

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 1905

1.2 A bill for an act
1.3 relating to insurance; establishing a small group market working group; requiring
1.4 a report.

1.5 May 12, 2010

1.6 The Honorable James P. Metzen
1.7 President of the Senate

1.8 The Honorable Margaret Anderson Kelliher
1.9 Speaker of the House of Representatives

1.10 We, the undersigned conferees for S.F. No. 1905 report that we have agreed upon
1.11 the items in dispute and recommend as follows:

1.12 That the House recede from its amendment and that S.F. No. 1905 be further
1.13 amended as follows:

1.14 Delete everything after the enacting clause and insert:

1.15 "Section 1. **SMALL GROUP HEALTH INSURANCE MARKET WORKING**
1.16 **GROUP.**

1.17 Subdivision 1. **Establishment.** (a) The commissioner of commerce shall convene a
1.18 working group to study and report on the options available to increase rate predictability
1.19 and stability for groups of 100 or fewer employees. Members of the working group
1.20 shall include:

1.21 (1) two representatives from the Minnesota Council of Health Plans;

1.22 (2) two representatives from the Minnesota Association of Health Underwriters;

1.23 (3) one representative from the Insurance Federation of Minnesota;

1.24 (4) one representative from the Minnesota Chamber of Commerce;

1.25 (5) one representative from the National Federation of Independent Businesses -
1.26 Minnesota;

1.27 (6) two representatives from employers whose businesses employ 50 employees
1.28 or fewer;

2.1 (7) two representatives from employers whose businesses employ between 51 and
2.2 75 full-time employees;

2.3 (8) two representatives from employers whose businesses employ between 76 and
2.4 100 full-time employees;

2.5 (9) one representative from employees of businesses that employ 50 employees
2.6 or fewer;

2.7 (10) one representative from employees of businesses that employ between 51 and
2.8 100 full-time employees;

2.9 (11) two senators, including one member from the majority party and one member
2.10 from the minority party, appointed by the Subcommittee on Committees of the Committee
2.11 on Rules and Administration of the senate;

2.12 (12) two members of the house of representatives, including one member appointed
2.13 by the speaker of the house and one member appointed by the minority leader; and

2.14 (13) the commissioner of commerce or the commissioner's designee.

2.15 (b) The organizations listed in paragraph (a), clauses (1) through (5), must name
2.16 their representatives to the commissioner of commerce no later than July 1, 2010. The
2.17 commissioner of commerce must appoint individuals as listed in paragraph (a), clauses
2.18 (6) through (10), no later than July 15, 2010. The legislative appointing authorities
2.19 must appoint individuals as listed in paragraph (a), clauses (11) and (12), no later than
2.20 July 15, 2010.

2.21 Subd. 2. **Duties; report.** (a) The working group shall conduct a study analyzing
2.22 the implications of expanding the small employer market to 100 employees. Topics to
2.23 be addressed in the study include, but are not limited to:

2.24 (1) analyzing implementation options in expanding the small group definition
2.25 to 100 employees;

2.26 (2) underwriting concerns and rating requirements and the implications of change in
2.27 small group market size on the entire health insurance market, and limitations on renewal,
2.28 enrollment methodologies, and processes;

2.29 (3) costs for employers, employees, brokers, and health plans;

2.30 (4) how to assist employers in understanding the implications of employers
2.31 migrating from fully insured to self-insured and associated risks;

2.32 (5) a uniform application form;

2.33 (6) education and compliance issues related to the offering of Section 125 plans
2.34 under Minnesota Statutes, section 62U.07; and

2.35 (7) assuring compliance with federal law, including expeditious implementation of
2.36 federal health care reform requirements.

3.1 (b) By November 15, 2010, the working group shall submit a report on its findings,
3.2 including proposed legislation, if any, to the Health Care Access Commission.

3.3 Subd. 3. **Administration.** (a) The commissioner of commerce or the commissioner's
3.4 designee shall convene the first meeting of the working group no later than August 1, 2010.

3.5 (b) The commissioner shall provide assistance with research or background
3.6 information and administrative support for the working group within the existing agency
3.7 budget.

3.8 (c) The working group expires June 30, 2011."

3.9 Delete the title and insert:

3.10 "A bill for an act
3.11 relating to insurance; establishing a small group market working group; requiring
3.12 a report."

4.1 We request the adoption of this report and repassage of the bill.

4.2 Senate Conferees:

4.3
4.4 Linda Scheid Dan Sparks

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4.6 Amy Koch

4.7 House Conferees:

4.8
4.9 Diane Loeffler Patti Fritz

4.10
4.11 Gregory Davids