

Section 447.32, subdivision 1, shall apply to the North Suburban Hospital District organized pursuant to sections 447.31 to 447.37, in Anoka and Ramsey counties, except that upon detachment of any city from the district, in accordance with section 447.38, subdivision 2, or any special law, the hospital board, may by resolution, extend the term of its member elected at large for up to two years, in order that one-half of the terms, as nearly as may be, of the members shall expire on the December 31 following the next regular hospital district election.

Sec. 2. FILING TIME FOR CANDIDATES FOR HOSPITAL BOARD.

Section 447.32, subdivision 4, shall apply to the North Suburban Hospital District, except that a person desiring to be a candidate for member of the district's hospital board shall file for office during the time provided in chapter 205 for filing of affidavits of candidacy for elective office of the city in which the person resides.

Sec. 3. LOCAL APPROVAL.

This act takes effect the day after compliance with section 645.021, subdivision 3, by the hospital board of the North Suburban Hospital District.

Approved May 17, 1983

CHAPTER 154 — H.F.No. 608

An act relating to insurance; accident and health; exempting administrators of self-insured health plans established by collective bargaining agreement from certain regulatory provisions; amending Minnesota Statutes 1982, section 60A.23, subdivision 8.

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

Section 1. Minnesota Statutes 1982, section 60A.23, subdivision 8, is amended to read:

Subd. 8. **SELF-INSURANCE PLAN ADMINISTRATORS; VENDORS OF RISK MANAGEMENT SERVICES.** (1) **SCOPE.** This subdivision applies to any vendor of risk management services and to any entity which administers, for compensation, a self insurance plan. This subdivision shall does not apply (a) to an insurance company authorized to transact insurance in this state, as defined by section 60A.06, subdivision 1, clauses (4) and (5); (b) to a service plan corporation, as defined by section 62C.02, subdivision 6; (c) to a health maintenance organization, as defined by section 62D.02, subdivision 4; (d) to an employer directly operating a self-insurance plan for its employees' benefits ~~or~~; (e) to a nonprofit insurance trust administered and operated for the benefit of

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employer participants and established prior to January 1, 1979 or; (f) to an entity which administers a program of health benefits established pursuant to a collective bargaining agreement between an employer, or group or association of employers, and a union or unions.

(2) **DEFINITIONS.** For purposes of this subdivision the following terms have the meanings given them.

(a) "Administering a self-insurance plan" means (i) processing, reviewing or paying claims, (ii) establishing or operating funds and accounts, or (iii) otherwise providing necessary administrative services in connection with the operation of a self-insurance plan.

(b) "Employer" means an employer, as defined by section 62E.02, subdivision 2.

(c) "Entity" means any association, corporation, partnership, sole proprietorship, trust, or other business entity engaged in or transacting business in this state.

(d) "Self-insurance plan" means a plan providing life, medical or hospital care, accident, sickness or disability insurance, as an employee fringe benefit, which is not directly insured or provided by a licensed insurer, service plan corporation, or health maintenance organization.

(e) "Vendor of risk management services" means an entity providing for compensation actuarial, financial management, accounting, legal or other services for the purpose of designing and establishing a self-insurance plan for an employer.

(3) **LICENSE.** No vendor of risk management services or entity administering a self-insurance plan may transact ~~such~~ that business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license ~~shall~~ may be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee ~~shall~~ be is \$100. All licenses are for a period of two years.

(4) **REGULATORY RESTRICTIONS; POWERS OF THE COMMISSIONER.** To assure that self-insurance plans are financially solvent, are administered in a fair and equitable fashion, and are processing claims and paying benefits in a prompt, fair, and honest manner, vendors of risk management services and entities administering self-insurance plans are subject to the supervision and examination by the commissioner. Vendors of risk management

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services, entities administering self-insurance plans, and self-insurance plans established or operated by them are subject to the trade practice requirements of sections 72A.19 to 72A.30.

(5) **RULE MAKING AUTHORITY.** To carry out the purposes of this subdivision, the commissioner may promulgate administrative adopt rules, including emergency rules, pursuant to sections 14.01 to 14.70. These rules may:

(a) Establish reporting requirements for administrators of self-insurance plans;

(b) Establish standards and guidelines to assure the adequacy of financing, reinsuring, and administration of self-insurance plans;

(c) Establish bonding requirements or other provisions assuring the financial integrity of entities administering self-insurance plans; or

(d) Establish other reasonable requirements to further the purposes of this subdivision.

Approved May 17, 1983

CHAPTER 155 — H.F.No. 694

An act relating to Ramsey county; providing for the membership, terms, and procedures of the medical center commission; amending Minnesota Statutes 1982, section 383A.41, subdivisions 2, 3, and 4.

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

Section 1. Minnesota Statutes 1982, section 383A.41, subdivision 2, is amended to read:

Subd. 2. **MEMBERSHIP.** The Saint Paul-Ramsey Medical Center commission shall consist of ~~13~~ 15 members appointed as follows:

(1) Four members from the board of Ramsey county commissioners, including ~~one~~ two residing outside the city of Saint Paul, and

(2) Nine citizen members, each of whom must be a resident of Ramsey county, all of whom shall be appointed by the board of county commissioners and. There shall be one resident of each of the following Minnesota senate districts, as defined for the ~~1972~~ 1982 general election, appointed as a citizen member of the commission: Districts ~~48, 49 and 46~~ 51 and 52 considered for the purposes of this section as one district, ~~50, 62~~ 53, 54, 56, 63, 64, 65, 66 and 67. The state senator and representatives whose constituency resides within constituencies are in one of those senate districts shall nominate for commission

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