

## CHAPTER 62D

## HEALTH MAINTENANCE ORGANIZATIONS

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**62D.08 ANNUAL REPORT.**

*[For text of subs 1 to 4, see M.S.2000]*

Subd. 5. **Changes in participating entities; penalty.** Any cancellation or discontinuance of any contract or agreement listed in section 62D.03, subdivision 4, clause (e), or listed subsequently in accordance with this subdivision, shall be reported to the commissioner 120 days before the effective date. When the health maintenance organization terminates a provider for cause, death, disability, or loss of license, the health maintenance organization must notify the commissioner within ten working days of the date the health maintenance organization sends out or receives the notice of cancellation, discontinuance, or termination. Any health maintenance organization which fails to notify the commissioner within the time periods prescribed in this subdivision shall be subject to the levy of a fine up to \$200 per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner of the cancellation or discontinuance. Any fine levied under this subdivision is subject to the contested case and judicial review provisions of chapter 14. The levy of a fine does not preclude the commissioner from using other penalties described in sections 62D.15 to 62D.17.

*[For text of subd 6, see M.S.2000]*

**History:** 2001 c 170 s 1

**62D.109 SERVICES ASSOCIATED WITH CLINICAL TRIALS.**

A health maintenance organization must inform an enrollee who is a participant in a clinical trial upon inquiry by the enrollee that coverage shall be provided as required under the enrollee's health maintenance contract or under state or federal rule or statute.

**History:** 1Sp2001 c 9 art 16 s 2

**62D.17 PENALTIES AND ENFORCEMENT.**

Subdivision 1. **Administrative penalty.** The commissioner of health may, for any violation of statute or rule applicable to a health maintenance organization, or in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount up to \$25,000 for each violation. In the case of contracts or agreements made pursuant to section 62D.05, subdivisions 2 to 4, each contract or agreement entered into or implemented in a manner which violates sections 62D.01 to 62D.30 shall be considered a separate violation. In determining the level of an administrative penalty, the commissioner shall consider the following factors:

- (1) the number of enrollees affected by the violation;
- (2) the effect of the violation on enrollees' health and access to health services;
- (3) if only one enrollee is affected, the effect of the violation on that enrollee's health;
- (4) whether the violation is an isolated incident or part of a pattern of violations; and
- (5) the economic benefits derived by the health maintenance organization or a participating provider by virtue of the violation.

Reasonable notice in writing to the health maintenance organization shall be given of the intent to levy the penalty and the reasons therefor, and the health maintenance organization may have 15 days within which to file a written request for an administrative hearing and review of the commissioner of health's determination. Such administrative hearing shall be subject to judicial review pursuant to chapter 14. If an administrative penalty is levied, the commissioner must divide 50 percent of the amount among any enrollees affected by the violation, unless the commissioner certifies in writing that the division and distribution to enrollees would be too administratively complex or that the number of enrollees affected by the penalty would result in a distribution of less than \$50 per enrollee.

*[For text of subs 2 to 5, see M.S.2000]*

**History:** *1Sp2001 c 9 art 16 s 3*

## 62D.22 STATUTORY CONSTRUCTION AND RELATIONSHIP TO OTHER LAWS.

*[For text of subs 1 to 7, see M.S.2000]*

Subd. 8. **Insurance agents.** All agents, solicitors, and brokers engaged in soliciting or dealing with enrollees or prospective enrollees of a health maintenance organization, whether employees or under contract to the health maintenance organization, shall be subject to the provisions of sections 60K.30 to 60K.56, concerning the licensure of insurance producers and lawful rules thereunder. Medical doctors and others who merely explain the operation of health maintenance organizations shall be exempt from the provisions of sections 60K.30 to 60K.56. Section 60K.37, subdivision 1, shall not apply except as to provide for an examination of an applicant in the applicant's knowledge concerning the operations and benefits of health maintenance organizations and related insurance matters.

*[For text of subd 10, see M.S.2000]*

**History:** *2001 c 117 art 2 s 9*

NOTE: The amendment to subdivision 8 by Laws 2001, chapter 117, article 2, section 9, is effective July 1, 2002. Laws 2001, chapter 117, article 2, section 19.