

of appraisal required by this section, any survey or abstract costs, and the value of improvements to the land. The county may sell the land with a directed sale to adjacent land-owners within four years from the date of acquisition, if the lessee does not elect to purchase the lot within the 90-day period and if the county board determines that a lot cannot be brought into substantial compliance with official controls absent such a sale. The county board must reimburse the lessee for the value of the improvements to the land and the county may retain a sum from the proceeds of the sale equivalent to the cost of appraisal, abstract, and survey. The county board must reimburse the commissioner of natural resources for the costs of appraisal under subdivision 2, paragraph (c), survey, and abstract from the proceeds of the sale.

Scheduled lease rate increases shall be suspended for lots when the county certifies that the lessee has elected to purchase the lot within 90 days from the date of the offer by the county.

Sec 3. Laws 1998, chapter 389, article 16, section 31, subdivision 4, is amended to read:

Subd. 4. **COUNTY ENVIRONMENTAL TRUST FUND.** Notwithstanding the provisions of Minnesota Statutes, chapter 282, and any other law relating to the apportionment of proceeds from the sale of tax-forfeited land, and except as otherwise provided in this section, a county board must deposit the money received from the sale of land under subdivision 3 into an environmental trust fund established by the county under this subdivision. If the proceeds from the sale of tax-forfeited land in a county is \$250,000 or more, the principal from the sale of the land may not be expended, and the county board may spend interest earned on the principal only for purposes related to the improvement of natural resources. To the extent money received from the sale is attributable to tax-forfeited land from another county, the money must be deposited in an environmental trust fund established under this section by that county board.

Presented to the governor May 15, 1999

Signed by the governor May 19, 1999, 4:14 p.m.

CHAPTER 181—S.F.No. 841

An act relating to insurance; providing an alternative benefit plan for small employers; authorizing a small employer alternative benefit plan pilot project; modifying certain health plan company requirements; amending Minnesota Statutes 1998, sections 62L.02, subdivision 16; 62L.05, subdivision 5, and by adding a subdivision; 62Q.095, subdivision 1; and 62Q.51, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62L.

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

Section 1. Minnesota Statutes 1998, section 62L.02, subdivision 16, is amended to read:

Subd. 16. **HEALTH CARRIER.** "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insur-

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ance as defined in section 62A.01; a health service plan corporation licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a community integrated service network operating under chapter 62N; an accountable provider network regulated under chapter 62T; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; a multiple employer welfare arrangement, as defined in United States Code, title 29, section 1002(40), as amended. Any use of this definition in another chapter by reference does not include a community integrated service network, unless otherwise specified. For the purpose of this chapter, companies that are affiliated companies or that are eligible to file a consolidated tax return must be treated as one health carrier, except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota, or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation, or any health maintenance organization that is an affiliate of another health maintenance organization in Minnesota, may treat the health maintenance organization as a separate health carrier.

Sec. 2. Minnesota Statutes 1998, section 62L.05, is amended by adding a subdivision to read:

Subd. 4a. ALTERNATIVE BENEFIT PLAN. In addition to the small employer benefit plans described in subdivisions 1 to 4, a health carrier may offer to a small employer a benefit plan that differs from those plans in the following respects:

(1) the plan may include different copayments and deductibles; and

(2) the plan may offer coverage on a per diem, fixed indemnity, or nonexpense incurred basis.

Sec. 3. Minnesota Statutes 1998, section 62L.05, subdivision 5, is amended to read:

Subd. 5. PLAN VARIATIONS. (a) No health carrier shall offer to a small employer a health benefit plan that differs from the two small employer plans described in subdivisions 1 to 4 4a, unless the health benefit plan complies with all provisions of chapters 62A, 62C, 62D, 62E, 62H, 62N, and 64B that otherwise apply to the health carrier, except as expressly permitted by paragraph (b).

(b) As an exception to paragraph (a), a health benefit plan is deemed to be a small employer plan and to be in compliance with paragraph (a) if it differs from one of the two small employer plans described in subdivisions 1 to 4 only by providing benefits in addition to those described in subdivision 4, provided that the health benefit plan has an actuarial value that exceeds the actuarial value of the benefits described in subdivision 4 by no more than two percent. "Benefits in addition" means additional units of a benefit listed in subdivision 4 or one or more benefits not listed in subdivision 4.

Sec. 4. [62L.055] SMALL EMPLOYER ALTERNATIVE BENEFIT PLANS; PILOT PROJECT.

(a) Notwithstanding any provision of this chapter or other law to the contrary, the commissioner of commerce shall develop a pilot project by January 1, 2000, to authorize health carriers to offer alternative health benefit plans to small employers if the following requirements are satisfied:

(1) the health carrier is assessed less than three percent of the total amount assessed by the Minnesota comprehensive health association;

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(2) the health plans must be offered in compliance with this chapter, except as otherwise permitted in this section;

(3) the health plans to be offered must be designed to enable employers and covered persons to better manage costs and coverage options through the use of copays, deductibles, and other cost-sharing arrangements;

(4) the health plans must be issued and administered in compliance with sections 62E.141; 62L.03, subdivision 6; and 62L.12, subdivisions 3 and 4, relating to prohibitions against enrolling in the Minnesota comprehensive health association persons eligible for employer group coverage;

(5) the health plans must meet a 71 percent loss ratio for small employers with fewer than ten employees, and a 75 percent loss ratio for all other plans;

(6) the health plans may alter or eliminate coverages that would otherwise be required by law, other than the requirement that care provided for covered services by osteopaths, optometrists, and chiropractors, or registered nurses meeting the requirements of section 62A.15, subdivision 3a, be reimbursed on a nondiscriminatory basis; and

(7) each health plan must be approved by the commissioner of commerce.

(b) The definitions in section 62L.02 apply to this section as modified by this section.

(c) This section expires August 1, 2003.

Sec. 5. Minnesota Statutes 1998, section 62Q.095, subdivision 1, is amended to read:

Subdivision 1. **PROVIDER ACCEPTANCE REQUIRED.** Each health plan company, with the exception of any health plan company with 50,000 or fewer enrollees in its commercial health plan products and health plan companies that are exempt under subdivision 6, shall establish an expanded network of allied independent health providers, in addition to a preferred network. A health plan company shall accept as a provider in the expanded network any allied independent health provider who: (1) meets the health plan company's credentialing standards; (2) agrees to the terms of the health plan company's provider contract; and (3) agrees to comply with all managed care protocols of the health plan company. A preferred network shall be considered an expanded network if all allied independent health providers who meet the requirements of clauses (1), (2), and (3) are accepted into the preferred network. A community integrated service network may offer to its enrollees an expanded network of allied independent health providers as described under this section.

Sec. 6. Minnesota Statutes 1998, section 62Q.51, subdivision 4, is amended to read:

Subd. 4. **EXEMPTION.** This section does not apply to a health plan company with fewer than 50,000 enrollees in its commercial health plan products.

Presented to the governor May 15, 1999

Signed by the governor May 19, 1999, 4:12 p.m.

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