

MinnesotaCare:

Insurance is considered employer subsidized if the employer contributes at least 50% of the cost of coverage. In many cases the employer contributes a specific amount for the employee and a set amount for dependent coverage regardless of the number of dependents. Some employers contribute only toward the cost of employee coverage. They may not offer dependent coverage or may offer it at full cost to the employee.

Determine access to ESI separately for the employee and dependents. To determine if the employee has or had access to ESI, first determine the total monthly premium for the employee's coverage. Then determine how much the employer contributes. If the employer share is at least half of the total, the employee has ESI.

To determine if other household members have or had access to ESI, determine whether the employer offers dependent coverage. If so, determine the full monthly premium for the dependents. Then determine how much the employer contributes. If the employer's share is at least half of the total, the dependents for whom coverage is available have ESI. **If the cost varies by the number of dependents, compare the total employer contribution to the total cost to determine if the coverage meets the ESI definition for all the dependents.**

EXAMPLE:

Joe and Lisa apply for MinnesotaCare with their child. Joe's employer offers employee-only health coverage at no cost to Joe. Joe has access to ESI. The cost to add 1 dependent is \$250, of which the employer pays \$150. The cost to add 2 dependents is \$550, of which the employer pays \$250. Since Joe has 2 dependents and the employer pays less than 50% of the cost to add both, neither Lisa nor the child have access to ESI.

If the applicant or enrollee does not know if the employer offers ESI or the amount of the employer contribution, use the Employer Verification of Health Insurance form. Have the applicant or enrollee give the form to the employer to complete, or obtain the applicant or enrollee's signature to allow you to mail the form directly to the employer.

EXAMPLE:

John applies for MinnesotaCare for himself, his wife, their 15-year-old daughter, and their 20-year-old son who is not a student. John's employer offers health benefits for employees and their dependents up to age 19 or age 25 for full-time students. The monthly cost for employee coverage is \$80 for

which the employer pays the full cost. The monthly cost for dependent coverage is \$150 for which the employer contributes \$80 and the employee must contribute \$70. Because the employer pays 100% of John's insurance premium and 53% of the cost of dependent coverage, John, his wife, and his daughter all have access to ESI. His son does not have access to ESI, because he is over 19 and not a full-time student.

EXAMPLE:

Mary applies for MinnesotaCare for herself and her 12-year-old daughter. Her employer provides health insurance for the employee only. The cost of coverage is \$100 per month for which the employer contributes \$50. Employees may also purchase dependent coverage for an additional \$200 per month. Because the employer pays 50% of the cost of Mary's coverage, she has access to ESI. Her daughter does not have access to ESI, because the employer does not contribute to the cost of dependent coverage.

Some employers offer cash benefits to employees for the purchase of health insurance rather than offering a choice of specific health plans that the employer purchases under contract. Employees may use the benefit toward the purchase of a health insurance plan of their choice. Because the cost of plans varies widely, the employer-provided cash benefit may be more or less than 50% of the cost of the coverage selected. Therefore, to determine if the employee and dependents have access to ESI, use the full cost of MinnesotaCare coverage for the family size to determine the proportion of the employer contribution.

Use the current MinnesotaCare premium tables to determine the full cost of coverage. Do not use the actual premium the family would be charged based on their income. The full cost of coverage is shown at the top of each page of the tables.

EXAMPLE:

Bob applies for MinnesotaCare for himself, his wife, and 2 minor children. His employer contributes \$100 per month toward the cost of health insurance for the family. The table shows that the full cost of MinnesotaCare coverage for a family of 4 is \$312. Because the employer's cash benefit is less than 50% of the cost of coverage, neither Bob nor his dependents have ESI.

The employer contribution under self-insured or self-funded plans may vary depending on what services the enrollee uses. To determine whether these plans are considered ESI, obtain the full cost of coverage the employer would charge under

COBRA. If the employee contribution is equal to or less than 50%, consider the plan to be ESI. If the employer is unable to provide the COBRA amount, compare the employee contribution to the full cost of MinnesotaCare coverage for the household following the procedures for cash benefits.

EXAMPLE:

David's employer offers health coverage through a self-insured plan. David pays \$30 per month for his coverage and \$150 per month for his wife and son. The employer's contribution varies depending on claims submitted. The employer reports that the full cost of coverage for employees eligible for COBRA benefits is \$100 per month for the employee and \$300 per month for dependents. Since the employer pays at least 50% of the cost, David and his family have access to ESI.

If the employer is unable to provide a COBRA amount, compare the full cost of MinnesotaCare coverage for a family of 3 to the total amount David pays for himself and his family (\$180 per month) to determine if his coverage is considered ESI.

M. S. 256L.07 subd. 2

MA/GAMC:

No provisions.