

**CHAPTER 9—H.F.No. 5**

*An act relating to commerce; establishing the Minnesota Insurance Marketplace; prescribing its powers and duties; establishing the right not to participate; specifying data practices procedures; establishing a legislative oversight committee; requiring reports; appropriating money; amending Minnesota Statutes 2012, sections 13.7191, by adding a subdivision; 13D.08, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 62V.*

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

Section 1. Minnesota Statutes 2012, section 13.7191, is amended by adding a subdivision to read:

Subd. 14a. **Minnesota Insurance Marketplace.** Classification and sharing of data of the Minnesota Insurance Marketplace is governed by section 62V.06.

Sec. 2. Minnesota Statutes 2012, section 13D.08, is amended by adding a subdivision to read:

Subd. 5a. **Minnesota Insurance Marketplace.** Meetings of the Minnesota Insurance Marketplace are governed by section 62V.03, subdivision 2.

Sec. 3. **[62V.01] TITLE.**

This chapter may be cited as the "Minnesota Insurance Marketplace Act."

Sec. 4. **[62V.02] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Board.** "Board" means the Board of Directors of the Minnesota Insurance Marketplace specified in section 62V.04.

Subd. 3. **Dental plan.** "Dental plan" has the meaning defined in section 62Q.76, subdivision 3.

Subd. 4. **Health plan.** "Health plan" means a policy, contract, certificate, or agreement defined in section 62A.011, subdivision 3.

Subd. 5. **Health carrier.** "Health carrier" has the meaning defined in section 62A.011.

Subd. 6. **Individual market.** "Individual market" means the market for health insurance coverage offered to individuals.

Subd. 7. **Insurance producer.** "Insurance producer" has the meaning defined in section 60K.31.

Subd. 8. **Minnesota Insurance Marketplace.** "Minnesota Insurance Marketplace" means the Minnesota Insurance Marketplace created as a state health benefit exchange as described in section 1311 of the federal Patient Protection and Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Subd. 9. **Navigator.** "Navigator" has the meaning described in section 1311(i) of the federal Patient Protection and Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Subd. 10. **Public health care program.** "Public health care program" means any public health care program administered by the commissioner of human services.

Subd. 11. **Qualified health plan.** "Qualified health plan" means a health plan that meets the definition in section 1301(a) of the Affordable Care Act, Public Law 111-148, and has been certified by the board in accordance with section 62V.05, subdivision 5, to be offered through the Minnesota Insurance Marketplace.

Subd. 12. **Small group market.** "Small group market" means the market for health insurance coverage offered to small employers as defined in section 62L.02, subdivision 26.

Subd. 13. **Web site.** "Web site" means a site maintained on the World Wide Web by the Minnesota Insurance Marketplace that allows for access to information and services provided by the Minnesota Insurance Marketplace.

### Sec. 5. **[62V.03] MINNESOTA INSURANCE MARKETPLACE; ESTABLISHMENT.**

Subdivision 1. **Creation.** The Minnesota Insurance Marketplace is created as a board under section 15.012, paragraph (a), to:

(1) promote informed consumer choice, innovation, competition, quality, value, market participation, affordability, suitable and meaningful choices, health improvement, care management, reduction of health disparities, and portability of health plans;

(2) facilitate and simplify the comparison, choice, enrollment, and purchase of health plans for individuals purchasing in the individual market through the Minnesota Insurance Marketplace and for employees and employers purchasing in the small group market through the Minnesota Insurance Marketplace;

(3) assist small employers with access to small business health insurance tax credits and to assist individuals with access to public health care programs, premium assistance tax credits and cost-sharing reductions, and certificates of exemption from individual responsibility requirements;

(4) facilitate the integration and transition of individuals between public health care programs and health plans in the individual or group market and develop processes that, to the maximum extent possible, provide for continuous coverage; and

(5) establish and modify as necessary a name and brand for the Minnesota Insurance Marketplace based on market studies that show maximum effectiveness in attracting the uninsured and motivating them to take action.

Subd. 2. **Application of other law.** (a) The Minnesota Insurance Marketplace must be reviewed by the legislative auditor under section 3.971. The legislative auditor shall audit the books, accounts, and affairs of the Minnesota Insurance Marketplace once each year or less frequently as the legislative auditor's funds and personnel permit. Upon the audit of the financial accounts and affairs of the Minnesota Insurance Marketplace, the Minnesota Insurance Marketplace is liable to the state for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill the Minnesota Insurance Marketplace either monthly or at the completion of the audit. All collections received for the audits must be deposited in the general fund and are appropriated to the legislative auditor. Pursuant to section 3.97, subdivision 3a, the Legislative Audit Commission is requested to direct the legislative auditor to report by March 1, 2014, to the legislature on any duplication of services that occurs within state government as a result of the creation of the Minnesota Insurance Marketplace. The legislative auditor may make recommendations on consolidating or eliminating any services deemed duplicative. The board shall reimburse the legislative auditor for any costs incurred in the creation of this report.

(b) Board members of the Minnesota Insurance Marketplace are subject to sections 10A.07 and 10A.09. Board members and the personnel of the Minnesota Insurance Marketplace are subject to section 10A.071.

(c) All meetings of the board shall comply with the open meeting law in chapter 13D, except that:

(1) meetings, or portions of meetings, regarding compensation negotiations with the director or managerial staff may be closed in the same manner and according to the same procedures identified in section 13D.03;

(2) meetings regarding contract negotiation strategy may be closed in the same manner and according to the same procedures identified in section 13D.05, subdivision 3, paragraph (c); and

(3) meetings, or portions of meetings, regarding not public data described in section 62V.06, subdivision 3, and regarding trade secret information as defined in section 13.37, subdivision 1, paragraph (b), are closed to the public, but must otherwise comply with the procedures identified in chapter 13D.

(d) The Minnesota Insurance Marketplace and provisions specified under this chapter are exempt from:

(1) chapter 14, including section 14.386, except as specified in section 62V.05; and

(2) chapters 16B and 16C, with the exception of sections 16C.08, subdivision 2, paragraph (b), clauses (1) to (8); 16C.086; 16C.09, paragraph (a), clauses (1) and (3), paragraph (b), and paragraph (c); and section 16C.16. However, the Minnesota Insurance Marketplace, in consultation with the commissioner of administration, shall implement policies and procedures to establish an open and competitive procurement process for the Minnesota Insurance Marketplace that, to the extent practicable, conforms to the principles and procedures contained in chapters 16B and 16C. In addition, the Minnesota Insurance Marketplace may enter into an agreement with the commissioner of administration for other services.

(e) The board and the Web site are exempt from chapter 60K. Any employee of the Minnesota Insurance Marketplace who sells, solicits, or negotiates insurance to individuals or small employers must be licensed as an insurance producer under chapter 60K.

(f) Section 3.3005 applies to any federal funds received by the Minnesota Insurance Marketplace.

(g) The Minnesota Insurance Marketplace is exempt from the following sections in chapter 16E: 16E.01, subdivision 3, paragraph (b); 16E.03, subdivisions 3 and 4; 16E.04, subdivision 1, subdivision 2, paragraph (e), and subdivision 3, paragraph (b); 16E.0465; 16E.055; 16E.145; 16E.15; 16E.16; 16E.17; 16E.18; and 16E.22.

(h) A Minnesota Insurance Marketplace decision that requires a vote of the board, other than a decision that applies only to hiring of employees or other internal management of the Minnesota Insurance Marketplace, is an "administrative action" under section 10A.01, subdivision 2.

**Subd. 3. Continued operation of a private marketplace.** (a) Nothing in this chapter shall be construed to prohibit: (1) a health carrier from offering outside of the Minnesota Insurance Marketplace a health plan to a qualified individual or qualified employer; and (2) a qualified individual from enrolling in, or a qualified employer from selecting for its employees, a health plan offered outside of the Minnesota Insurance Marketplace.

(b) Nothing in this chapter shall be construed to restrict the choice of a qualified individual to enroll or not enroll in a qualified health plan or to participate in the Minnesota Insurance Marketplace. Nothing in this chapter shall be construed to compel an individual to enroll in a qualified health plan or to participate in the Minnesota Insurance Marketplace.

(c) For purposes of this subdivision, "qualified individual" and "qualified employer" have the meanings given in section 1312 of the Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Sec. 6. **[62V.04] GOVERNANCE.**

Subdivision 1. **Board.** The Minnesota Insurance Marketplace is governed by a board of directors with seven members.

Subd. 2. **Appointment.** (a) Board membership of the Minnesota Insurance Marketplace consists of the following:

(1) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d), with one member representing the interests of individual consumers eligible for individual market coverage, one member representing individual consumers eligible for public health care program coverage, and one member representing small employers. Members are appointed to serve four-year terms following the initial staggered-term lot determination;

(2) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d) who have demonstrated expertise, leadership, and innovation in the following areas: one member representing the areas of health administration, health care finance, health plan purchasing, and health care delivery systems; one member representing the areas of public health, health disparities, public health care programs, and the uninsured; and one member representing health policy issues related to the small group and individual markets. Members are appointed to serve four-year terms following the initial staggered-term lot determination; and

(3) the commissioner of human services or a designee.

(b) Section 15.0597 shall apply to all appointments, except for the commissioner.

(c) The governor shall make appointments to the board that are consistent with federal law and regulations regarding its composition and structure. All board members appointed by the governor must be legal residents of Minnesota.

(d) Upon appointment by the governor, a board member shall exercise duties of office immediately. If both the house of representatives and the senate vote not to confirm an appointment, the appointment terminates on the day following the vote not to confirm in the second body to vote.

(e) Initial appointments shall be made by April 30, 2013.

(f) One of the six members appointed under paragraph (a), clause (1) or (2), must have experience in representing the needs of vulnerable populations and persons with disabilities.

(g) Membership on the board must include representation from outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 3. **Terms.** (a) Board members may serve no more than two consecutive terms, except for the commissioner or the commissioner's designee, who shall serve until replaced by the governor.

(b) A board member may resign at any time by giving written notice to the board.

(c) The appointed members under subdivision 2, paragraph (a), clauses (1) and (2), shall have an initial term of two, three, or four years, determined by lot by the secretary of state.

Subd. 4. **Conflicts of interest.** (a) Within one year prior to or at any time during their appointed term, board members appointed under subdivision 2, paragraph (a), clauses (1) and (2), shall not be employed by, be a member of the board of directors of, or otherwise be a representative of a health carrier, institutional

health care provider or other entity providing health care, navigator, insurance producer, or other entity in the business of selling items or services of significant value to or through the Minnesota Insurance Marketplace. For purposes of this paragraph, "health care provider or entity" does not include an academic institution.

(b) Board members must recuse themselves from discussion of and voting on an official matter if the board member has a conflict of interest. A conflict of interest means an association including a financial or personal association that has the potential to bias or have the appearance of biasing a board member's decisions in matters related to the exchange or the conduct of activities under this chapter.

(c) No board member shall have a spouse who is an executive of a health carrier.

(d) No member of the board may currently serve as a lobbyist, as defined under section 10A.01, subdivision 21.

Subd. 5. **Acting chair; first meeting; supervision.** (a) The governor shall designate as acting chair one of the appointees described in subdivision 2.

(b) The board shall hold its first meeting within 60 days of enactment.

(c) The board shall elect a chair to replace the acting chair at the first meeting.

Subd. 6. **Chair.** The board shall have a chair, elected by a majority of members. The chair shall serve for one year.

Subd. 7. **Officers.** The members of the board shall elect officers by a majority of members. The officers shall serve for one year.

Subd. 8. **Vacancies.** If a vacancy occurs, the governor shall appoint a new member within 90 days, and the newly appointed member shall be subject to the same confirmation process described in subdivision 2.

Subd. 9. **Removal.** (a) A board member may be removed by the appointing authority and a majority vote of the board following notice and hearing before the board. For purposes of this subdivision, the appointing authority or a designee of the appointing authority shall be a voting member of the board for purposes of constituting a quorum.

(b) A conflict of interest as defined in subdivision 4, shall be cause for removal from the board.

Subd. 10. **Meetings.** The board shall meet at least quarterly.

Subd. 11. **Quorum.** A majority of the members of the board constitutes a quorum, and the affirmative vote of a majority of members of the board is necessary and sufficient for action taken by the board.

Subd. 12. **Compensation.** (a) The board members shall be paid a salary not to exceed the salary limits established under section 15A.0815, subdivision 4. The salary for board members shall be set in accordance with this subdivision and section 15A.0815, subdivision 5. This paragraph expires December 31, 2015.

(b) Beginning January 1, 2016, the board members may be compensated in accordance with section 15.0575.

Subd. 13. **Advisory committees.** (a) The board shall establish and maintain advisory committees to provide insurance producers, health care providers, the health care industry, consumers, and other stakeholders with the opportunity to advise the board regarding the operation of the Minnesota Insurance Marketplace as required under section 1311(d)(6) of the Affordable Care Act, Public Law 111-148. The board shall regularly consult with the advisory committees. The advisory committees established under this paragraph shall not expire.

(b) The board may establish additional advisory committees, as necessary, to gather and provide information to the board in order to facilitate the operation of the Minnesota Insurance Marketplace. The advisory committees established under this paragraph shall not expire, except by action of the board.

(c) Section 15.0597 shall not apply to any advisory committee established by the board under this subdivision.

(d) The board may provide compensation and expense reimbursement under section 15.059, subdivision 3, to members of the advisory committees.

**Sec. 7. [62V.05] RESPONSIBILITIES AND POWERS OF THE MINNESOTA INSURANCE MARKETPLACE.**

Subdivision 1. **General.** (a) The board shall operate the Minnesota Insurance Marketplace according to this chapter and applicable state and federal law.

(b) The board has the power to:

(1) employ personnel and delegate administrative, operational, and other responsibilities to the director and other personnel as deemed appropriate by the board. This authority is subject to chapters 43A and 179A. The director and managerial staff of the Minnesota Insurance Marketplace shall serve in the unclassified service and shall be governed by a compensation plan prepared by the board, submitted to the commissioner of management and budget for review and comment within 14 days of its receipt, and approved by the Legislative Coordinating Commission and the legislature under section 3.855, except that section 15A.0815, subdivision 5, paragraph (e), shall not apply;

(2) establish the budget of the Minnesota Insurance Marketplace;

(3) seek and accept money, grants, loans, donations, materials, services, or advertising revenue from government agencies, philanthropic organizations, and public and private sources to fund the operation of the Minnesota Insurance Marketplace. No health carrier or insurance producer shall advertise on the Minnesota Insurance Marketplace;

(4) contract for the receipt and provision of goods and services;

(5) enter into information-sharing agreements with federal and state agencies and other entities, provided the agreements include adequate protections with respect to the confidentiality and integrity of the information to be shared, and comply with all applicable state and federal laws, regulations, and rules, including the requirements of section 62V.06; and

(6) exercise all powers reasonably necessary to implement and administer the requirements of this chapter and the Affordable Care Act, Public Law 111-148.

(c) The board shall establish policies and procedures to gather public comment and provide public notice in the State Register.

(d) Within 180 days of enactment, the board shall establish bylaws, policies, and procedures governing the operations of the Minnesota Insurance Marketplace in accordance with this chapter.

Subd. 2. **Operations funding.** (a) Prior to January 1, 2015, the Minnesota Insurance Marketplace shall retain or collect up to 1.5 percent of total premiums for individual and small group market health plans and dental plans sold through the Minnesota Insurance Marketplace to fund the cash reserves of the Minnesota Insurance Marketplace, but the amount collected shall not exceed a dollar amount equal to 25 percent of the funds collected under Minnesota Statutes, section 62E.11, subdivision 6, for calendar year 2012.

(b) Beginning January 1, 2015, the Minnesota Insurance Marketplace shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through the Minnesota Insurance Marketplace to fund the operations of the Minnesota Insurance Marketplace, but the amount collected shall not exceed a dollar amount equal to 50 percent of the funds collected under Minnesota Statutes, section 62E.11, subdivision 6, for calendar year 2012.

(c) Beginning January 1, 2016, the Minnesota Insurance Marketplace shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through the Minnesota Insurance Marketplace to fund the operations of the Minnesota Insurance Marketplace, but the amount collected may never exceed a dollar amount greater than 100 percent of the funds collected under Minnesota Statutes, section 62E.11, subdivision 6, for calendar year 2012.

(d) For fiscal years 2014 and 2015, the commissioner of management and budget is authorized to provide cash flow assistance of up to \$20,000,000 from the special revenue fund or the statutory general fund under Minnesota Statutes, section 16A.671, subdivision 3, paragraph (a), to the Minnesota Insurance Marketplace. Any funds provided under this paragraph shall be repaid, with interest, by June 30, 2015.

(e) Funding for the operations of the Minnesota Insurance Marketplace shall cover any compensation provided to navigators participating in the navigator program.

Subd. 3. **Insurance producers.** (a) By April 30, 2013, the board, in consultation with the commissioner of commerce, shall establish certification requirements that must be met by insurance producers in order to assist individuals and small employers with purchasing coverage through the Minnesota Insurance Marketplace. Prior to January 1, 2015, the board may amend the requirements, only if necessary, due to a change in federal rules.

(b) Certification requirements shall not exceed the requirements established under Code of Federal Regulations, title 45, part 155.220. Certification shall include training on health plans available through the Minnesota Insurance Marketplace, available tax credits and cost-sharing arrangements, compliance with privacy and security standards, eligibility verification processes, online enrollment tools, and basic information on available public health care programs. Training required for certification under this subdivision shall qualify for continuing education requirements for insurance producers required under chapter 60K, and must comply with course approval requirements under chapter 45.

(c) Producer compensation shall be established by health carriers that provide health plans through the Minnesota Insurance Marketplace. The structure of compensation to insurance producers must be similar for health plans sold through the Minnesota Insurance Marketplace and outside the Minnesota Insurance Marketplace.

(d) Any insurance producer compensation structure established by a health carrier for the small group market must include compensation for defined contribution plans that involve multiple health carriers. The compensation offered must be commensurate with other small group market defined health plans.

(e) Any insurance producer assisting an individual or small employer with purchasing coverage through the Minnesota Insurance Marketplace must disclose, orally and in writing, to the individual or small employer at the time of the first solicitation with the prospective purchaser the following:

(1) the health carriers and qualified health plans offered through the Minnesota Insurance Marketplace that the producer is authorized to sell, and that the producer may not be authorized to sell all the qualified health plans offered through the Minnesota Insurance Marketplace;

(2) that the producer may be receiving compensation from a health carrier for enrolling the individual or small employer into a particular health plan; and

(3) that information on all qualified health plans offered through the Minnesota Insurance Marketplace is available through the Minnesota Insurance Marketplace Web site.

For purposes of this paragraph, "solicitation" means any contact by a producer, or any person acting on behalf of a producer made for the purpose of selling or attempting to sell coverage through the Minnesota Insurance Marketplace. If the first solicitation is made by telephone, the disclosures required under this paragraph need not be made in writing, but the fact that disclosure has been made must be acknowledged on the application.

(f) Beginning January 15, 2015, each health carrier that offers or sells qualified health plans through the Minnesota Insurance Marketplace shall report in writing to the board and the commissioner of commerce the compensation and other incentives it offers or provides to insurance producers with regard to each type of health plan the health carrier offers or sells both inside and outside of the Minnesota Insurance Marketplace. Each health carrier shall submit a report annually and upon any change to the compensation or other incentives offered or provided to insurance producers.

(g) Nothing in this chapter shall prohibit an insurance producer from offering professional advice and recommendations to a small group purchaser based upon information provided to the producer.

(h) An insurance producer that offers health plans in the small group market shall notify each small group purchaser of which group health plans qualify for Internal Revenue Service approved section 125 tax benefits. The insurance producer shall also notify small group purchasers of state law provisions that benefit small group plans when the employer agrees to pay 50 percent or more of its employees' premium. Individuals who are eligible for cost-effective medical assistance will count toward the 75 percent participation requirement in section 62L.03, subdivision 3.

(i) Nothing in this subdivision shall be construed to limit the licensure requirements or regulatory functions of the commissioner of commerce under chapter 60K.

Subd. 4. **Navigator; in-person assisters; call center.** (a) The board shall establish policies and procedures for the ongoing operation of a navigator program, in-person assister program, call center, and customer service provisions for the Minnesota Insurance Marketplace to be implemented beginning January 1, 2015.

(b) Until the implementation of the policies and procedures described in paragraph (a), the following shall be in effect:

(1) the navigator program shall be met by section 256.962;

(2) entities eligible to be navigators, including entities defined in Code of Federal Regulations, title 45, part 155.210(c)(2), may serve as in-person assisters;

(3) the board shall establish requirements and compensation for the navigator program and the in-person assister program by April 30, 2013. Compensation for navigators and in-person assisters must take into account any other compensation received by the navigator or in-person assister for conducting the same or similar services; and

(4) call center operations shall utilize existing state resources and personnel, including referrals to counties for medical assistance.

(c) The board shall establish a toll-free number for the Minnesota Insurance Marketplace and may hire and contract for additional resources as deemed necessary.

(d) The navigator program and in-person assister program must meet the requirements of section 1311(i) of the Affordable Care Act, Public Law 111-148. In establishing training standards for the navigators and in-person assisters, the board must ensure that all entities and individuals carrying out navigator and in-person assister functions have training in the needs of underserved and vulnerable populations; eligibility



and enrollment rules and procedures; the range of available public health care programs and qualified health plan options offered through the Minnesota Insurance Marketplace; and privacy and security standards. For calendar year 2014, the commissioner of human services shall ensure that the navigator program under section 256.962 provides application assistance for both qualified health plans offered through the Minnesota Insurance Marketplace and public health care programs.

(e) The board must ensure that any information provided by navigators, in-person assisters, the call center, or other customer assistance portals be accessible to persons with disabilities and that information provided on public health care programs include information on other coverage options available to persons with disabilities.

Subd. 5. **Health carrier and health plan requirements; participation.** (a) Beginning January 1, 2015, the board may establish certification requirements for health carriers and health plans to be offered through the Minnesota Insurance Marketplace that satisfy federal requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(b) Paragraph (a) does not apply if by June 1, 2013, the legislature enacts regulatory requirements that:

(1) apply uniformly to all health carriers and health plans in the individual market;

(2) apply uniformly to all health carriers and health plans in the small group market; and

(3) satisfy minimum federal certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(c) In accordance with section 1311(e) of the Affordable Care Act, Public Law 111-148, the board shall establish policies and procedures for certification and selection of health plans to be offered as qualified health plans through the Minnesota Insurance Marketplace. The board shall certify and select a health plan as a qualified health plan to be offered through the Minnesota Insurance Marketplace, if:

(1) the health plan meets the minimum certification requirements established in paragraph (a) or the market regulatory requirements in paragraph (b);

(2) the board determines that making the health plan available through the Minnesota Insurance Marketplace is in the interest of qualified individuals and qualified employers;

(3) the health carrier applying to offer the health plan through the Minnesota Insurance Marketplace also applies to offer health plans at each actuarial value level and service area that the health carrier currently offers in the individual and small group markets; and

(4) the health carrier does not apply to offer health plans in the individual and small group markets through the Minnesota Insurance Marketplace under a separate license of a parent organization or holding company under section 60D.15, that is different from what the health carrier offers in the individual and small group markets outside the Minnesota Insurance Marketplace.

(d) In determining the interests of qualified individuals and employers under paragraph (c), clause (2), the board may not exclude a health plan for any reason specified under section 1311(e)(1)(B) of the Affordable Care Act, Public Law 111-148. The board may consider:

(1) affordability;

(2) quality and value of health plans;

(3) promotion of prevention and wellness;

(4) promotion of initiatives to reduce health disparities;

(5) market stability and adverse selection;

(6) meaningful choices and access;

(7) alignment and coordination with state agency and private sector purchasing strategies and payment reform efforts; and

(8) other criteria that the board determines appropriate.

(e) For qualified health plans offered through the Minnesota Insurance Marketplace on or after January 1, 2015, the board shall establish policies and procedures under paragraphs (c) and (d) for selection of health plans to be offered as qualified health plans through the Minnesota Insurance Marketplace by February 1 of each year, beginning February 1, 2014. The board shall consistently and uniformly apply all policies and procedures and any requirements, standards, or criteria to all health carriers and health plans. For any policies, procedures, requirements, standards, or criteria that are defined as rules under section 14.02, subdivision 4, the board may use the process described in subdivision 9.

(f) For 2014, the board shall not have the power to select health carriers and health plans for participation in the Minnesota Insurance Marketplace. The board shall permit all health plans that meet the certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148, to be offered through the Minnesota Insurance Marketplace.

(g) Under this subdivision, the board shall have the power to verify that health carriers and health plans are properly certified to be eligible for participation in the Minnesota Insurance Marketplace.

(h) The board has the authority to decertify health carriers and health plans that fail to maintain compliance with section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(i) For qualified health plans offered through the Minnesota Insurance Marketplace beginning January 1, 2015, health carriers must use the most current addendum for Indian health care providers approved by the Centers for Medicare and Medicaid Services and the tribes as part of their contracts with Indian health care providers. The Minnesota Insurance Marketplace shall comply with all future changes in federal law with regard to health coverage for the tribes.

Subd. 6. **Appeals.** (a) The board may conduct hearings, appoint hearing officers, and recommend final orders related to appeals of any Minnesota Insurance Marketplace determinations, except for those determinations identified in paragraph (d). An appeal by a health carrier regarding a specific certification or selection determination made by the Minnesota Insurance Marketplace under subdivision 5 must be conducted as a contested case proceeding under chapter 14, with the report or order of the administrative law judge constituting the final decision in the case, subject to judicial review under sections 14.63 to 14.69. For other appeals, the board shall establish hearing processes which provide for a reasonable opportunity to be heard and timely resolution of the appeal and which are consistent with the requirements of federal law and guidance. An appealing party may be represented by legal counsel at these hearings, but this is not a requirement.

(b) The Minnesota Insurance Marketplace may establish service-level agreements with state agencies to conduct hearings for appeals. Notwithstanding section 471.59, subdivision 1, a state agency is authorized to enter into service-level agreements for this purpose with the Minnesota Insurance Marketplace.

(c) For proceedings under this subdivision, the Minnesota Insurance Marketplace may be represented by an attorney who is an employee of the Minnesota Insurance Marketplace.

(d) This subdivision does not apply to appeals of determinations where a state agency hearing is available under section 256.045.

Subd. 7. **Agreements; consultation.** (a) The board shall:

(1) establish and maintain an agreement with the chief information officer of the Office of Enterprise Technology for information technology services that ensures coordination with public health care programs.

The board may establish and maintain agreements with the chief information officer of the Office of Enterprise Technology for other information technology services, including an agreement that would permit the Minnesota Insurance Marketplace to administer eligibility for additional health care and public assistance programs under the authority of the commissioner of human services;

(2) establish and maintain an agreement with the commissioner of human services for cost allocation and services regarding eligibility determinations and enrollment for public health care programs that use a modified adjusted gross income standard to determine program eligibility. The board may establish and maintain an agreement with the commissioner of human services for other services;

(3) establish and maintain an agreement with the commissioners of commerce and health for services regarding enforcement of Minnesota Insurance Marketplace certification requirements for health plans and dental plans offered through the Minnesota Insurance Marketplace. The board may establish and maintain agreements with the commissioners of commerce and health for other services; and

(4) establish interagency agreements to transfer funds to other state agencies for their costs related to implementing and operating the Minnesota Insurance Marketplace, excluding medical assistance allocatable costs.

(b) The board shall consult with the commissioners of commerce and health regarding the operations of the Minnesota Insurance Marketplace.

(c) The board shall consult with Indian tribes and organizations regarding the operation of the Minnesota Insurance Marketplace.

(d) Beginning March 15, 2014, and each March 15 thereafter, the board shall submit a report to the chairs and ranking minority members of the committees in the senate and house of representatives with primary jurisdiction over commerce, health, and human services on all the agreements entered into with the chief information officer of the Office of Enterprise Technology, or the commissioners of human services, health, or commerce in accordance with this subdivision. The report shall include the agency in which the agreement is with; the time period of the agreement; the purpose of the agreement; and a summary of the terms of the agreement. A copy of the agreement must be submitted to the extent practicable.

Subd. 8. **Rulemaking.** (a) If the board's policies, procedures, or other statements are rules, as defined in section 14.02, subdivision 4, the requirements in either paragraph (b) or (c) apply, as applicable.

(b) Effective upon enactment until January 1, 2015:

(1) the board shall publish notice of proposed rules in the State Register after complying with section 14.07, subdivision 2;

(2) interested parties have 21 days to comment on the proposed rules. The board must consider comments it receives. After the board has considered all comments and has complied with section 14.07, subdivision 2, the board shall publish notice of the final rule in the State Register;

(3) if the adopted rules are the same as the proposed rules, the notice shall state that the rules have been adopted as proposed and shall cite the prior publication. If the adopted rules differ from the proposed rules, the portions of the adopted rules that differ from the proposed rules shall be included in the notice of adoption, together with a citation to the prior State Register that contained the notice of the proposed rules; and

(4) rules published in the State Register before January 1, 2014, take effect upon publication of the notice. Rules published in the State Register on and after January 1, 2014, take effect 30 days after publication of the notice.

(c) Beginning January 1, 2015, the board may adopt rules to implement any provisions in this chapter using the expedited rulemaking process in section 14.389.

(d) The notice of proposed rules required in paragraph (b) must provide information as to where the public may obtain a copy of the rules. The board shall post the proposed rules on the Minnesota Insurance Marketplace Web site at the same time the notice is published in the State Register.

Subd. 9. **Dental plans.** (a) The provisions of this section that apply to health plans shall apply to dental plans offered as stand-alone dental plans through the Minnesota Insurance Marketplace, to the extent practicable.

(b) A stand-alone dental plan offered through the Minnesota Insurance Marketplace must meet all certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148, that are applicable to health plans, except for certification requirements that cannot be met because the dental plan only covers dental benefits.

Subd. 10. **Limitations; risk-bearing.** (a) The board shall not bear insurance risk or enter into any agreement with health care providers to pay claims.

(b) Nothing in this subdivision shall prevent the Minnesota Insurance Marketplace from providing insurance for its employees.

#### Sec. 8. **[62V.06] DATA PRACTICES.**

Subdivision 1. **Applicability.** The Minnesota Insurance Marketplace is a state agency for purposes of the Minnesota Government Data Practices Act and is subject to all provisions of chapter 13, in addition to the requirements contained in this section.

Subd. 2. **Definitions.** As used in this section:

(1) "individual" means an individual according to section 13.02, subdivision 8, but does not include a vendor of services; and

(2) "participating" means that an individual, employee, or employer is seeking, or has sought an eligibility determination, enrollment processing, or premium processing through the Minnesota Insurance Marketplace.

Subd. 3. **General data classifications.** The following data collected, created, or maintained by the Minnesota Insurance Marketplace are classified as private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9:

(1) data on any individual participating in the Minnesota Insurance Marketplace;

(2) data on any individuals participating in the Minnesota Insurance Marketplace as employees of an employer participating in the Minnesota Insurance Marketplace; and

(3) data on employers participating in the Minnesota Insurance Marketplace.

Subd. 4. **Application and certification data.** (a) Data submitted by an insurance producer in an application for certification to sell a health plan through the Minnesota Insurance Marketplace, or submitted by an applicant seeking permission or a commission to act as a navigator or in-person assister, are classified as follows:

(1) at the time the application is submitted, all data contained in the application are private data, as defined in section 13.02, subdivision 12, or nonpublic data as defined in section 13.02, subdivision 9, except that the name of the applicant is public; and

(2) upon a final determination related to the application for certification by the Minnesota Insurance Marketplace, all data contained in the application are public, with the exception of trade secret data as defined in section 13.37.

(b) Data created or maintained by a government entity as part of the evaluation of an application are protected nonpublic data, as defined in section 13.02, subdivision 13, until a final determination as to certification is made and all rights of appeal have been exhausted. Upon a final determination and exhaustion of all rights of appeal, these data are public, with the exception of trade secret data as defined in section 13.37 and data subject to attorney-client privilege or other protection as provided in section 13.393.

(c) If an application is denied, the public data must include the criteria used by the board to evaluate the application and the specific reasons for the denial, and these data must be published on the Minnesota Insurance Marketplace Web site.

Subd. 5. **Data sharing.** (a) The Minnesota Insurance Marketplace may share or disseminate data classified as private or nonpublic in subdivision 3 as follows:

- (1) to the subject of the data, as provided in section 13.04;
- (2) according to a court order;
- (3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in the Minnesota Insurance Marketplace, provided that the Minnesota Insurance Marketplace must enter into a data-sharing agreement with the agency prior to sharing data under this clause; and

(5) with a nongovernmental person or entity, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in the Minnesota Insurance Marketplace, provided that the Minnesota Insurance Marketplace must enter a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause.

(b) The Minnesota Insurance Marketplace may share or disseminate data classified as private or nonpublic in subdivision 4 as follows:

- (1) to the subject of the data, as provided in section 13.04;
- (2) according to a court order;
- (3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to carry out the functions of the Minnesota Insurance Marketplace, provided that the Minnesota Insurance Marketplace must enter into a data-sharing agreement with the agency prior to sharing data under this clause; and

(5) with a nongovernmental person or entity, only to the extent necessary to carry out the functions of the Minnesota Insurance Marketplace, provided that the Minnesota Insurance Marketplace must enter a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause.

(c) Sharing or disseminating data outside of the exchange in a manner not authorized by this subdivision is prohibited. The list of authorized dissemination and sharing contained in this subdivision must be included in the Tennessen warning required by section 13.04, subdivision 2.

(d) Until July 1, 2014, state agencies must share data classified as private or nonpublic on individuals, employees, or employers participating in the Minnesota Insurance Marketplace with the Minnesota Insurance Marketplace, only to the extent such data are necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to a

Minnesota Insurance Marketplace participant. The agency must enter into a data-sharing agreement with the Minnesota Insurance Marketplace prior to sharing any data under this paragraph.

Subd. 6. **Notice and disclosures.** (a) In addition to the Tennesen warning required by section 13.04, subdivision 2, the Minnesota Insurance Marketplace must provide any data subject asked to supply private data with:

(1) a notice of rights related to the handling of genetic information, pursuant to section 13.386; and

(2) a notice of the records retention policy of the Minnesota Insurance Marketplace, detailing the length of time the Minnesota Insurance Marketplace will retain data on the individual and the manner in which it will be destroyed upon expiration of that time.

(b) All notices required by this subdivision, including the Tennesen warning, must be provided in an electronic format suitable for downloading or printing.

Subd. 7. **Summary data.** In addition to creation and disclosure of summary data derived from private data on individuals, as permitted by section 13.05, subdivision 7, the Minnesota Insurance Marketplace may create and disclose summary data derived from data classified as nonpublic under this section.

Subd. 8. **Access to data; audit trail.** (a) Only individuals with explicit authorization from the board may enter, update, or access not public data collected, created, or maintained by the Minnesota Insurance Marketplace. The ability of authorized individuals to enter, update, or access data must be limited through the use of role-based access that corresponds to the official duties or training level of the individual, and the statutory authorization that grants access for that purpose. All queries and responses, and all actions in which data are entered, updated, accessed, or shared or disseminated outside of the Minnesota Insurance Marketplace, must be recorded in a data audit trail. Data contained in the audit trail are public, to the extent that the data are not otherwise classified by this section.

The board shall immediately and permanently revoke the authorization of any individual determined to have willfully entered, updated, accessed, shared, or disseminated data in violation of this section, or any provision of chapter 13. If an individual is determined to have willfully gained access to data without explicit authorization from the board, the board shall forward the matter to the county attorney for prosecution.

(b) This subdivision shall not limit or affect the authority of the legislative auditor to access data needed to conduct audits, evaluations, or investigations of the Minnesota Insurance Marketplace or the obligation of the board and Minnesota Insurance Marketplace employees to comply with section 3.978, subdivision 2.

(c) This subdivision does not apply to actions taken by a Minnesota Insurance Marketplace participant to enter, update, or access data held by the Minnesota Insurance Marketplace, if the participant is the subject of the data that is entered, updated, or accessed.

Subd. 9. **Sale of data prohibited.** The Minnesota Insurance Marketplace may not sell any data collected, created, or maintained by the Minnesota Insurance Marketplace, regardless of its classification, for commercial or any other purposes.

Subd. 10. **Gun and firearm ownership.** The Minnesota Insurance Marketplace shall not collect information that indicates whether or not an individual owns a gun or has a firearm in the individual's home.

## Sec. 9. **[62V.07] FUNDS.**

(a) The Minnesota Insurance Marketplace account is created in the special revenue fund of the state treasury. All funds received by the Minnesota Insurance Marketplace shall be deposited in the account. Funds in the account are appropriated to the Minnesota Insurance Marketplace for the operation of the Minnesota Insurance Marketplace. Notwithstanding section 11A.20, all investment income and

all investment losses attributable to the investment of the Minnesota Insurance Marketplace account not currently needed, shall be credited to the Minnesota Insurance Marketplace account.

(b) The budget submitted to the legislature under section 16A.11 must include budget information for the Minnesota Insurance Marketplace.

**Sec. 10. [62V.08] REPORTS.**

(a) The Minnesota Insurance Marketplace shall submit a report to the legislature by January 15, 2015, and each January 15 thereafter, on: (1) the performance of Minnesota Insurance Marketplace operations; (2) meeting the Minnesota Insurance Marketplace responsibilities; (3) an accounting of the Minnesota Insurance Marketplace budget activities; (4) practices and procedures that have been implemented to ensure compliance with data practices laws, and a description of any violations of data practices laws or procedures; and (5) the effectiveness of the outreach and implementation activities of the Minnesota Insurance Marketplace in reducing the rate of uninsurance.

(b) The Minnesota Insurance Marketplace must publish its administrative and operational costs on a Web site to educate consumers on those costs. The information published must include: (1) the amount of premiums and federal premium subsidies collected; (2) the amount and source of revenue received under section 62V.05, subdivision 1, paragraph (b), clause (3); (3) the amount and source of any other fees collected for purposes of supporting operations; and (4) any misuse of funds as identified in accordance with section 3.975. The Web site must be updated at least annually.

**Sec. 11. [62V.09] EXPIRATION AND SUNSET EXCLUSION.**

Notwithstanding section 15.059, the board and its advisory committees shall not expire, except as specified in section 62V.04, subdivision 13. The board and its advisory committees are not subject to review or sunseting under chapter 3D.

**Sec. 12. [62V.10] RIGHT NOT TO PARTICIPATE.**

Nothing in this chapter infringes on the right of a Minnesota citizen not to participate in the Minnesota Insurance Marketplace.

**Sec. 13. [62V.11] LEGISLATIVE OVERSIGHT COMMITTEE.**

Subdivision 1. **Legislative oversight.** (a) The Legislative Oversight Committee is established to provide oversight to the implementation of this chapter and the operation of the Minnesota Insurance Marketplace.

(b) The committee shall review the operations of the Minnesota Insurance Marketplace at least annually and shall recommend necessary changes in policy, implementation, and statutes to the board and to the legislature.

(c) The Minnesota Insurance Marketplace shall present to the committee the annual report required in section 62V.08, the appeals process under section 62V.05, subdivision 6, and the actions taken regarding the treatment of multiemployer plans.

Subd. 2. **Membership; meetings; compensation.** (a) The Legislative Oversight Committee shall consist of five members of the senate, three members appointed by the majority leader of the senate, and two members appointed by the minority leader of the senate; and five members of the house of representatives, three members appointed by the speaker of the house, and two members appointed by the minority leader of the house of representatives.

(b) Appointed legislative members serve at the pleasure of the appointing authority and shall continue to serve until their successors are appointed.

(c) The first meeting of the committee shall be convened by the chair of the Legislative Coordinating Commission. Members shall elect a chair at the first meeting. The chair must convene at least one meeting annually, and may convene other meetings as deemed necessary.

Subd. 3. **Review of proposed rules.** (a) Prior to the implementation of rules proposed under section 62V.05, subdivision 8, paragraph (b), the board shall submit the proposed rules to the committee at the same time the proposed rules are published in the State Register.

(b) When the legislature is in session, the rule may be adopted, but, if within ten days of receipt of the proposed rule a majority of the committee members appointed by the senate and a majority of the committee members appointed by the house of representatives request further review of the proposed rule, the rule shall not be effective until the request has been satisfied and withdrawn, the rule is approved in law, or the regular session of the legislature is adjourned for the year.

(c) If the legislature is not in session, the rule may be adopted, but, if within ten days of receipt of the proposed rule a majority of the committee members appointed by the senate and a majority of the committee members appointed by the house of representatives request further review of the proposed rule, the rule shall not be effective until the request has been satisfied and withdrawn, or February 1, whichever occurs first.

Subd. 4. **Review of costs.** The board shall submit for review the annual budget of the Minnesota Insurance Marketplace for the next fiscal year by March 15 of each year, beginning March 15, 2014.

#### Sec. 14. **TRANSITION OF AUTHORITY.**

(a) Upon the effective date of this act, the commissioner of management and budget shall exercise all authorities and responsibilities under Minnesota Statutes, sections 62V.03 and 62V.05 until the board has satisfied the requirements of Minnesota Statutes, section 62V.05, subdivision 1, paragraph (c). In exercising these authorities and responsibilities of the board, the commissioner of management and budget shall be subject to or exempted from the same statutory provisions as the board, as identified in Minnesota Statutes, section 62V.03, subdivision 2.

(b) Upon the establishment of bylaws, policies, and procedures governing the operations of the Minnesota Insurance Marketplace by the board as required under Minnesota Statutes, section 62V.05, subdivision 1, paragraph (c), all personnel, assets, contracts, obligations, and funds managed by the commissioner of management and budget for the design and development of the Minnesota Insurance Marketplace shall be transferred to the board. Existing personnel managed by the commissioner of management and budget for the design and development of the Minnesota Insurance Marketplace shall staff the board upon enactment.

#### Sec. 15. **MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION TERMINATION.**

The commissioner of commerce, in consultation with the board of directors of the Minnesota Comprehensive Health Association, has the authority to develop and implement the phase-out and eventual appropriate termination of coverage provided by the Minnesota Comprehensive Health Association under Minnesota Statutes, chapter 62E. The phase-out of coverage shall begin no sooner than January 1, 2014, or upon the effective date of the operation of the Minnesota Insurance Marketplace and the ability to purchase qualified health plans through the Minnesota Insurance Marketplace, whichever is later, and shall, to the extent practicable, ensure the least amount of disruption to the enrollees' health care coverage. The member assessments established under Minnesota Statutes, section 62E.11, shall take into consideration any phase-out of coverage implemented under this section.



Sec. 16. **REPORT ON APPEALS PROCESS.**

By February 1, 2014, and February 1, 2015, the board of directors of the Minnesota Insurance Marketplace shall submit a report to the chairs and ranking minority members of the committees in the senate and house of representatives with primary jurisdiction over commerce, health, and civil law on the appeals process for eligibility determinations established under Minnesota Statutes, section 62V.05, subdivision 6.

Sec. 17. **CONTINGENT TREATMENT OF MULTIEMPLOYER PLANS.**

On or after the date that final federal regulations are adopted regarding the treatment of multiemployer plans, the Minnesota Insurance Marketplace shall take such actions as are necessary, in consultation with the commissioner of commerce and in accordance with final federal regulations, to: (1) ensure that all multiemployer plans are notified of the final federal rules; (2) conform all policies and procedures of the Minnesota Insurance Marketplace with applicable federal rules related to multiemployer plans; and (3) permit multiemployer plans to be integrated in the Minnesota Insurance Marketplace to the maximum extent permitted by federal rules. The Minnesota Insurance Marketplace shall submit written notification to the legislature regarding its compliance with this section.

Sec. 18. **EFFECTIVE DATE.**

Sections 1 to 17 are effective the day following final enactment. The secretary of state must post notice of vacancies for positions on the board immediately after final enactment. Any actions taken by any state agencies in furtherance of the design, development, and implementation of the Minnesota Insurance Marketplace prior to the effective date shall be considered actions taken by the Minnesota Insurance Marketplace and shall be governed by the provisions of this chapter and state law. Health plan and dental plan coverage through the Minnesota Insurance Marketplace is effective January 1, 2014.

Presented to the governor March 19, 2013

Signed by the governor March 20, 2013, 10:03 a.m.