

## **S.F. No. 1024 – MNsure premium subsidy program establishment, providing a sunset for the Minnesota premium security plan, and appropriation**

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### *Bill Overview*

**S.F. 1024** establishes a new premium subsidy program to help eligible individuals pay for health coverage in the individual insurance market. The program would be administered by MNsure. The bill also provides a 2025 sunset for the existing Minnesota premium security plan (commonly known as the state’s “reinsurance program”) and repeals applicable statutes governing that program.

Under the bill, beginning January 1, 2026, certain individuals who purchase health coverage in the individual market, do not qualify for coverage under a Minnesota public health care program, and do not receive federal advance premium tax credits would receive a 20 percent monthly premium subsidy. This subsidy would be paid on the individual’s behalf to the health carrier, which would in turn reduce the individual’s premium accordingly. The bill appropriates money from the general fund to support these subsidy payments.

S.F. 1024 also ends reinsurance payments for claims incurred after December 31, 2025, and fully repeals the Minnesota premium security plan statutes effective August 16, 2026.

### *Section Summaries*

**Section 1 (amends Minn. Stat. § 62E.23, subd. 1; Administration of plan)** This section amends existing law governing the reinsurance program to discontinue reinsurance payments for claims incurred after December 31, 2025. Although the program must not pay claims filed after that date, this section provides that the Minnesota Comprehensive Health Association has until August 15, 2026, to disburse payments for claims under the program.

**Section 2 (adds Minn. Stat. § 62V.15; Definitions; Premium subsidy program)** This section defines key terms used in the new premium subsidy program established in sections 62V.15 to 62V.17. Such terms include eligible individual, gross premium, net premium, and premium subsidy. Notably, an “eligible individual” means a Minnesota resident who (1) is not receiving a federal advance premium tax credit, (2) is not enrolled in the medical assistance or MinnesotaCare programs,

and (3) purchased an individual health plan (either on the MNsure exchange or elsewhere in the Minnesota individual insurance market). In addition, the definition of “premium subsidy” clarifies that the subsidy is a payment to promote the general welfare and is not compensation for any service rendered by the recipient.

**Section 3 (adds Minn. Stat. § 62V.16; Payment to health carriers on behalf of eligible individuals)**

**Subdivision 1. Program established.** This subdivision requires the MNsure board, in consultation with the commissioners of commerce and human services, to administer a premium subsidy program for eligible individuals beginning January 1, 2026.

**Subdivision 2. Premium subsidy provided.** This subdivision requires health carriers to grant a 20 percent premium subsidy to enrollees who meet program criteria. The subsidy is provided by reducing the enrollee’s gross premium by 20 percent, such that the enrollee pays the health carrier a net premium incorporating the subsidy amount. The subdivision further specifies that the premium subsidy is not counted toward public program eligibility calculations.

**Subdivision 3. Payments to health carriers.** This subdivision requires the board of directors of MNsure to reimburse health carriers for the subsidized portion of the premium each month, once the carrier submits an invoice and supporting documentation, using a form developed by the board. It also provides timelines for how and when the board must process these carrier reimbursements.

**Subdivision 4. Retroactive payments to individuals.** This subdivision directs the board to make retroactive subsidy payments directly to an individual who is required to repay an advance premium tax credit due to the individual having subsequently exceeded the federal income threshold for that credit.

**Subdivision 5. Data practices.** This subdivision provides that government data on an enrollee or health carrier under the premium security program are private data on individuals or nonpublic data, as those terms are defined in section 13.02. The subdivision excepts the total reimbursement requested by a health carrier and the total statement to the health carrier from this requirement, however, stating that such data are public data.

**Subdivision 6. Data sharing.** This subdivision authorizes the commissioner of human services to share information on public program enrollment to confirm individuals’ eligibility for the subsidy. It limits disclosure of such information by the board of directors of MNsure to the disclosure necessary to determine the enrollee’s eligibility for the program.

**Section 4 (adds Minn. Stat. § 62V.17; Applicability of gross premium)** This section requires that, notwithstanding the premium subsidies under section 62V.16, health carriers use the gross premiums for the coverage as the premium base used to calculate any applicable premium taxes.

**Section 5 (Appropriation)** This section appropriates an unspecified sum from the general fund in fiscal year 2026 to the MNsure board for the premium subsidy program. Any unspent funds in fiscal year 2026 remain available in fiscal year 2027.

**Section 6 (Repealer)** This section repeals Minnesota Statutes 2024, sections 62E.21; 62E.22; 62E.23; 62E.24; and 62E.25, effective August 16, 2026. These repealed statutes constitute the existing Minnesota premium security plan and related provisions.



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