

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 861

02/12/2015 Authored by Albright, Dean, M., and Zerwas

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to health; removing the term "nonprofit" from certain provisions;
1.3 amending Minnesota Statutes 2014, sections 62C.01; 62C.02, subdivision 6;
1.4 62D.02, subdivision 4.
1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2014, section 62C.01, is amended to read:

1.7 **62C.01 NONPROFIT HEALTH SERVICE PLAN CORPORATIONS ACT.**

1.8 Subdivision 1. **Citation.** Sections 62C.01 to 62C.23 may be cited as the "Nonprofit
1.9 Health Service Plan Corporations Act."

1.10 Subd. 2. **Purpose.** It is the purpose and intent of Laws 1971, chapter 568 to promote
1.11 a wider, more economical and timely availability of hospital, medical-surgical, dental,
1.12 and other health services for the people of Minnesota, through ~~nonprofit~~, prepaid health
1.13 service plans, and thereby advance public health and the art and science of medical and
1.14 health care within the state, while reasonably regulating the formation, continuation,
1.15 operation, and termination of such service plans by establishment and enforcement of
1.16 reasonable and practical standards of administration, investments, surplus₂ and reserves.

1.17 Subd. 3. **Scope.** Every foreign or domestic ~~nonprofit~~ corporation organized for the
1.18 purpose of establishing or operating a health service plan in Minnesota whereby health
1.19 services are provided to subscribers to the plan under a contract with the corporation
1.20 shall be subject to and governed by Laws 1971, chapter 568, and shall not be subject to
1.21 the laws of this state relating to insurance, except the gross premiums tax provisions
1.22 contained in chapter 297I and as otherwise specifically provided. Laws 1971, chapter 568
1.23 shall apply to all health service plan corporations incorporated after August 1, 1971, and
1.24 to all existing health service plan corporations, except as otherwise provided. Nothing in

sections 62C.01 to 62C.23 shall apply to prepaid group practice plans. A prepaid group practice plan is any plan or arrangement other than a service plan, whereby health services are rendered to certain patients by providers who devote their professional effort primarily to members or patients of the plan, and whereby the recipients of health services pay for the services on a regular, periodic basis, not on a fee for service basis.

Sec. 2. Minnesota Statutes 2014, section 62C.02, subdivision 6, is amended to read:

Subd. 6. **Service plan corporation.** "Service plan corporation" means a foreign or domestic ~~nonprofit~~ corporation which contracts for health service or payment therefor for subscribers pursuant to a service plan, in exchange for periodic prepayments by or on behalf of subscribers. An "existing corporation" means a service plan association or corporation legally in existence on August 1, 1971, and authorized to do business in this state on that date.

Sec. 3. Minnesota Statutes 2014, section 62D.02, subdivision 4, is amended to read:

Subd. 4. **Health maintenance organization.** (a) "Health maintenance organization" means a ~~nonprofit~~ domestic or foreign corporation ~~organized under chapter 317A~~, or a local governmental unit as defined in subdivision 11, controlled and operated as provided in sections 62D.01 to 62D.30, which provides, either directly or through arrangements with providers or other persons, comprehensive health maintenance services, or arranges for the provision of these services, to enrollees on the basis of a fixed prepaid sum without regard to the frequency or extent of services furnished to any particular enrollee.

(b) [Expired]