

## CHAPTER 62E

## COMPREHENSIVE HEALTH INSURANCE

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**62E.02 DEFINITIONS.***[For text of subs 1 to 9, see M.S.1996]*

**Subd. 10. Insurer.** "Insurer" means those companies operating pursuant to chapter 62A or 62C and offering, selling, issuing, or renewing policies or contracts of accident and health insurance. "Insurer" does not include health maintenance organizations or community integrated service networks.

*[For text of subs 11 and 12, see M.S.1996]*

**Subd. 13. Eligible person.** (a) "Eligible person" means an individual who:

(1) is currently and has been a resident of Minnesota for the six months immediately preceding the date of receipt by the association or its writing carrier of a completed certificate of eligibility;

(2) meets the enrollment requirements of section 62E.14; and

(3) is not otherwise ineligible under this subdivision.

For purposes of eligibility under section 62E.14, subdivision 4c, paragraph (b), this definition is modified as provided in that paragraph.

(b) No individual is eligible for coverage under a qualified or a Medicare supplement plan issued by the association for whom a premium is paid or reimbursed by the medical assistance program or general assistance medical care program as of the first day of any term for which a premium amount is paid or reimbursed.

*[For text of subs 14 to 17, see M.S.1996]*

**Subd. 18. Writing carrier.** "Writing carrier" means the insurer or insurers, health maintenance organization or organizations, community integrated service network or networks, or other entity selected by the association and approved by the commissioner to administer the comprehensive health insurance plan.

*[For text of subd 19, see M.S.1996]*

**Subd. 20. Comprehensive insurance plan or state plan.** "Comprehensive health insurance plan" or "state plan" means policies of insurance and contracts of health maintenance organization or community integrated service network coverage offered by the association through the writing carrier.

*[For text of subs 21 and 22, see M.S.1996]*

**Subd. 23. Contributing member.** "Contributing member" means those companies regulated under chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance; health maintenance organizations regulated under chapter 62D; nonprofit health service plan corporations regulated under chapter 62C; community integrated service networks regulated under chapter 62N; fraternal benefit societies regulated under chapter 64B; the Minnesota employees insurance program established in section 43A.317, effective July 1, 1993; and joint self-insurance plans regulated under chapter 62H. For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization or community integrated service network shall be considered to be accident and health insurance premiums.

**History:** 1997 c 175 art 1 s 1; 1997 c 225 art 2 s 62; art 6 s 1,2

NOTE: The amendment to subdivision 13 by Laws 1997, chapter 225, article 6, section 1, expires June 30, 1999. Laws 1997, chapter 225, article 6, section 8.

## 62E.10 COMPREHENSIVE HEALTH ASSOCIATION.

Subdivision 1. **Creation; tax exemption.** There is established a comprehensive health association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers; self-insurers; fraternal; joint self-insurance plans regulated under chapter 62H; the Minnesota employees insurance program established in section 43A.317, effective July 1, 1993; health maintenance organizations; and community integrated service networks licensed or authorized to do business in this state. The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.

Subd. 2. **Board of directors; organization.** The board of directors of the association shall be made up of nine members as follows: five directors selected by contributing members, subject to approval by the commissioner; four public directors selected by the commissioner, at least two of whom must be plan enrollees. Public members may include licensed insurance agents. In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, health maintenance contract payment, or community integrated service network payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner. In approving directors of the board, the commissioner shall consider, among other things, whether all types of members are fairly represented. Directors selected by contributing members may be reimbursed from the money of the association for expenses incurred by them as directors, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.

Subd. 2a. **Appeals.** A person may appeal to the commissioner within 30 days after notice of an action, ruling, or decision by the board.

A final action or order of the commissioner under this subdivision is subject to judicial review in the manner provided by chapter 14.

In lieu of the appeal to the commissioner, a person may seek judicial review of the board's action.

Subd. 3. **Mandatory membership.** All members shall maintain their membership in the association as a condition of doing accident and health insurance, self-insurance, health maintenance organization, or community integrated service network business in this state. The association shall submit its articles, bylaws and operating rules to the commissioner for approval; provided that the adoption and amendment of articles, bylaws and operating rules by the association and the approval by the commissioner thereof shall be exempt from the provisions of sections 14.001 to 14.69.

*[For text of subs 4 to 7, see M.S.1996]*

Subd. 8. **Department of state exemption.** The association is exempt from the Administrative Procedure Act but, to the extent authorized by law to adopt rules, the association may use the provisions of section 14.386, paragraph (a), clauses (1) and (3). Section 14.386, paragraph (b), does not apply to these rules.

*[For text of subd 9, see M.S.1996]*

**History:** 1997 c 187 art 5 s 10; 1997 c 225 art 2 s 62

## 62E.11 OPERATION OF COMPREHENSIVE PLAN.

*[For text of subs 1 to 4, see M.S.1996]*

Subd. 5. Each contributing member of the association shall share the losses due to claims expenses of the comprehensive health insurance plan for plans issued or approved for issuance by the association, and shall share in the operating and administrative expenses in-

curred or estimated to be incurred by the association incident to the conduct of its affairs. Claims expenses of the state plan which exceed the premium payments allocated to the payment of benefits shall be the liability of the contributing members. Contributing members shall share in the claims expense of the state plan and operating and administrative expenses of the association in an amount equal to the ratio of the contributing member's total accident and health insurance premium, received from or on behalf of Minnesota residents as divided by the total accident and health insurance premium, received by all contributing members from or on behalf of Minnesota residents, as determined by the commissioner. Payments made by the state to a contributing member for medical assistance, MinnesotaCare, or general assistance medical care services according to chapters 256, 256B, and 256D shall be excluded when determining a contributing member's total premium.

*[For text of subs 6 to 11, see M.S.1996]*

Subd. 12. [Repealed, 1997 c 225 art 2 s 63]

**History:** 1997 c 225 art 2 s 8

### 62E.13 ADMINISTRATION OF PLAN.

*[For text of subd 1, see M.S.1996]*

Subd. 2. The association may select policies and contracts, or parts thereof, submitted by a member or members of the association, or by the association or others, to develop specifications for bids from any entity which wishes to be selected as a writing carrier to administer the state plan. The selection of the writing carrier shall be based upon criteria established by the board of directors of the association and approved by the commissioner. The criteria shall outline specific qualifications that an entity must satisfy in order to be selected and, at a minimum, shall include the entity's proven ability to handle large group accident and health insurance cases, efficient claim paying capacity, and the estimate of total charges for administering the plan. The association may select separate writing carriers for the two types of qualified plans, the qualified medicare supplement plan, and the health maintenance organization contract.

*[For text of subs 3 to 11, see M.S.1996]*

**History:** 1997 c 225 art 6 s 3

### 62E.14 ENROLLMENT BY AN ELIGIBLE PERSON.

*[For text of subs 1 and 2, see M.S.1996]*

Subd. 3. **Preexisting conditions.** No person who obtains coverage pursuant to this section shall be covered for any preexisting condition during the first six months of coverage under the state plan if the person was diagnosed or treated for that condition during the 90 days immediately preceding the filing of an application except as provided under subdivisions 4, 4a, 4b, 4c, 4d, 5, 6, and 7 and section 62E.18.

*[For text of subs 3a to 4b, see M.S.1996]*

Subd. 4c. **Waiver of preexisting conditions for persons whose coverage is terminated or who exceed the maximum lifetime benefit.** (a) A Minnesota resident may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation described in subdivision 3 if that person applies for coverage within 90 days of termination of prior coverage and if the termination is for reasons other than fraud or nonpayment of premiums.

For purposes of this paragraph, termination of prior coverage includes exceeding the maximum lifetime benefit of existing coverage.

Coverage in the comprehensive health plan is effective on the date of termination of prior coverage. The availability of conversion rights does not affect a person's rights under this paragraph.

This section does not apply to prior coverage provided under policies designed primarily to provide coverage payable on a per diem, fixed indemnity, or nonexpense incurred basis, or policies providing only accident coverage.

(b) An eligible individual, as defined under United States Code, chapter 42, section 300gg-41(b) may enroll in the comprehensive health insurance plan with a waiver of the preexisting condition limitation described in subdivision 3 and a waiver of the evidence of rejection or similar events described in subdivision 1, clause (c). The eligible individual must apply for enrollment under this paragraph within 63 days of termination of prior coverage, and coverage under the comprehensive health insurance plan is effective as of the date of receipt of the complete application. The six month durational residency requirement provided in section 62E.02, subdivision 13, does not apply with respect to eligibility for enrollment under this paragraph, but the applicant must be a Minnesota resident as of the date of application. A person's eligibility to enroll under this paragraph does not affect the person's eligibility to enroll under any other provision.

*[For text of subd 4d, see M.S.1996]*

**Subd. 4e. Waiver of preexisting conditions; persons covered by publicly funded health programs.** A person may enroll in the comprehensive plan with a waiver of the preexisting condition limitation in subdivision 3, provided that:

- (1) the person was formerly enrolled in the medical assistance, general assistance medical care, or MinnesotaCare program;
- (2) the person is a Minnesota resident; and
- (3) the person applies within 90 days of termination from medical assistance, general assistance medical care, or MinnesotaCare program.

*[For text of subds 5 to 7, see M.S.1996]*

**History:** 1997 c 175 art 1 s 2,3; 1997 c 203 art 7 s 1