

State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 3240

03/20/2014 Authored by Peppin

The bill was read for the first time and referred to the Committee on Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act  
1.2 relating to health insurance; removing the exemption for MNsure from Minnesota  
1.3 Statutes, chapter 16E; amending Minnesota Statutes 2013 Supplement, section  
1.4 62V.03, subdivision 2.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2013 Supplement, section 62V.03, subdivision 2, is  
1.7 amended to read:

1.8 Subd. 2. **Application of other law.** (a) MNsure must be reviewed by the legislative  
1.9 auditor under section 3.971. The legislative auditor shall audit the books, accounts, and  
1.10 affairs of MNsure once each year or less frequently as the legislative auditor's funds and  
1.11 personnel permit. Upon the audit of the financial accounts and affairs of MNsure, MNsure  
1.12 is liable to the state for the total cost and expenses of the audit, including the salaries paid  
1.13 to the examiners while actually engaged in making the examination. The legislative  
1.14 auditor may bill MNsure either monthly or at the completion of the audit. All collections  
1.15 received for the audits must be deposited in the general fund and are appropriated to  
1.16 the legislative auditor. Pursuant to section 3.97, subdivision 3a, the Legislative Audit  
1.17 Commission is requested to direct the legislative auditor to report by March 1, 2014, to  
1.18 the legislature on any duplication of services that occurs within state government as a  
1.19 result of the creation of MNsure. The legislative auditor may make recommendations on  
1.20 consolidating or eliminating any services deemed duplicative. The board shall reimburse  
1.21 the legislative auditor for any costs incurred in the creation of this report.

1.22 (b) Board members of MNsure are subject to sections 10A.07 and 10A.09. Board  
1.23 members and the personnel of MNsure are subject to section 10A.071.

(c) All meetings of the board shall comply with the open meeting law in chapter 13D, except that:

(1) meetings, or portions of meetings, regarding compensation negotiations with the director or managerial staff may be closed in the same manner and according to the same procedures identified in section 13D.03;

(2) meetings regarding contract negotiation strategy may be closed in the same manner and according to the same procedures identified in section 13D.05, subdivision 3, paragraph (c); and

(3) meetings, or portions of meetings, regarding not public data described in section 62V.06, subdivision 3, and regarding trade secret information as defined in section 13.37, subdivision 1, paragraph (b), are closed to the public, but must otherwise comply with the procedures identified in chapter 13D.

(d) MNsure and provisions specified under this chapter are exempt from:

(1) chapter 14, including section 14.386, except as specified in section 62V.05; and

(2) chapters 16B and 16C, with the exception of sections 16C.08, subdivision 2, paragraph (b), clauses (1) to (8); 16C.086; 16C.09, paragraph (a), clauses (1) and (3), paragraph (b), and paragraph (c); and section 16C.16. However, MNsure, in consultation with the commissioner of administration, shall implement policies and procedures to establish an open and competitive procurement process for MNsure that, to the extent practicable, conforms to the principles and procedures contained in chapters 16B and 16C. In addition, MNsure may enter into an agreement with the commissioner of administration for other services.

(e) The board and the Web site are exempt from chapter 60K. Any employee of MNsure who sells, solicits, or negotiates insurance to individuals or small employers must be licensed as an insurance producer under chapter 60K.

(f) Section 3.3005 applies to any federal funds received by MNsure.

~~(g) MNsure is exempt from the following sections in chapter 16E: 16E.01, subdivision 3, paragraph (b); 16E.03, subdivisions 3 and 4; 16E.04, subdivision 1, subdivision 2, paragraph (c), and subdivision 3, paragraph (b); 16E.0465; 16E.055; 16E.145; 16E.15; 16E.16; 16E.17; 16E.18; and 16E.22.~~

~~(h)~~ (g) A MNsure decision that requires a vote of the board, other than a decision that applies only to hiring of employees or other internal management of MNsure, is an "administrative action" under section 10A.01, subdivision 2.

**EFFECTIVE DATE.** This section is effective the day following final enactment.