A bill for an act
relating to health; modifying the definition of other health coverage for purposes
of MinnesotaCare eligibility; amending Minnesota Statutes 2006, section
256L.07, subdivision 3.

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

Section 1. Minnesota Statutes 2006, section 256L.07, subdivision 3, is amended to read:
Subd. 3. Other health coverage. (a) Families and individuals enrolled in the
MinnesotaCare program must have no health coverage while enrolled or for at least four
months prior to application and renewal. Children enrolled in the original children's health
plan and children in families with income equal to or less than 150 percent of the federal
poverty guidelines, who have other health insurance, are eligible if the coverage:

(1) lacks two or more of the following:

(i) basic hospital insurance;
(ii) medical-surgical insurance;
(iii) prescription drug coverage;
(iv) dental coverage; or
(v) vision coverage;

(2) requires a deductible of $100 or more per person per year; or

(3) lacks coverage because the child has exceeded the maximum coverage for a
particular diagnosis or the policy excludes a particular diagnosis.

The commissioner may change this eligibility criterion for sliding scale premiums
in order to remain within the limits of available appropriations. The requirement of no
health coverage does not apply to newborns.
(b) Medical assistance, general assistance medical care, and the Civilian Health and Medical Program of the Uniformed Service, CHAMPUS, or other coverage provided under United States Code, title 10, subtitle A, part II, chapter 55, are not considered insurance or health coverage for purposes of the four-month requirement described in this subdivision.

(c) For purposes of this subdivision, an applicant or enrollee who is entitled to Medicare Part A or enrolled in Medicare Part B coverage under title XVIII of the Social Security Act, United States Code, title 42, sections 1395c to 1395w-152, is considered to have health coverage. An applicant or enrollee who is entitled to premium-free Medicare Part A may not refuse to apply for or enroll in Medicare coverage to establish eligibility for MinnesotaCare.

(d) Applicants who were recipients of medical assistance or general assistance medical care within one month of application must meet the provisions of this subdivision and subdivision 2.

(e) Cost-effective health insurance that was paid for by medical assistance is not considered health coverage for purposes of the four-month requirement under this section, except if the insurance continued after medical assistance no longer considered it cost-effective or after medical assistance closed.

(f) A supplemental health plan purchased solely to cover inpatient hospital expenses in excess of the inpatient hospital annual limit established under section 256L.03, subdivision 3, is not considered health coverage for purposes of the no other health coverage and four-month requirements described in this section. In order to qualify under this paragraph, the supplemental health plan must count MinnesotaCare program expenditures for inpatient hospital services and any enrollee coinsurance obligation for inpatient hospital services towards the supplemental health plan's deductible.

**EFFECTIVE DATE.** This section is effective July 1, 2008.