

**62T.02 PURCHASING ALLIANCES.**

Subdivision 1. **Registration.** Purchasing alliances must register prior to offering coverage, and annually on July 1 thereafter, with the commissioner on a form prescribed by the commissioner.

Subd. 2. **Common factors.** All participants in a purchasing alliance must live within a common geographic region, be employed in a similar occupation, or share some other common factor as approved by the commissioner. The membership criteria must not be designed to include disproportionately employers, groups, or individuals likely to have low costs of health coverage, or to exclude disproportionately employers, groups, or individuals likely to have high costs of health coverage.

Subd. 3. **Seasonal employees.** A purchasing alliance may define eligible employees to include seasonal employees. For purposes of this chapter, "seasonal employee" means an employee who is employed on a full-time basis for at least six months during the calendar year and is unemployed for no longer than four months during the calendar year. If seasonal employees are included:

(1) the alliance must not show bias in the selection of members based on the percentage of seasonal employees employed by an employer member;

(2) prior to issuance or renewal, the employer must inform the alliance that it will include seasonal employees;

(3) the employer must cover seasonal employees for the entire term of its plan year; and

(4) the purchasing alliance may require an employer-member contribution of at least 50 percent of the cost of employee coverage during the months the seasonal employee is unemployed.

**History:** 1997 c 225 art 5 s 2; 2004 c 268 s 10; 2004 c 288 art 6 s 9