A bill for an act

relating to health; permitting Minnesota residents to buy health coverage approved in other states; creating a Physician's Council on Health Care Policy to analyze health coverage mandates; providing a tax credit for persons without access to employer-based coverage; amending Minnesota Statutes 2006, sections 62A.02, by adding a subdivision; 290.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62J.

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

Section 1. Minnesota Statutes 2006, section 62A.02, is amended by adding a subdivision to read:

Subd. 8. **Right to buy and sell health coverage approved in other state.** (a) For purposes of this subdivision:

(1) "Commissioner" means the commissioner of commerce or the commissioner of health, as appropriate, depending upon which commissioner would have authority over the insurance company or health plan if it were subject to the laws of this state.

(2) "Health plan" has the meaning given in section 62A.011, subdivision 3, but including coverage described in clause (10) of that subdivision, and without regard to the references in that subdivision to the entities providing the health plan being licensed in or operating under the laws of this state.

(3) "Insurance company," "domestic," "alien," "foreign," and "state" have the meanings given in this section. Insurance company includes a health maintenance organization or health service plan corporation, whether nonprofit or for profit.

(b) Notwithstanding any other law of this state to the contrary, any resident of this state and any employer that employs residents of this state may purchase a health plan

that has not been approved by the commissioner, if the health plan is permitted to be sold in any other state.

(c) Notwithstanding any other law of this state to the contrary, any insurance company, whether domestic, foreign, or alien, that is permitted to offer, sell, issue, or renew a health plan in any other state under the laws of that state, may also do so with respect to that health plan in this state. The insurance company need not have a certificate of authority, license, or other authorization from the commissioner to do business in this state. This paragraph does not exempt the insurance company from compliance with chapter 303, relating to foreign business entities.

(d) Notwithstanding any other law of this state to the contrary, any insurance agent licensed or otherwise permitted to offer and sell health plans in this state or in a state in which the health plan is permitted to be offered and sold, may offer and sell to a resident of this state or to an employer that employs residents of this state any health plan permitted to be offered and sold under paragraph (c), and is not, in connection with that transaction, subject to the laws of this state regulating insurance agents.

(e) Notwithstanding any other law of this state to the contrary, an insurance company and a health plan offered, issued, sold, or renewed by the insurance company under authority of this subdivision are:

(1) not, in connection with that health plan, subject to the authority of the commissioner in any respect, and the insurance company need not provide any filing or notification to the commissioner;

(2) not, in connection with that health plan, required to comply with any law of this state relating to insurance companies or health plans, including, but not limited to, chapters 45 and 60A to 72C; and

(3) subject to the tax laws of this state, including chapter 297I, on the same basis as other insurance companies doing business in this state and other health plans sold in this state.

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

Sec. 2. **[62J.261] PHYSICIAN'S COUNCIL ON HEALTH CARE POLICY.**

Subdivision 1. **Definitions.** (a) "Health benefit mandate" means a state law that requires that health plans:

(1) cover treatment of a particular disease, condition, or other health situation; or

(2) cover a particular health care treatment, service, equipment, supplies, or prescription drug.

(b) "Health plan" means that term as defined in section 62Q.01, subdivision 3.

Subd. 2. **Council created.** The Physician's Council on Health Care Policy is created to analyze health benefit mandates that have been enacted in Minnesota. The council has seven members appointed by the commissioner of health for three-year staggered terms. Members must be physicians licensed to practice medicine in this state. Members serve without pay but must be reimbursed for expenses. The commissioner of health shall provide staff to assist the council.

Subd. 3. **Benefit-cost analysis.** The council shall analyze the benefits and costs of specific health benefit mandates. The council may select the priority to assign to analysis of specific mandates.

Subd. 4. **Advice to legislature.** The council shall report its findings to the legislature. It shall report whether the mandated health benefit it has analyzed is cost-effective on the basis of its benefits and costs.

Sec. 3. Minnesota Statutes 2006, section 290.06, is amended by adding a subdivision to read:

Subd. 35. **Health insurance credit.** A credit is allowed equal to 25 percent of the amounts paid during the taxable year for insurance, as defined in section 213(d)(1)(D) of the Internal Revenue Code, to the extent these amounts were not deducted in computing or otherwise exempted from federal taxable income or were used to compute the credit under section 290.0672. The maximum amount of the credit is limited to the lesser of:

(1) the amount of the liability for tax under this section and section 290.091 for the taxable year; or

(2) $5,000 for a married couple filing a joint return and $2,500 for all other filers.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2007.