

# HOW MINNESOTA LAWS AFFECT HEALTH INSURANCE

Our elected representatives in the state legislature work to protect the health of every Minnesotan. State regulations have an important role in setting the rules that govern how health insurance companies provide coverage. But for most of us, our health insurance policy is actually regulated in Washington, D.C., not in St. Paul.



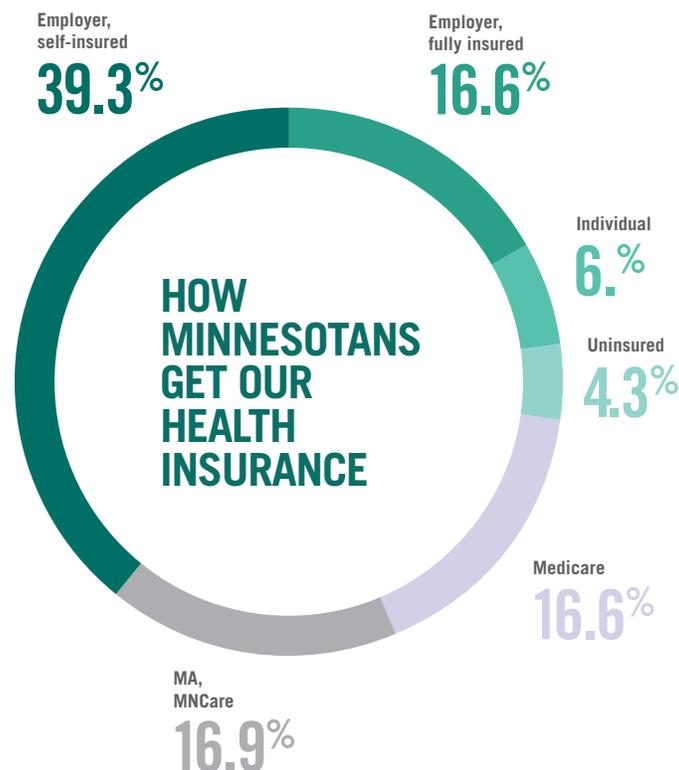
**While the Affordable Care Act, Medicare and Medicaid laws regulate almost all health insurance, about **25%** of Minnesotans have policies that state laws govern as well. *Here's how it works.***

## State & federal laws governs smaller employer, individual insurance

Minnesota's lawmakers have direct influence on the way health insurance works for a quarter of us—those who get our health insurance through small “fully insured” employers or buy it on our own. While federal laws set many of the rules, the Minnesota laws also apply to this insurance. For example:

- State tax laws add about 5 percent to individual and smaller-employer health insurance. Insurance through larger employers isn't taxed the same way.
- State laws requires insurance policies to provide coverage for a person's former spouse(s).

But health insurance for nearly 70 percent of Minnesotans does not have to follow state law. One category of insurance, offered mostly by large corporations, is called self-insured, meaning the employer uses its funds, not an insurance company's, to pay medical expenses. Federal, not state, laws govern this insurance. And of course the federal government sets the rules for Medicare and Medicaid, two types of national health insurance used by more than 30 percent of Minnesotans.



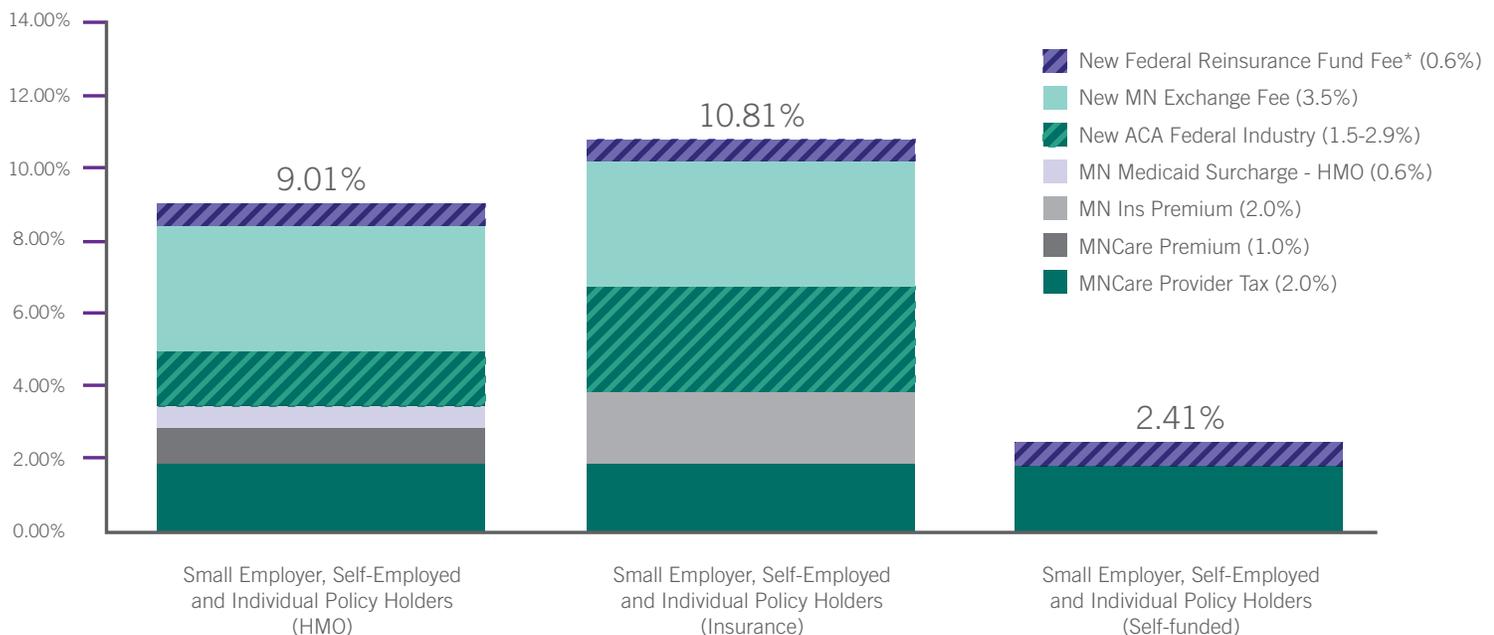
## What Minnesota lawmakers can do

Although state health insurance laws only directly affect the coverage of one in four Minnesotans, legislators in St. Paul can influence the wellbeing of all of us. State legislation can:

- Help uninsured Minnesotans get health insurance
- Moderate the increasing expense of medical care
- Ensure the expense of health insurance taxes that are now added just to some premiums are shared evenly by all Minnesotans
- Maintain a fair and healthy competitive health insurance industry
- Improve social and environmental conditions that promote wellbeing for all Minnesotans

### 2017 PROJECTED

Health care taxes and assessments add to premium



A few more details:

- The two Affordable Care Act federal taxes are not being collected in 2017.
- The 2 percent MinnesotaCare provider tax is assessed on the cost of medical services, not on premiums paid. Therefore, portion of the premium attributable to the provider tax is not 2 percent.
- Chart does not include the Minnesota Medicaid surcharge on hospitals (1.56 percent) or other provider taxes and assessments that may be built into payments to provider.
- Federal Reinsurance Fund Fee (listed at 0.6 percent) is higher for individual policyholders, about 0.8 percent of premium.