CHAPTER 62R

HEALTH CARE COOPERATIVES

HEALTH PROVIDER COOPERATIVES

62R.17 PROVIDER COOPERATIVE DEMONSTRATION.

A health provider cooperative incorporated and having adopted bylaws before May 1, 1995, that has members who provide services in Sibley, Nicollet, Blue Earth, Brown, Watonwan, Martin, Faribault, Waseca, and LeSueur counties, may contract with a qualified employer or self–insured employer plan to provide health care services in accordance with sections 62R.17 to 62R.26. The health provider cooperative, the qualified employer, or the self–insured employer plan shall not, solely on account of that contract, be subject to any provision of Minnesota Statutes relating to health carriers except as provided in section 62R.21. The grant of contracting power under this section shall not be interpreted to permit or prohibit any other lawful arrangement between a health care provider and a self–insured employee welfare benefit plan or its sponsor.

History: *1995 c 234 art 10 s 1*

NOTE: See section 62R.26 for expiration date.

62R.18 DEFINITIONS.

Subdivision 1. **Application.** For purposes of sections 62R.17 to 62R.26, the terms defined in this section have the meanings given.

Subd. 2. **Health carrier.** "Health carrier" means a health carrier as defined in section 62A.011.

Subd. 3. **Plan participant.** "Plan participant" means an eligible employee or retiree of a qualified employer or an eligible dependent of an employee or retired employee of a qualified employer.

Subd. 4. **Qualified employer.** "Qualified employer" means an employer sponsoring or maintaining a self–insured employer plan meeting the requirements of sections 62R.19 and 62R.21.

Subd. 5. **Self–insured employer plan.** "Self–insured employer plan" means a plan, fund, or program established or maintained by a qualified employer on or before January 1, 1995, for the purpose of providing medical, surgical, hospital, or other health care benefits to plan participants primarily on a self–insured basis. A governmental joint self–insurance plan established under chapter 471 is a self–insured employer plan for purposes of this definition.

History: *1995 c 234 art 10 s 2*

NOTE: See section 62R.26 for expiration date.

62R.19 STOP LOSS REQUIREMENT.

A health provider cooperative shall not contract with a qualified employer or self–insured employer plan under section 62R.17 unless the qualified employer or self–insured employer plan maintains a policy of stop loss or excess loss insurance from an insurance company licensed to do business in this state in accordance with the following:

(1) A qualified employer with more than 750 employees as defined in section 62L.02 must not maintain a policy of stop loss, excess loss, or similar coverage with an attachment point less than 120 percent of the self–insured employer plan's annual expected benefit costs;

(2) A qualified employer with 200 or more but fewer than 750 employees as defined in section 62L.02 must maintain a policy providing aggregate stop loss insurance with an annu-

al attachment point of no less than 120 percent of the self–insured employer plan's annual expected benefit costs and providing individual stop loss coverage with a deductible of no less than $10,000; and

(3) A qualified employer with fewer than 200 employees as defined in section 62L.02 must maintain a policy meeting the requirements of section 60A.235.

History: *1995 c 234 art 10 s 3*

NOTE: See section 62R.26 for expiration date.

62R.20 CONTRACT REQUIREMENTS.

Any contract for health care services described in section 62R.17 is subject to the following requirements:

(1) The contract must be structured so that the health provider cooperative does not bear financial risk in excess of 50 percent of the self–insured employer plan's expected annual costs.

(2) The contract must not be effective prior to January 1, 1996.

(3) The contract must be limited to those services regularly provided by the cooperative or its members.

(4) The contract must obligate the qualified employer to maintain its self–insured employer plan in accordance with section 62R.21.

History: *1995 c 234 art 10 s 4*

NOTE: See section 62R.26 for expiration date.

62R.21 PLAN REQUIREMENTS.

The requirements described in section 62R.20, clause (4), are as follows:

(1) The plan shall not exclude any eligible employees or their dependents, both as defined in section 62L.02, from coverage offered by the employer, under this paragraph or any other health coverage, insured or self–insured, offered by the employer, on the basis of the health status or health history of the person.

(2) Contributions to the cost of the self–insured employer plan from plan participants must not be based upon the gender of the plan participant.

History: *1995 c 234 art 10 s 5*

NOTE: See section 62R.26 for expiration date.

62R.22 PARTICIPANT HOLD HARMLESS.

The health provider cooperative and its members and patrons must not have recourse against the plan participants of any self–insured employer plan with which the cooperative has contracted in accordance with sections 62R.17 to 62R.26, except for collection of copayments, coinsurance, or deductibles, or for health care services rendered that are not covered by the self–insured employer plan or that are in excess of the lifetime maximum benefit limit. This requirement applies to, but is not limited to, nonpayment of the cooperative by the self–insured employer plan or qualified employer, insolvency of the qualified employer, insolvency of the health provider cooperative, or nonpayment by the cooperative to the cooperative member or patron.

History: *1995 c 234 art 10 s 6*

NOTE: See section 62R.26 for expiration date.

62R.23 CONTINUATION OF CARE.

In the event of the insolvency or bankruptcy of a qualified employer, a health provider cooperative described in section 62R.17 and its members shall continue to deliver the contracted health care services to plan participants for a period of 30 days, whether or not the cooperative receives payment from the qualified employer, its estate in bankruptcy, or from the self–insured employer plan. Section 62R.22 applies to this section. Nothing in this section, however, limits the right of the cooperative to seek payment from the qualified employer, its estate, or the self–insured employer plan for services so rendered.

History: *1995 c 234 art 10 s 7*

NOTE: See section 62R.26 for expiration date.

62R.24 TAXES AND ASSESSMENTS.

Effective January 1, 1998, as a condition to entering a contract described in section 62R.17, a self–insured employer plan or the qualified employer must voluntarily pay the one percent premium tax imposed in section 60A.15, subdivision 1, paragraph (d), and assessments by the Minnesota Comprehensive Health Association.

History: *1995 c 234 art 10 s 8*

NOTE: See section 62R.26 for expiration date.

62R.25 NOTIFICATION OF CONTRACT; REPORT TO LEGISLATURE.

(a) Each health provider cooperative shall notify the office of rural health in writing upon entering a contract described in section 62R.17.

(b) The department of health, office of rural health, shall provide an information report to the MinnesotaCare finance division of the house health and human services committee and the senate health care committee no later than January 15, 1999, on the status of direct contracting between health provider cooperatives and self–insured employer plans or qualified employers in accordance with sections 62R.17 to 62R.26. The report shall consider the effects on public policy and on health provider cooperatives of a possible requirement that health provider cooperatives using direct contracting be obligated to become community integrated service networks.

History: *1995 c 234 art 10 s 9*

NOTE: See section 62R.26 for expiration date.

62R.26 SUNSET.

Sections 62R.17 to 62R.25 expire on December 31, 1999.

History: *1995 c 234 art 10 s 10*