

CHAPTER 62L

SMALL EMPLOYER INSURANCE REFORM

62L.02	Definitions.	62L.23	Suspension of reinsurance operations;
62L.05	Small employer plan benefits.		reactivation.
62L.12	Prohibited practices.		

62L.02 DEFINITIONS.

[For text of subds 1 to 23, see M.S.2000]

Subd. 24. **Qualifying coverage.** "Qualifying coverage" means health benefits or health coverage provided under:

- (1) a health benefit plan, as defined in this section, but without regard to whether it is issued to a small employer and including blanket accident and sickness insurance, other than accident-only coverage, as defined in section 62A.11;
- (2) part A or part B of Medicare;
- (3) medical assistance under chapter 256B;
- (4) general assistance medical care under chapter 256D;
- (5) MCHA;
- (6) a self-insured health plan;
- (7) the MinnesotaCare program established under section 256L.02;
- (8) a plan provided under section 43A.316, 43A.317, or 471.617;
- (9) the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) or other coverage provided under United States Code, title 10, chapter 55;
- (10) coverage provided by a health care network cooperative under chapter 62R;
- (11) a medical care program of the Indian Health Service or of a tribal organization;
- (12) the federal Employees Health Benefits Plan, or other coverage provided under United States Code, title 5, chapter 89;
- (13) a health benefit plan under section 5(e) of the Peace Corps Act, codified as United States Code, title 22, section 2504(e);
- (14) a health plan; or
- (15) a plan similar to any of the above plans provided in this state or in another state as determined by the commissioner.

[For text of subds 25 to 29, see M.S.2000]

History: 2001 c 7 s 15

62L.05 SMALL EMPLOYER PLAN BENEFITS.

Subdivision 1. **Two small employer plans.** Each health carrier in the small employer market must make available, on a guaranteed issue basis, to any small employer that satisfies the contribution and participation requirements of section 62L.03, subdivision 3, both of the small employer plans described in subdivisions 2 and 3. Under subdivisions 2 and 3, coinsurance and deductibles do not apply to child health supervision services and prenatal services, as defined by section 62A.047. The maximum out-of-pocket costs for covered services must be \$3,000 per individual and \$6,000 per family per year. The maximum lifetime benefit must be not less than \$1,000,000.

Subd. 2. **Deductible-type small employer plan.** The benefits of the deductible-type small employer plan offered by a health carrier must be equal to 80 percent of the charges, as specified in subdivision 10, for health care services, supplies, or other articles covered under the small employer plan, in excess of an annual deductible which must be \$2,250 per individual and \$4,500 per family.

[For text of subs 3 to 12, see M.S.2000]

History: 2001 c 215 s 21,22

62L.12 PROHIBITED PRACTICES.

[For text of subs 1 and 2, see M.S.2000]

Subd. 3. **Agent's licensure.** An agent licensed under chapter 60K or section 62C.17 who knowingly and willfully breaks apart a small group for the purpose of selling individual health plans to eligible employees and dependents of a small employer that meets the participation and contribution requirements of section 62L.03, subdivision 3, is guilty of an unfair trade practice and subject to disciplinary action, including the revocation or suspension of license, under section 60K.43 or 62C.17. The action must be by order and subject to the notice, hearing, and appeal procedures specified in section 60K.43. The action of the commissioner is subject to judicial review as provided under chapter 14.

[For text of subs 4 and 5, see M.S.2000]

History: 2001 c 117 art 2 s 11

The amendment to subdivision 3 by Laws 2001, chapter 117, article 2, section 11, is effective July 1, 2002. Laws 2001, chapter 117, article 2, section 19.

62L.23 SUSPENSION OF REINSURANCE OPERATIONS; REACTIVATION.

Subdivision 1. **Suspension.** The commissioner may, by order, suspend the operation of sections 62L.13 to 62L.22, upon receipt of a recommendation for suspension from the association board of directors. The order is effective 30 days after publication in the State Register.

Subd. 2. **Suspension of reinsurance operations.** Upon the issuance of an order issued pursuant to subdivision 1, the association shall suspend its operations in an orderly manner supervised by the commissioner and shall provide for the proper storage of the association's records. Notwithstanding the provisions of subdivision 1, the association may continue to levy assessments under section 62L.22 for the purpose of satisfying the association's presuspension expenses and the expenses associated with the association's suspension activities pursuant to this subdivision. The assessments must be approved by the commissioner.

Subd. 3. **No cancellation permitted.** Effective upon the effective date of an order issued pursuant to subdivision 1, reinsurance must be terminated for any person reinsured by the association pursuant to section 62L.18. No health carrier may cancel or fail to renew a health benefit plan for any person whose reinsurance with the association has been terminated subsequently to the issuance of an order pursuant to subdivision 1 solely because of the termination of reinsurance.

Subd. 4. **Reactivation of reinsurance operations.** The commissioner may, by order, reactivate the operation of sections 62L.13 to 62L.22, on a finding that the private market for reinsurance of health benefit plans has failed and that commercial reinsurance is unavailable to health carriers operating in the small employer market in Minnesota. The commissioner may not make findings or issue an order pursuant to this subdivision until a hearing is held pursuant to chapter 14.

Subd. 5. **Transition.** After issuance of any order pursuant to subdivision 4, the commissioner shall immediately appoint an interim board of directors of the association. The terms of members of this interim board must be for a period not to exceed 18 months. The board shall cause the reinsurance operations of the association to be resumed within 180 days of an order issued pursuant to subdivision 4.

Subd. 6. **Modification of five-year rule.** If the commissioner issues an order pursuant to subdivision 4, any health carrier may elect to participate in the reinsurance association, notwithstanding any departicipation by the health carrier within the preceding five years that, pursuant to section 62L.17, would have otherwise prohibited the health carrier's participation.

History: 2001 c 215 s 23