

# Minnesota House of Representatives

## State Representative Paul Thissen

267 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
651-296-5375

For more information contact: Michael Howard 651-296-4169

Posted: 2016-10-14

Share on:

Tweet

## Press Release

### House DFLers introduce plan for immediate relief to address premium increases for Minnesotans

#### House DFLers introduce plan for immediate relief to address premium increases for Minnesotans

*Rebates would limit premium increases for Minnesotans who are experiencing "sticker shock" on the individual market*

SAINT PAUL, MINN. – House DFLers promoted a plan today that would provide immediate relief to Minnesotans who will experience large premium increases on the individual market. The plan would provide a rebate to Minnesotans who are not eligible for federal tax credits under the Affordable Care Act and ensure that no Minnesotan in the individual market would pay more than 10 percent of their annual income on health insurance. If their insurance premiums exceeded the 10 percent threshold, the rebate would cover the difference.

"The news that health care premiums in Minnesota's individual market are increasing by 50 percent or more has many individuals and families deeply and rightly concerned. But so far, no one has offered a solution that will actually solve the immediate crisis for those families," said House DFL Leader Paul Thissen. "While we can and must reduce health care costs by taking on the big drug and insurance companies who are putting profits before patients, those ideas do not help people facing this immediate crisis. That's why we are proposing that for 2017 no individual or family in the individual market should pay more than 10% of their annual income on health insurance premiums and if the premium increases exceed that, they'll get a rebate."

A majority of Minnesotans in the individual market have access to federal tax breaks under the Affordable Care Act that will reduce the premium increases significantly - and in many cases actually lower premium costs for many individuals and families. Minnesotans with household incomes up to 400% of the federal poverty guidelines (about \$47,000 for individual and \$97,000 for a family of four) qualify for MNSure tax breaks in most cases.

"Minnesotans who qualify for MNSure tax credits under the Affordable Care Act should absolutely take advantage of them," said Rep. Thissen. "They mean significant pocket-book relief for those families. Other families who do not qualify for the federal tax credits are still facing unacceptable premium increases in 2017 and we should work together to address it."

Under the plan, the State of Minnesota will set up a fund to provide premium rebates to Minnesotans who purchase health insurance in the individual market in 2017 and who do not qualify for federal tax credits under the Affordable Care Act. The rebate will equal the difference between the annual premium for the second least expensive silver plan offered in a region and ten percent of the person's household income.

A few examples:

- A 43-year old single adult in Marshall making \$55,000 per year is facing an annual premium of \$6240. He would qualify for a rebate of \$740.
- A 63-year old single adult in Rochester making \$85,000 per year is facing an annual premium of \$14,476. She would qualify for a rebate of \$5,976.
- A family of four in Mankato making \$120,000 per year is facing an annual premium of \$18,804. That family would qualify for a rebate of \$6,804.

The one-time rebates can be covered by eliminating the proposed \$31 million tax cut for tobacco companies and using the surplus in the Health Care Access Fund and the Minnesota Comprehensive Health Association fund.

Individual premium for Minnesotans on the individual market are scheduled to go into effect on January 1, 2017. Thissen said he is open to a special session after the November Election to address this issue. If not, Thissen said it is important for the next legislature to act quickly.

"This is a Minnesota solution to the immediate crisis of unaffordable premium increases that can happen now," said Thissen. "It does not require a federal waiver or any action by the federal government. It does not require sophisticated analysis. It simply provides relief to individuals and families who need it now."