investment.** Increased medical education funding from the Prepaid Medical Assistance Program to \$49.5 million for the FY 2014-15 biennium. The Medical Education and Research Costs (MERC) fund compensates hospitals and clinics for a portion of the costs of clinical medical training, training more physicians who will stay in Minnesota and provide care.
- **MA provider rate increases for targeted service categories.** Increased MA provider rates for several categories of service with varying effective dates in 2014 to maintain provider access for MA enrollees. Increases would include:

- Basic care in fee-for-service. Basic care includes specific categories of medical equipment, dialysis, lab services and public health nursing (3 percent)
- Fee-for-service outpatient hospital rates (5 percent)
- Physician and professional services in fee-for-service MA. This increase would include specific categories of primary care, podiatry, chiropractic, audiology, vision, radiology, rehabilitative therapies and mental health (5 percent)
- Dental services in both fee for service and managed care (5 percent).

Related information:

- Omnibus Health and Human Services bill: <https://www.revisor.mn.gov/laws/?id=108&doctype=Chapter&type=0&year=2013>
- DHS fact sheet page: <http://mn.gov/dhs/media/fact-sheets/>

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