

SENATE  
STATE OF MINNESOTA  
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 2255

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DATE	D-PG	OFFICIAL STATUS
03/05/2012	4109	Introduction and first reading Referred to Commerce and Consumer Protection
03/15/2012	4472a	Comm report: To pass as amended Rule 21, referred to Rules and Administration
03/22/2012	4778	Comm report: Amend previous comm report Re-referred to Health and Human Services

A bill for an act  
relating to commerce; prohibiting health plans receiving government subsidies;  
regulating health benefit intermediaries; proposing coding for new law in  
Minnesota Statutes, chapter 62A.

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

Section 1. **[62A.3094] HEALTH PLANS RECEIVING GOVERNMENT  
SUBSIDIES; PROHIBITION.**

(a) No health carrier shall issue or renew a qualified health plan to provide health  
coverage to a Minnesota resident when:

(1) the qualified health plan is paid in whole or in part with a state or federal  
government subsidy;

(2) the purchase of the qualified health plan is facilitated through a market  
intermediary; and

(3) the market intermediary does any of the following:

(i) restricts the participation of health carriers licensed to sell insurance in the  
individual or group insurance market;

(ii) places additional participation requirements on health carriers or qualified  
health plans offered by health carriers beyond the requirements set by applicable state  
and federal laws;

(iii) sets the price of subsidized qualified health plans by rule, negotiation, or any  
other price setting mechanism;

(iv) requires or limits health benefits and cost sharing in addition to state or federal  
requirements;

(v) directs or negotiates the terms of the contracts between health carriers and health care providers;

(vi) does not allow insurance producers licensed under chapter 60K or section 62C.17 to foster enrollment in subsidized qualified health plans;

(vii) does not allow insurance producers licensed under chapter 60K or section 62C.17 to qualify as navigators as established under applicable state and federal laws;

(viii) allows an entity other than the Department of Commerce to judge the reasonableness of premium increases; or

(ix) is operated by, regulated by, or under contract with a government department, agency, board, or commission.

(b) For purposes of this section, "market intermediary" means a health benefit exchange created or established pursuant to Public Law 111-148.

Sec. 2. **HEALTH BENEFIT INTERMEDIARY.**

Subdivision 1. **Definition.** For purposes of this section, "health benefit intermediary" or "intermediary" means a health benefit exchange created or established pursuant to Public Law 111-148.

Subd. 2. **General restrictions.** A health benefit intermediary established pursuant to applicable state and federal laws is subject to the restrictions in this section.

Subd. 3. **Governance restrictions.** The governing board of the intermediary must not:

(1) be operated by, regulated by, or under contract with a government department, agency, board, or commission;

(2) operate without a governing body appointed before June 30, 2012, comprised of members appointed as follows: one-third appointed by the speaker of the house, one-third appointed by the Subcommittee on Committees of the Committee on Rules and Administration in the senate, and one-third by the governor; and

(3) lack private market stakeholders as members.

Subd. 4. **Actions restricted.** The health benefits intermediary may not:

(1) bear any health insurance risk;

(2) negotiate or mandate provider reimbursement rates for any health insurance product sold in the intermediary;

(3) require that all health insurance products in the Minnesota individual and small group markets be sold in the intermediary;

(4) prohibit health insurance producers from qualifying as navigators;

3.1 (5) prohibit plans from offering coverage within the intermediary for those health  
3.2 plans and their products that meet minimum federal requirements;

3.3 (6) define the Minnesota small group market as including employers with greater  
3.4 than 50 employees before required by federal law;

3.5 (7) alter or negotiate premiums charged by a qualified health plan if that premium  
3.6 has been approved by the Department of Commerce;

3.7 (8) collect operating revenue from nonintermediary users, insurers, or vendors;

3.8 (9) merge or consolidate with other domestic nonprofit or for-profit corporations  
3.9 organized for related purposes without prior legislative approval;

3.10 (10) use any Minnesota Department of Revenue or other agency records to advertise,  
3.11 market, or promote the intermediary or any health plan available in the intermediary;

3.12 (11) use any taxpayer provided funds to advertise or promote the intermediary;

3.13 (12) advertise or promote the intermediary in an effort to convince enrolled  
3.14 individuals or groups to move their current coverage from the private market to a health  
3.15 plan available in the intermediary;

3.16 (13) offer any health plan exclusively in the intermediary without offering it outside  
3.17 the intermediary;

3.18 (14) offer any health plan other than dental or medical coverage as required by  
3.19 applicable state and federal law;

3.20 (15) use taxpayer or intermediary funds to acquire, in whole or in part, or invest in  
3.21 any private general insurance agency, third-party administrator, or intermediary that offers  
3.22 services or insurance products related to health plans offered in the intermediary;

3.23 (16) for any and all advertising, spend an aggregate in any fiscal year greater than  
3.24 two-tenths of one percent of gross premiums collected;

3.25 (17) place any restriction on the ability of licensed producers to continue to offer,  
3.26 service, enroll, or other activities related to their duties under Minnesota Statutes, section  
3.27 60A.02; or

3.28 (18) certify any health plan offered in the intermediary that offers covered benefits in  
3.29 excess of those required by applicable state and federal law.

3.30 Subd. 5. **Effect on other law.** This section supersedes any other inconsistent  
3.31 provision of law enacted during the 2012 regular legislative session regardless of the date  
3.32 or order of enactment of this section and such other provision of law.