

# MINNESOTA RULES 1983

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HEALTH MAINTENANCE ORGANIZATIONS 2730.0500

## CHAPTER 2730 DEPARTMENT OF COMMERCE HEALTH MAINTENANCE ORGANIZATIONS

NOTE: Pursuant to Laws of Minnesota 1983, chapter 289, section 114, this chapter of Minnesota Rules is to be administered by the commissioner of commerce.

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### 2730.0200 AUTHORITY AND PURPOSE.

Parts 2730.0200 to 2730.0600 are promulgated pursuant to the authority granted by Laws of Minnesota 1973, chapter 607, sections 10, subdivision 4, and 19, and by Minnesota Statutes, sections 14.05 to 14.36, for the purpose of setting forth rules and procedural standards that the commissioner deems necessary to carry out the provisions of the act.

**Statutory Authority:** *MS s 62D.10 subd 4; 62D.19*

### 2730.0300 EXAMINATION OF AGENTS, SOLICITORS, AND BROKERS.

Pursuant to Minnesota Statutes, section 62D.22, subdivision 8, and in accordance with Minnesota Statutes 1971, section 60A.17, and agents' license rules of the insurance division, part 2700.0700, the commissioner shall conduct written examinations for the licensing of health maintenance organization agents, solicitors, and brokers. Such examinations shall be designed to determine:

A. the abilities and qualifications of each license applicant to protect the rights of health maintenance organizations, enrollees, providers association with health maintenance organizations, and the general public relative to solicitations for enrollment in health maintenance organizations; and

B. each license applicant's familiarity with enrollee obligations, rights, and duties under health maintenance contracts and evidences of coverage, health service benefits thereunder, charges for and limitations upon services, and the authorized forms of solicitation and advertising of health maintenance organization services.

**Statutory Authority:** *MS s 62D.10 subd 4; 62D.19*

### 2730.0400 SPECIAL EXAMINATIONS

Upon application in writing, affirmatively showing the reason or reasons therefor, the commissioner may conduct special examinations for purposes of authorizing solicitation or advertising limited in scope or duration or for particular requirements of health maintenance organization agent, solicitor, and broker license applicants.

**Statutory Authority:** *MS s 62D.10 subd 4; 62D.19*

### 2730.0500 DETERMINATION OF UNREASONABLE EXPENSES.

Not less frequently than once every three years, the commissioner shall determine whether any expense a health maintenance organization incurs or pays is unreasonably high in relation to the value of any service or good provided to it. In making such determinations, the commissioner shall, to the extent possible, give due consideration to:

A. the expense incurred or paid by other health maintenance organizations and other health care delivery systems for the same or similar service or goods;

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- B. the cost of such service or goods to the supplier thereof;
- C. the impact of such expense upon the finance solvency of the health maintenance organization;
- D. all pertinent cost/service data obtained or obtainable by the board from the health maintenance organization pursuant to Minnesota Statutes, sections 62D.03, 62D.04, 62D.08, 62D.10, and 62D.14;
- E. guidelines developed and published pursuant to Minnesota Statutes, section 145.61, subdivision 5, clause (e);
- F. pertinent data available from any rating organization approved by the commissioner; and
- G. such other information and information collection techniques as the commissioner may employ that show the real cost or fair market value of such service or goods.

**Statutory Authority:** *MS s 62D.10 subd 4; 62D.19*

## 2730.0600 COMMISSIONER'S ENFORCEMENT AUTHORITY.

Upon a finding that a health maintenance organization is incurring or paying for any expense that is unreasonably high in relation to the value of the service or goods provided, the commissioner may:

- A. exercise the enforcement authority granted him pursuant to Minnesota Statutes, sections 72A.17 to 72A.32;
- B. issue an order pursuant to Minnesota Statutes, section 62D.18;
- C. report such finding to the board and recommend the exercise of any authority available to the board pursuant to Minnesota Statutes, sections 62D.15 to 62D.17; or
- D. exercise such other statutory power as is available to him and that he deems appropriate.

**Statutory Authority:** *MS s 62D.10 subd 4; 62D.19*