SENATE STATE OF MINNESOTA EIGHTY-SEVENTH LEGISLATURE

S.F. No. 389

(SENATE AUTHORS: GAZELKA, Scheid, Saxhaug, Carlson and Kruse)

DATED-PGOFFICIAL STATUS02/21/2011273Introduction and first reading
Referred to Commerce and Consumer Protection04/14/20111302aComm report: To pass as amended and re-refer to Finance

1.1	A bill for an act
1.2	relating to insurance; regulating no-fault medical expense loss benefits; adjusting
1.3	disability and funeral expense benefits; amending Minnesota Statutes 2010,
1.4	section 65B.44, subdivisions 1, 3, 4.

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

Subdivision 1. **Inclusions.** (a) Basic economic loss benefits shall provide reimbursement for all loss suffered through injury arising out of the maintenance or use of a motor vehicle, subject to any applicable deductibles, exclusions, disqualifications, and other conditions, and shall provide a minimum of \$40,000 for loss arising out of the

Section 1. Minnesota Statutes 2010, section 65B.44, subdivision 1, is amended to read:

injury of any one person, consisting of:

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- (1) \$20,000 for medical expense loss arising out of injury to any one person; and
- (2) a total of \$20,000 for income loss, replacement services loss, funeral expense loss, survivor's economic loss, and survivor's replacement services loss arising out of the injury to any one person.
- (b) Notwithstanding any other law to the contrary, a person entitled to basic economic loss benefits under this chapter is entitled to the full medical expense benefits set forth in subdivision 2, and may not receive medical expense benefits that are in any way less than those provided for in subdivision 2, or that involve any preestablished limitations on the benefits. Medical expenses must be reasonable and must be for necessary medical care as provided in subdivision 2. This paragraph shall not be deemed to alter the obligations of an insured or the rights of a reparation obligor as set forth in section 65B.56.

1.23 This paragraph does not apply to medical expense loss that is subject to paragraph (d).

Section 1.

S.F. No. 389, 1st Engrossment - 87th Legislative Session (2011-2012) [S0389-1]

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(c) No reparation obligor or health plan company as defined in section 62Q.01, subdivision 4, may enter into or renew any contract that provides, or has the effect of providing, managed care services to no-fault claimants. For the purposes of this section, "managed care services" is defined as any program of medical services that uses health care providers managed, owned, employed by, or under contract with a health plan company.

(d) Medical expense loss for diagnosis and treatment of a soft tissue injury is covered only if provided in compliance with the codes, treatment standards, and fee schedules provided in Minnesota Rules, chapter 5221. The term soft tissue injury specifically includes, without limitation, any injury with treatment covered by the procedure codes set forth in Minnesota Rules, chapter 5221, other than such treatment delivered by a health care provider defined in Minnesota Rules, part 5221.0100, subpart 11a, or by a medical facility described in section 176.136, subdivision 1b, paragraphs (a) and (b).

Sec. 2. Minnesota Statutes 2010, section 65B.44, subdivision 3, is amended to read:

Subd. 3. **Disability and income loss benefits.** Disability and income loss benefits shall provide compensation for 85 percent of the injured person's loss of present and future gross income from inability to work proximately caused by the nonfatal injury subject to a maximum of \$250 \\$500 per week. Loss of income includes the costs incurred by a self-employed person to hire substitute employees to perform tasks which are necessary to maintain the income of the injured person, which are normally performed by the injured person, and which cannot be performed because of the injury.

If the injured person is unemployed at the time of injury and is receiving or is eligible to receive unemployment benefits under chapter 268, but the injured person loses eligibility for those benefits because of inability to work caused by the injury, disability and income loss benefits shall provide compensation for the lost benefits in an amount equal to the unemployment benefits which otherwise would have been payable, subject to a maximum of \$250 \$500 per week.

Compensation under this subdivision shall be reduced by any income from substitute work actually performed by the injured person or by income the injured person would have earned in available appropriate substitute work which the injured person was capable of performing but unreasonably failed to undertake.

For the purposes of this section "inability to work" means disability which prevents the injured person from engaging in any substantial gainful occupation or employment on a regular basis, for wage or profit, for which the injured person is or may by training become reasonably qualified. If the injured person returns to employment and is unable by reason of the injury to work continuously, compensation for lost income shall be reduced

Sec. 2. 2

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by the income received while the injured person is actually able to work. The weekly
maximums may not be prorated to arrive at a daily maximum, even if the injured person
does not incur loss of income for a full week.

For the purposes of this section, an injured person who is "unable by reason of the injury to work continuously" includes, but is not limited to, a person who misses time from work, including reasonable travel time, and loses income, vacation, or sick leave benefits, to obtain medical treatment for an injury arising out of the maintenance or use of a motor vehicle.

Sec. 3. Minnesota Statutes 2010, section 65B.44, subdivision 4, is amended to read:

Subd. 4. **Funeral and burial expenses.** Funeral and burial benefits shall be reasonable expenses not in excess of \$2,000 \\$5,000, including expenses for cremation or delivery under the Darlene Luther Revised Uniform Anatomical Gift Act, chapter 525A.

Sec. 3. 3