

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 1520

(SENATE AUTHORS: ABELER)

DATE
02/27/2017

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OFFICIAL STATUS
Introduction and first reading
Referred to Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act

1.2 relating to health care; requiring nonprofit health service plan corporations and

1.3 health maintenance organizations to only enter into contracts with nonprofit

1.4 corporations; prohibiting the sharing of patient identifying data with any

1.5 organization or agency located in another country; amending Minnesota Statutes

2016, sections 62C.13, subdivisions 3, 4; 62D.05, subdivisions 3, 4.

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

1.8 Section 1. Minnesota Statutes 2016, section 62C.13, subdivision 3, is amended to read:

1.9 Subd. 3. **Similar organizations.** A service plan corporation may enter into contracts or

1.10 other arrangements with similar organizations or other nonprofit corporations domiciled in

1.11 this or any other state or country, for transfer of subscribers, reciprocal or joint benefits, or

1.12 for other joint undertakings approved by its board and not inconsistent with the purposes

1.13 of Laws 1971, chapter 568, provided, however, that in no event shall a service plan

1.14 corporation enter into any such contract, arrangement or undertaking which would have the

1.15 effect of relieving such corporation of its duties and obligations to any subscribers unless

1.16 the corporation has received the prior written consent of the affected subscribers, or a

1.17 qualified agent or representative of such subscribers.

1.18 Sec. 2. Minnesota Statutes 2016, section 62C.13, subdivision 4, is amended to read:

1.19 Subd. 4. **Administrative services.** (a) A service plan corporation may enter into contracts

1.20 or other arrangements with providers or with any agency, instrumentality or political

1.21 subdivision of the United States or any state or country or any other organization for

1.22 administrative, accounting, record keeping, data processing, or planning, facility or service

1.23 related to rendering or furnishing health services.

(b) Notwithstanding this section, no data containing patient identifying data, including patient health records or claims files, shall be sent to or shared with a provider, corporation, organization, or agency located or domiciled in another country other than the United States for any purpose, including the purposes identified in this section.

Sec. 3. Minnesota Statutes 2016, section 62D.05, subdivision 3, is amended to read:

Subd. 3. **Contracts; health services.** A health maintenance organization may contract with providers of health care services to render the services the health maintenance organization has promised to provide under the terms of its health maintenance contracts, may, subject to section 62D.12, subdivision 11, enter into separate prepaid dental contracts, or other separate health service contracts, may, subject to the limitations of section 62D.04, subdivision 1, clause (f), contract with nonprofit insurance companies, including nonprofit health service plan corporations or other nonprofit health maintenance organizations, for insurance, indemnity or reimbursement of its cost of providing health care services for enrollees or against the risks incurred by the health maintenance organization, may contract with insurance companies and nonprofit health service plan corporations for insolvency insurance coverage, and may contract with nonprofit insurance companies and nonprofit health service plan corporations to insure or cover the enrollees' costs and expenses in the health maintenance organization, including the customary prepayment amount and any co-payment obligations, and may contract to provide reinsurance or insolvency insurance coverage to nonprofit health insurers or nonprofit health service plan corporations.

Sec. 4. Minnesota Statutes 2016, section 62D.05, subdivision 4, is amended to read:

Subd. 4. **Contracts; administrative services.** (a) A health maintenance organization may contract with other persons for the provision of services, including, but not limited to, managerial and administration, marketing and enrolling, data processing, actuarial analysis, and billing services. If contracts are made with insurance companies or nonprofit health service plan corporations, such companies or corporations must be authorized to transact business in this state and must be incorporated as a nonprofit corporation.

(b) Notwithstanding this section, no data containing patient identifying data, including patient health records or claims files, shall be sent to or shared with a provider, corporation, organization, or agency located or domiciled in another country other than the United States, for any purpose, including the purposes identified in this section.