

CHAPTER 2755
DEPARTMENT OF COMMERCE
GROUP INSURANCE COVERAGE REPLACEMENT

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2755.0100 DEFINITION.

For purposes of these rules, “carrier” means any insurance company as defined in Minnesota Statutes, section 60A.02, subdivision 4; any service plan corporation as defined in Minnesota Statutes, section 62C.02, subdivision 6; and any health maintenance organization as defined in Minnesota Statutes, section 62D.02, subdivision 4.

Statutory Authority: *MS s 60A.082*

2755.0200 AUTHORITY AND SCOPE.

Parts 2755.0100 to 2755.0500 apply to all policies and subscriber contracts issued or provided by an insurance company, nonprofit service plan corporation, or health maintenance organization on a group basis and are promulgated pursuant to the authority of Minnesota Statutes, section 60A.082.

Statutory Authority: *MS s 60A.082*

2755.0300 PURPOSE.

The purpose of parts 2755.0100 to 2755.0500 is to indicate which carrier is responsible for coverage in those cases where one carrier’s plan of benefits replaces a prior plan which offered similar benefits.

Statutory Authority: *MS s 60A.082*

2755.0400 LIABILITY OF PRIOR CARRIER.

The prior carrier remains liable to the extent of its accrued liability and any contractual liability for extension of benefits at the time of replacement. “Accrued liability” includes, but is not limited to, responsibility for covered inpatient expenses, subject to applicable deductibles, copayments, and limitations, incurred by a covered individual who is an inpatient on the date of replacement. The responsibility on the part of the prior carrier continues until the covered individual is discharged from the inpatient facility or contract maximums have been reached, whichever first occurs.

Statutory Authority: *MS s 45.023; 60A.082*

History: *9 SR 1187; 13 SR 2551*

2755.0500 LIABILITY OF SUCCEEDING CARRIER.

Subpart 1. Coverage under succeeding carrier’s plan. Each individual who is eligible under the succeeding carrier’s plan, with respect to provisions regarding class eligibility, activity at work, and nonconfinement, shall be covered by the succeeding carrier’s plan of benefits as of the effective date of that plan.

Subp. 2. Coverage for individuals not eligible under subpart 1. Each individual who is not eligible for coverage in accordance with subpart 1 shall nevertheless be covered by the succeeding carrier in accordance with the following rules, provided that such individual (including an individual who has exercised the option for extension of benefits pursuant to Minnesota Statutes, sections 62A.148 and 62A.17) was validly covered under the prior plan on the date it was discontinued and such individual is a member of a class of individuals otherwise eligible for coverage under the succeeding carrier’s plan.

A. The minimum level of benefits that shall be provided by the succeeding carrier shall be the lesser of the benefits available under the prior carrier’s plan reduced by any benefits payable by the prior carrier, or the benefits available under the succeeding carrier’s plan.

B. Coverage shall be provided by the succeeding carrier pursuant to this subpart at least until the earlier of the following dates: the date the individual becomes eligible under the terms of the succeeding carrier's plan; or the date the individual's coverage would otherwise terminate, for each type of coverage, in accordance with the individual termination of coverage provisions of the succeeding carrier's plan.

Subp. 3. Preexisting condition limitations. Each individual subject to a preexisting condition limitation contained in the succeeding carrier's plan shall nevertheless be covered by the succeeding carrier, provided that such individual was validly covered under the prior plan on the date it was discontinued. The minimum level of benefits which shall be provided by the succeeding carrier for a preexisting condition shall be the lesser of the benefits of the new plan determined without regard to the preexisting condition limitation, or the benefits of the prior plan.

Subp. 4. Deductible or waiting period. In applying any deductible or waiting period in its plan, the succeeding carrier shall give credit for the full or partial satisfaction of the same or similar provisions under the prior plan. In the case of deductible provisions, the credit shall apply for the same or overlapping benefit periods, to the extent the same expenses are recognized under the terms of the succeeding carrier's plan and are subject to a similar deductible provision.

Subp. 5. Statement of benefits available. In any situation where a determination of the prior carrier's benefits is required by the succeeding carrier, at the succeeding carrier's request the prior carrier shall furnish a statement of the benefits available and other pertinent information sufficient to permit the succeeding carrier to verify or determine benefits.

Subp. 6. Controlling terms. Benefits of the prior plan shall be determined in accordance with the definitions, conditions, and covered expense provisions of the prior plan rather than those of the succeeding plan.

Statutory Authority: *MS s 60A.082*

History: *9 SR 1187*