

CHAPTER 62D

HEALTH MAINTENANCE ACT OF 1973

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62D.02 DEFINITIONS.

[For text of subds 1 to 3, see M.S.1982]

Subd. 4. "Health maintenance organization" means a nonprofit corporation organized under chapter 317, or a local governmental unit as defined in subdivision 11, controlled and operated as provided in sections 62D.01 to 62D.29, which provides, either directly or through arrangements with providers or other persons, comprehensive health maintenance services, or arranges for the provision of these services, to enrollees on the basis of a fixed prepaid sum without regard to the frequency or extent of services furnished to any particular enrollee.

[For text of subds 5 to 10, see M.S.1982]

Subd. 11. "Local governmental unit" means any statutory or home rule charter city or county.

History: 1983 c 205 s 1,2

62D.03 ESTABLISHMENT OF HEALTH MAINTENANCE ORGANIZATIONS.

Subdivision 1. Notwithstanding any law of this state to the contrary, any nonprofit corporation organized to do so or a local governmental unit may apply to the commissioner of health for a certificate of authority to establish and operate a health maintenance organization in compliance with sections 62D.01 to 62D.29. No person shall establish or operate a health maintenance organization in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health maintenance organization or health maintenance contract unless the organization has a certificate of authority under sections 62D.01 to 62D.29.

[For text of subds 2 and 3, see M.S.1982]

Subd. 4. Each application for a certificate of authority shall be verified by an officer or authorized representative of the applicant, and shall be in a form prescribed by the commissioner of health. Each application shall include the following:

(a) a copy of the basic organizational document, if any, of the applicant; such as the articles of incorporation, or other applicable documents, and all amendments thereto;

(b) a copy of the bylaws, rules and regulations, or similar document, if any, and all amendments thereto which regulate the conduct of the affairs of the applicant;

(c) a list of the names, addresses, and official positions of the following persons:

All members of the board of directors or governing body of the local governmental unit, and the principal officers of the organization; which shall

contain a full disclosure in the application of the extent and nature of any contract or financial arrangements between them and the health maintenance organization, including a full disclosure of any financial arrangements between them and any provider or other person concerning any financial relationship with the health maintenance organization;

(d) a statement generally describing the health maintenance organization, its health care plan or plans, facilities, and personnel, including a statement describing the manner in which the applicant proposes to provide enrollees with comprehensive health maintenance services;

(e) a copy of the form of each evidence of coverage to be issued to the enrollees;

(f) a copy of the form of each individual or group health maintenance contract which is to be issued to enrollees or their representatives;

(g) financial statements showing the applicant's assets, liabilities, and sources of financial support. If the applicant's financial affairs are audited by independent certified public accountants, a copy of the applicant's most recent certified financial statement may be deemed to satisfy this requirement;

(h) (1) a description of the proposed method of marketing the plan, (2) a schedule of proposed charges, and (3) a financial plan which includes a three year projection of the expenses and income and other sources of future capital;

(i) a statement reasonably describing the geographic area or areas to be served and the type or types of enrollees to be served;

(j) a description of the complaint procedures to be utilized as required under section 62D.11;

(k) a description of the procedures and programs to be implemented to meet the requirements of section 62D.04, subdivision 1, clauses (b) and (c) and to monitor the quality of health care provided to enrollees;

(l) a description of the mechanism by which enrollees will be afforded an opportunity to participate in matters of policy and operation under section 62D.06;

(m) other information as the commissioner of health may reasonably require to be provided.

History: 1983 c 205 s 3,4

62D.05 POWERS OF HEALTH MAINTENANCE ORGANIZATIONS.

Subdivision 1. Any nonprofit corporation or local governmental unit may, upon obtaining a certificate of authority as required in sections 62D.01 to 62D.29, operate as a health maintenance organization.

[For text of subs 2 to 5, see M.S.1982]

History: 1983 c 205 s 5

62D.06 GOVERNING BODY.

Subdivision 1. The governing body of any health maintenance organization which is a nonprofit corporation may include enrollees, providers, or other individuals; provided, however, that after a health maintenance organization which is a nonprofit corporation has been authorized under sections 62D.01 to 62D.29 for one year, at least 40 percent of the governing body shall be composed of consumers elected by the enrollees from among the enrollees.

After a health maintenance organization which is a local governmental unit has been authorized under sections 62D.01 to 62D.29 for one year, an enrollee advisory body shall be established. The enrollees who make up this advisory body shall be elected by the enrollees from among the enrollees.

[For text of subd 2, see M.S.1982]

History: 1983 c 205 s 6