

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 153**

(SENATE AUTHORS: ROSEN, Benson, Gazelka, Brown and Dahms)

DATE	D-PG	OFFICIAL STATUS
01/15/2015	76	Introduction and first reading Referred to Health, Human Services and Housing

A bill for an act

1.1 relating to health insurance; requiring that policy forms and premium rates for  
 1.2 health insurance coverage be submitted to, and approved by, the commissioner  
 1.3 of commerce or health and MNsure by specified dates; making premium rates  
 1.4 available to the public; requiring that MNsure funding and premium assessment  
 1.5 changes be authorized in law; requiring MNsure reports be provided by an  
 1.6 independent third party; requiring background studies for MNsure navigators and  
 1.7 in-person assisters; modifying the participation requirements for health carriers  
 1.8 and health plans for MNsure; prohibiting any appropriation from the health care  
 1.9 access fund to MNsure other than for specified purposes; requiring the legislature  
 1.10 to appropriate funds to MNsure; requiring the Legislative Oversight Committee  
 1.11 to review proposed rules for MNsure before the rules are effective; requiring the  
 1.12 Legislative Oversight Committee to review and make recommendations to the  
 1.13 legislature on MNsure's budget; requiring a report of the number of uninsured  
 1.14 enrolling through MNsure; modifying the governance structure of MNsure;  
 1.15 amending Minnesota Statutes 2014, sections 16A.724, subdivision 4; 62A.02,  
 1.16 subdivisions 2, 8; 62V.04, subdivisions 5, 8, 9, by adding subdivisions; 62V.05,  
 1.17 subdivisions 2, 4, 5, 8; 62V.07; 62V.08; 62V.11, subdivisions 3, 4; repealing  
 1.18 Minnesota Statutes 2014, section 62V.04, subdivisions 1, 2, 4.  
 1.19

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

1.21 Section 1. Minnesota Statutes 2014, section 16A.724, subdivision 4, is amended to read:

1.22 Subd. 4. **MinnesotaCare funding.** (a) The commissioner of human services may  
 1.23 expend money appropriated from the health care access fund for MinnesotaCare in either  
 1.24 year of the biennium.

1.25 (b) No funds from the health care access fund shall be directly appropriated to MNsure  
 1.26 for any purpose other than to provide administrative services for the MinnesotaCare  
 1.27 program. The commissioner of human services shall not include in any interagency  
 1.28 agreement with MNsure the transfer of funds from the health care access fund for any  
 1.29 purpose other than to provide administrative services for the MinnesotaCare program.

2.1 Sec. 2. Minnesota Statutes 2014, section 62A.02, subdivision 2, is amended to read:

2.2 Subd. 2. **Approval.** (a) The health plan form shall not be issued, nor shall any  
2.3 application, rider, endorsement, or rate be used in connection with it, until the expiration  
2.4 of 60 days after it has been filed unless the commissioner approves it before that time.

2.5 (b) Notwithstanding paragraph (a), a rate filed with respect to a policy of accident and  
2.6 sickness insurance as defined in section 62A.01 by an insurer licensed under chapter 60A,  
2.7 may be used on or after the date of filing with the commissioner. Rates that are not approved  
2.8 or disapproved within the 60-day time period are deemed approved. This paragraph does  
2.9 not apply to Medicare-related coverage as defined in section 62A.3099, subdivision 17.

2.10 (c) Health plans to be offered outside of MNsure for coverage to begin on or after  
2.11 January 1, 2016, and each January 1 thereafter must receive rate approval from the  
2.12 commissioner no later than October 1 of the preceding calendar year, beginning October 1,  
2.13 2015, and each October 1 thereafter. Premium rates for the next calendar year must be made  
2.14 available to the public by the commissioner by October 1 of the preceding calendar year.

2.15 Sec. 3. Minnesota Statutes 2014, section 62A.02, subdivision 8, is amended to read:

2.16 Subd. 8. **Filing by health carriers for purposes of complying with the**  
2.17 **certification requirements of MNsure.** (a) No qualified health plan shall be offered  
2.18 through MNsure until its form and the premium rates pertaining to the form have been  
2.19 approved by the commissioner of commerce or health, as appropriate, and the health plan  
2.20 has been determined to comply with the certification requirements of MNsure in accordance  
2.21 with an agreement between the commissioners of commerce and health and MNsure.

2.22 (b) Qualified health plans to be offered through MNsure for coverage beginning  
2.23 January 1, 2016, and each January thereafter, must satisfy all requirements of paragraph (a)  
2.24 no later than October 1 of the preceding calendar year, beginning October 1, 2015, and each  
2.25 October 1 thereafter. Premium rates and plan enrollment for the next calendar year must  
2.26 be available to the public through MNsure by October 1 of the preceding calendar year.

2.27 Sec. 4. Minnesota Statutes 2014, section 62V.04, is amended by adding a subdivision  
2.28 to read:

2.29 Subd. 1a. **Board.** MNsure is governed by a board of directors with 15 members.

2.30 **EFFECTIVE DATE.** This section is effective July 1, 2015.

2.31 Sec. 5. Minnesota Statutes 2014, section 62V.04, is amended by adding a subdivision  
2.32 to read:

3.1 Subd. 2a. **Appointment.** (a) Board membership of MNsure consists of the following  
3.2 members appointed by the governor, subject to the advice and consent of the senate:

3.3 (1) six members representing the interests of individual consumers, employees, and  
3.4 small employers served by MNsure that reflect the cultural diversity and geography of  
3.5 Minnesota and the population served by MNsure;

3.6 (2) five members representing health care providers, health carriers, and producers;

3.7 (3) the commissioner of management and budget;

3.8 (4) the commissioner of commerce;

3.9 (5) the commissioner of health; and

3.10 (6) the commissioner of human services.

3.11 (b) The commissioners shall serve as ex-officio nonvoting members.

3.12 (c) At least one member appointed under paragraph (a) must be currently active in the  
3.13 insurance industry and at least one member must be a licensed, actively practicing provider.

3.14 (d) At least one of the members appointed under paragraph (a), clause (1), must have  
3.15 experience in representing the needs of vulnerable populations and persons with disabilities.

3.16 (e) The governor shall make appointments to the board that are consistent with  
3.17 federal law and regulations regarding its composition and structure. All board members  
3.18 appointed by the governor must be legal residents of Minnesota.

3.19 (f) Section 15.0597 shall apply to all appointments, except the commissioners.

3.20 (g) Appointments under this subdivision shall be made by the governor by June 30,  
3.21 2015, and the appointed members shall begin to exercise the duties of office beginning  
3.22 July 1, 2015.

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

3.24 Sec. 6. Minnesota Statutes 2014, section 62V.04, is amended by adding a subdivision  
3.25 to read:

3.26 Subd. 4a. **Conflict of interest.** Members of the board must recuse themselves from  
3.27 discussion of and voting on an official matter if the member has a conflict of interest. A  
3.28 conflict of interest means an association including a financial or personal association that  
3.29 has the potential to bias or have the appearance of biasing a member's decisions in matters  
3.30 related to the exchange or the conduct of activities under this chapter.

3.31 **EFFECTIVE DATE.** This section is effective July 1, 2015.

3.32 Sec. 7. Minnesota Statutes 2014, section 62V.04, subdivision 5, is amended to read:

4.1 Subd. 5. **Acting chair; first meeting; supervision.** (a) The governor shall designate  
4.2 as acting chair one of the appointees described in subdivision ~~2~~ 2a.

4.3 ~~(b) The board shall hold its first meeting within 60 days of enactment.~~

4.4 ~~(e)~~ (b) The board shall elect a chair to replace the acting chair at the first meeting  
4.5 convened after July 1, 2015.

4.6 **EFFECTIVE DATE.** This section is effective July 1, 2015.

4.7 Sec. 8. Minnesota Statutes 2014, section 62V.04, subdivision 8, is amended to read:

4.8 Subd. 8. **Vacancies.** If a vacancy occurs, the governor shall appoint a new member  
4.9 within 90 days, and the newly appointed member shall be subject to the same confirmation  
4.10 process described in subdivision ~~2~~ 2a.

4.11 **EFFECTIVE DATE.** This section is effective July 1, 2015.

4.12 Sec. 9. Minnesota Statutes 2014, section 62V.04, subdivision 9, is amended to read:

4.13 Subd. 9. **Removal.** ~~(a)~~ A board member may be removed by the appointing  
4.14 authority and a majority vote of the board following notice and hearing before the board.  
4.15 For purposes of this subdivision, the appointing authority or a designee of the appointing  
4.16 authority shall be a voting member of the board for purposes of constituting a quorum.

4.17 ~~(b) A conflict of interest as defined in subdivision 4, shall be cause for removal~~  
4.18 ~~from the board.~~

4.19 Sec. 10. Minnesota Statutes 2014, section 62V.05, subdivision 2, is amended to read:

4.20 Subd. 2. **Operations funding.** (a) Prior to January 1, 2015, MNsure shall retain or  
4.21 collect up to 1.5 percent of total premiums for individual and small group market health  
4.22 plans and dental plans sold through MNsure to fund the cash reserves of MNsure, but  
4.23 the amount collected shall not exceed a dollar amount equal to 25 percent of the funds  
4.24 collected under section 62E.11, subdivision 6, for calendar year 2012.

4.25 (b) Beginning January 1, 2015, MNsure shall retain or collect up to 3.5 percent of  
4.26 total premiums for individual and small group market health plans and dental plans sold  
4.27 through MNsure to fund the operations of MNsure, but the amount collected shall not  
4.28 exceed a dollar amount equal to 50 percent of the funds collected under section 62E.11,  
4.29 subdivision 6, for calendar year 2012.

4.30 (c) Beginning January 1, 2016, MNsure shall retain or collect up to 3.5 percent of  
4.31 total premiums for individual and small group market health plans and dental plans sold  
4.32 through MNsure to fund the operations of MNsure, but the amount collected may never

5.1 exceed a dollar amount greater than 100 percent of the funds collected under section  
5.2 62E.11, subdivision 6, for calendar year 2012.

5.3 (d) Any increase in the percent of total premiums retained or collected under  
5.4 paragraph (c) to fund the operations of MNsure must be approved in law.

5.5 ~~(d)~~ (e) For fiscal years 2014 and 2015, the commissioner of management and  
5.6 budget is authorized to provide cash flow assistance of up to \$20,000,000 from the  
5.7 special revenue fund or the statutory general fund under section 16A.671, subdivision 3,  
5.8 paragraph (a), to MNsure. Any funds provided under this paragraph shall be repaid,  
5.9 with interest, by June 30, 2015.

5.10 ~~(e)~~ (f) Funding for the operations of MNsure shall cover any compensation provided  
5.11 to navigators participating in the navigator program.

5.12 Sec. 11. Minnesota Statutes 2014, section 62V.05, subdivision 4, is amended to read:

5.13 Subd. 4. **Navigator; in-person assisters; call center.** (a) The board shall  
5.14 establish policies and procedures for the ongoing operation of a navigator program,  
5.15 in-person assister program, call center, and customer service provisions for MNsure to be  
5.16 implemented beginning January 1, 2015.

5.17 (b) Until the implementation of the policies and procedures described in paragraph  
5.18 (a), the following shall be in effect:

5.19 (1) the navigator program shall be met by section 256.962;

5.20 (2) entities eligible to be navigators, including entities defined in Code of Federal  
5.21 Regulations, title 45, part 155.210 (c)(2), may serve as in-person assisters;

5.22 (3) the board shall establish requirements and compensation for the navigator  
5.23 program and the in-person assister program by April 30, 2013. Compensation for  
5.24 navigators and in-person assisters must take into account any other compensation received  
5.25 by the navigator or in-person assister for conducting the same or similar services; and

5.26 (4) call center operations shall utilize existing state resources and personnel,  
5.27 including referrals to counties for medical assistance.

5.28 (c) The board shall establish a toll-free number for MNsure and may hire and  
5.29 contract for additional resources as deemed necessary.

5.30 (d) The navigator program and in-person assister program must meet the  
5.31 requirements of section 1311(i) of the Affordable Care Act, Public Law 111-148. In  
5.32 establishing training standards for the navigators and in-person assisters, the board must  
5.33 ensure that all entities and individuals carrying out navigator and in-person assister  
5.34 functions have training in the needs of underserved and vulnerable populations; eligibility  
5.35 and enrollment rules and procedures; the range of available public health care programs

6.1 and qualified health plan options offered through MNsure; and privacy and security  
 6.2 standards. For calendar year 2014, the commissioner of human services shall ensure that  
 6.3 the navigator program under section 256.962 provides application assistance for both  
 6.4 qualified health plans offered through MNsure and public health care programs.

6.5 (e) The board must ensure that any information provided by navigators, in-person  
 6.6 assisters, the call center, or other customer assistance portals be accessible to persons  
 6.7 with disabilities and that information provided on public health care programs include  
 6.8 information on other coverage options available to persons with disabilities.

6.9 (f) MNsure shall require background studies for all individuals carrying out  
 6.10 navigator and in-person assister functions. MNsure may contract with the Department of  
 6.11 Human Services to provide the background studies in accordance with section 245C.03.  
 6.12 The commissioner may charge a fee to the individual or entity requesting to be a navigator  
 6.13 or in-person assister to recover the cost of the background studies conducted.

6.14 Sec. 12. Minnesota Statutes 2014, section 62V.05, subdivision 5, is amended to read:

6.15 Subd. 5. **Health carrier and health plan requirements; participation.** (a)  
 6.16 Beginning January 1, 2015, the board may establish certification requirements for health  
 6.17 carriers and health plans to be offered through MNsure that satisfy federal requirements  
 6.18 under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

6.19 (b) Paragraph (a) does not apply if by June 1, 2013, the legislature enacts regulatory  
 6.20 requirements that:

6.21 (1) apply uniformly to all health carriers and health plans in the individual market;  
 6.22 (2) apply uniformly to all health carriers and health plans in the small group market;  
 6.23 and

6.24 (3) satisfy minimum federal certification requirements under section 1311(c)(1) of  
 6.25 the Affordable Care Act, Public Law 111-148.

6.26 (c) In accordance with section 1311(e) of the Affordable Care Act, Public Law  
 6.27 111-148, the board shall establish policies and procedures for certification ~~and selection~~  
 6.28 of health plans to be offered as qualified health plans through MNsure. The board shall  
 6.29 certify ~~and select~~ a health plan as a qualified health plan to be offered through MNsure, if:

6.30 ~~(1) the health plan meets the minimum certification requirements established in~~  
 6.31 ~~paragraph (a) or the market regulatory requirements in paragraph (b);~~

6.32 ~~(2) the board determines that making the health plan available through MNsure is in~~  
 6.33 ~~the interest of qualified individuals and qualified employers;~~

7.1 ~~(3) the health carrier applying to offer the health plan through MNsure also applies~~  
7.2 ~~to offer health plans at each actuarial value level and service area that the health carrier~~  
7.3 ~~currently offers in the individual and small group markets; and~~

7.4 ~~(4) the health carrier does not apply to offer health plans in the individual and~~  
7.5 ~~small group markets through MNsure under a separate license of a parent organization~~  
7.6 ~~or holding company under section 60D.15, that is different from what the health carrier~~  
7.7 ~~offers in the individual and small group markets outside MNsure.~~

7.8 ~~(d) In determining the interests of qualified individuals and employers under~~  
7.9 ~~paragraph (c), clause (2), the board may not exclude a health plan for any reason specified~~  
7.10 ~~under section 1311(e)(1)(B) of the Affordable Care Act, Public Law 111-148. The board~~  
7.11 ~~may consider:~~

7.12 ~~(1) affordability;~~

7.13 ~~(2) quality and value of health plans;~~

7.14 ~~(3) promotion of prevention and wellness;~~

7.15 ~~(4) promotion of initiatives to reduce health disparities;~~

7.16 ~~(5) market stability and adverse selection;~~

7.17 ~~(6) meaningful choices and access;~~

7.18 ~~(7) alignment and coordination with state agency and private sector purchasing~~  
7.19 ~~strategies and payment reform efforts; and~~

7.20 ~~(8) other criteria that the board determines appropriate.~~

7.21 ~~(e) For qualified health plans offered through MNsure on or after January 1, 2015,~~  
7.22 ~~the board shall establish policies and procedures under paragraphs (c) and (d) for selection~~  
7.23 ~~of health plans to be offered as qualified health plans through MNsure by February 1~~  
7.24 ~~of each year, beginning February 1, 2014. The board shall consistently and uniformly~~  
7.25 ~~apply all policies and procedures and any requirements, standards, or criteria to all health~~  
7.26 ~~carriers and health plans. For any policies, procedures, requirements, standards, or criteria~~  
7.27 ~~that are defined as rules under section 14.02, subdivision 4, the board may use the process~~  
7.28 ~~described in subdivision 9.~~

7.29 ~~(f) For 2014, the board shall not have the power to select health carriers and health~~  
7.30 ~~plans for participation in MNsure. The board shall permit all health plans that meet the~~  
7.31 ~~certification requirements under section 1311(e)(1) of the Affordable Care Act, Public~~  
7.32 ~~Law 111-148, to be offered through MNsure.~~

7.33 ~~(g) Under this subdivision, the board shall have the power to verify that health~~  
7.34 ~~carriers and health plans are properly certified to be eligible for participation in MNsure.~~

8.1 ~~(h) The board has the authority to decertify health carriers and health plans that~~  
8.2 ~~fail to maintain compliance with section 1311(c)(1) of the Affordable Care Act, Public~~  
8.3 ~~Law 111-148.~~

8.4 (1) the health plan provides the essential health benefits package described in section  
8.5 1302(a) of the Affordable Care Act, except that the plan is not required to provide essential  
8.6 benefits that duplicate the minimum benefits of dental plans if:

8.7 (i) MNsure has determined that at least one qualified dental plan is available to  
8.8 supplement the health plan's coverage; and

8.9 (ii) the health carrier makes a prominent disclosure at the time it offers the health  
8.10 plan, in a form approved by MNsure, that the health plan does not provide the full range of  
8.11 essential pediatric benefits and that the dental plans providing those benefits and other  
8.12 dental benefits not covered by the health plan are offered through MNsure;

8.13 (2) the premium rates and policy forms have been approved by the commissioner of  
8.14 commerce or the commissioner of health;

8.15 (3) the health plan provides at least a bronze level of coverage unless the health plan  
8.16 is certified as a qualified catastrophic plan, meets the requirements of section 1302(e) of  
8.17 the Affordable Care Act for catastrophic plans, and is only offered to individuals eligible  
8.18 for catastrophic coverage;

8.19 (4) the health plan's cost-sharing requirements do not exceed the limits established  
8.20 under section 1032(c)(1) of the Affordable Care Act and, if the health plan is offered to  
8.21 a qualified employer, the health plan's deductible does not exceed the limits established  
8.22 under section 1032(c)(2) of the Affordable Care Act;

8.23 (5) the health carrier offering the health plan:

8.24 (i) is licensed and in good standing;

8.25 (ii) offers at least one qualified health plan at the silver level and at least one qualified  
8.26 health plan at the gold level through MNsure;

8.27 (iii) for each metal level in which the health carrier participates, offers coverage in  
8.28 that level to individuals who, as of the beginning of a plan or policy year, have not attained  
8.29 the age of 21;

8.30 (iv) charges the same premium rate for each qualified health plan without regard to  
8.31 whether the plan is offered through MNsure and without regard to whether the health plan  
8.32 is offered directly from the health carrier or through an insurance producer;

8.33 (v) does not charge any cancellation fees or penalties; and

8.34 (vi) complies with the regulations developed by the Secretary of Health and Human  
8.35 Services under section 1311(d) of the Affordable Care Act and other requirements that  
8.36 MNsure may establish; and

9.1 (6) the health plan meets the requirements of certification as promulgated by rule by  
 9.2 MNsure pursuant to this chapter and under section 1311(c) of the Affordable Care Act.

9.3 (d) The provisions of this chapter that are applicable to qualified health plans must  
 9.4 allow for and apply to the extent relevant to dental plans except as modified in accordance  
 9.5 with clauses (1) to (3):

9.6 (1) the dental organization must be licensed to offer stand-alone dental plans but  
 9.7 need not be licensed to offer health plans;

9.8 (2) the dental plan must be limited to dental and oral health benefits, without  
 9.9 substantially duplicating the benefits typically offered by health plans without dental  
 9.10 coverage and must include, at a minimum, the essential pediatric dental benefits pursuant  
 9.11 to section 1302(b)(1)(J) of the Affordable Care Act; and

9.12 (3) a health carrier and a dental organization may jointly offer a comprehensive  
 9.13 health plan through MNsure in which the essential pediatric dental benefits are provided  
 9.14 by the dental organization and the other benefits are provided by the health carrier.

9.15 (e) All health carriers and health plans that have met the certification requirements  
 9.16 of this subdivision are eligible for participation in MNsure.

9.17 ~~(f)~~ (f) For qualified health plans offered through MNsure beginning January 1,  
 9.18 2015, health carriers must use the most current addendum for Indian health care providers  
 9.19 approved by the Centers for Medicare and Medicaid Services and the tribes as part of their  
 9.20 contracts with Indian health care providers. MNsure shall comply with all future changes  
 9.21 in federal law with regard to health coverage for the tribes.

9.22 Sec. 13. Minnesota Statutes 2014, section 62V.05, subdivision 8, is amended to read:

9.23 Subd. 8. **Rulemaking.** (a) If the board's policies, procedures, or other statements are  
 9.24 rules, as defined in section 14.02, subdivision 4, the requirements in either paragraph (b)  
 9.25 or (c) apply, as applicable.

9.26 (b) Effective upon enactment until January 1, 2015:

9.27 (1) the board shall publish notice of proposed rules in the State Register after  
 9.28 complying with section 14.07, subdivision 2;

9.29 (2) interested parties have 21 days to comment on the proposed rules. The board  
 9.30 must consider comments it receives. After the board has considered all comments and  
 9.31 has complied with section 14.07, subdivision 2, the board shall publish notice of the  
 9.32 final rule in the State Register;

9.33 (3) if the adopted rules are the same as the proposed rules, the notice shall state that  
 9.34 the rules have been adopted as proposed and shall cite the prior publication. If the adopted  
 9.35 rules differ from the proposed rules, the portions of the adopted rules that differ from the

10.1 proposed rules shall be included in the notice of adoption, together with a citation to the  
 10.2 prior State Register that contained the notice of the proposed rules; and

10.3 (4) rules published in the State Register before January 1, 2014, take effect upon  
 10.4 publication of the notice. Rules published in the State Register on and after January 1,  
 10.5 2014, take effect 30 days after publication of the notice.

10.6 (c) Beginning January 1, 2015, the board may adopt rules to implement any  
 10.7 provisions in this chapter using the expedited rulemaking process in section 14.389.  
 10.8 No rule shall go into effect if a majority of the members of the Legislative Oversight  
 10.9 Committee objects in accordance with section 62V.11, subdivision 3. If there is an  
 10.10 objection, the rule shall go into effect upon compliance with section 62V.11, subdivision 3.

10.11 (d) The notice of proposed rules required in paragraph (b) must provide information  
 10.12 as to where the public may obtain a copy of the rules. The board shall post the proposed  
 10.13 rules on the MNsure Web site at the same time the notice is published in the State Register.

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

10.15 Sec. 14. Minnesota Statutes 2014, section 62V.07, is amended to read:

10.16 **62V.07 FUNDS.**

10.17 (a) The MNsure account is created in the state government special revenue fund of the  
 10.18 state treasury. All funds received by MNsure shall be deposited in the account. ~~Funds in the~~  
 10.19 ~~account are appropriated to MNsure for the operation of MNsure.~~ Notwithstanding section  
 10.20 11A.20, all investment income and all investment losses attributable to the investment of  
 10.21 the MNsure account not currently needed, shall be credited to the MNsure account.

10.22 (b) The budget submitted to the legislature under section 16A.11 must include budget  
 10.23 information and budget requests for MNsure. Beginning July 1, 2015, funds for MNsure  
 10.24 operations are available to the MNsure Board only to the extent they are appropriated in law.

10.25 Sec. 15. Minnesota Statutes 2014, section 62V.08, is amended to read:

10.26 **62V.08 REPORTS.**

10.27 (a) MNsure shall contract with an independent third party to prepare and submit  
 10.28 a report to the legislature by ~~January 15, 2015~~ September 1, 2015, and each ~~January~~  
 10.29 ~~15~~ September 1 thereafter, on: (1) the performance of MNsure operations; (2) meeting  
 10.30 MNsure responsibilities; (3) an accounting of MNsure budget activities; (4) practices  
 10.31 and procedures that have been implemented to ensure compliance with data practices  
 10.32 laws, and a description of any violations of data practices laws or procedures; and (5)

11.1 the effectiveness of the outreach and implementation activities of MNsure in reducing  
11.2 the rate of uninsurance.

11.3 (b) MNsure must publish its administrative and operational costs on a Web site to  
11.4 educate consumers on those costs. All cost information published on the Web site must  
11.5 be audited and verified by an independent third party. The information published must  
11.6 include: (1) the amount of premiums and federal premium subsidies collected; (2) the  
11.7 amount and source of revenue received under section 62V.05, subdivision 1, paragraph  
11.8 (b), clause (3); (3) the amount and source of any other fees collected for purposes of  
11.9 supporting operations; and (4) any misuse of funds as identified in accordance with section  
11.10 3.975. The Web site must be updated at least annually.

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

11.12 Sec. 16. Minnesota Statutes 2014, section 62V.11, subdivision 3, is amended to read:

11.13 Subd. 3. **Review of proposed rules.** (a) Prior to the implementation of rules  
11.14 proposed under section 62V.05, subdivision 8, paragraph ~~(b)~~ (c), the board shall submit  
11.15 the proposed rules to the committee at the same time the proposed rules are published in  
11.16 the State Register.

11.17 (b) When the legislature is in session, the rule may be adopted, but, if within ten  
11.18 days of receipt of the proposed rule a majority of the committee members ~~appointed by the~~  
11.19 ~~senate and a majority of the committee members appointed by the house of representatives~~  
11.20 request further review of the proposed rule, the rule shall not be effective until the request  
11.21 has been satisfied and withdrawn, the rule is approved in law, or the regular session of  
11.22 the legislature is adjourned for the year.

11.23 (c) If the legislature is not in session, the rule may be adopted, but, if within ten days  
11.24 of receipt of the proposed rule a majority of the committee members ~~appointed by the~~  
11.25 ~~senate and a majority of the committee members appointed by the house of representatives~~  
11.26 request further review of the proposed rule, the rule shall not be effective until the request  
11.27 has been satisfied and withdrawn, ~~or February 1, whichever occurs first~~ or until the  
11.28 adjournment of the next legislative session.

11.29 (d) If no request for review is made by the committee, the rule may go into effect  
11.30 upon compliance with section 62V.05, subdivision 8.

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

11.32 Sec. 17. Minnesota Statutes 2014, section 62V.11, subdivision 4, is amended to read:

12.1 Subd. 4. **Review of costs.** The board shall submit for review the annual budget of  
12.2 MNSure for the next fiscal year by March 15 of each year, beginning March 15, 2014.  
12.3 The committee shall review the budget and make recommendations to the chairs and  
12.4 ranking minority members of the legislative finance committees on recommended changes  
12.5 to the budget.

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

12.7 Sec. 18. **REPORT ON MNSURE ENROLLMENT OF UNINSURED.**

12.8 MNSure, in consultation with the commissioners of human services, commerce, and  
12.9 health, shall determine the number of individuals and families who through MNSure have  
12.10 enrolled in a qualified health plan, medical assistance, or MinnesotaCare by February 15,  
12.11 2015, and did not have health coverage prior to enrollment. MNSure shall submit a report  
12.12 to the legislature by October 1, 2015, specifying the number of individuals and families  
12.13 who are now insured and whether these individuals and families enrolled in a qualified  
12.14 health plan, medical assistance, or MinnesotaCare.

12.15 Sec. 19. **REPEALER.**

12.16 Minnesota Statutes 2014, section 62V.04, subdivisions 1, 2, and 4, are repealed  
12.17 effective July 1, 2015.

**62V.04 GOVERNANCE.**

Subdivision 1. **Board.** MNsure is governed by a board of directors with seven members.

Subd. 2. **Appointment.** (a) Board membership of MNsure consists of the following:

(1) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d), with one member representing the interests of individual consumers eligible for individual market coverage, one member representing individual consumers eligible for public health care program coverage, and one member representing small employers. Members are appointed to serve four-year terms following the initial staggered-term lot determination;

(2) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d) who have demonstrated expertise, leadership, and innovation in the following areas: one member representing the areas of health administration, health care finance, health plan purchasing, and health care delivery systems; one member representing the areas of public health, health disparities, public health care programs, and the uninsured; and one member representing health policy issues related to the small group and individual markets. Members are appointed to serve four-year terms following the initial staggered-term lot determination; and

(3) the commissioner of human services or a designee.

(b) Section 15.0597 shall apply to all appointments, except for the commissioner.

(c) The governor shall make appointments to the board that are consistent with federal law and regulations regarding its composition and structure. All board members appointed by the governor must be legal residents of Minnesota.

(d) Upon appointment by the governor, a board member shall exercise duties of office immediately. If both the house of representatives and the senate vote not to confirm an appointment, the appointment terminates on the day following the vote not to confirm in the second body to vote.

(e) Initial appointments shall be made by April 30, 2013.

(f) One of the six members appointed under paragraph (a), clause (1) or (2), must have experience in representing the needs of vulnerable populations and persons with disabilities.

(g) Membership on the board must include representation from outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 4. **Conflicts of interest.** (a) Within one year prior to or at any time during their appointed term, board members appointed under subdivision 2, paragraph (a), clauses (1) and (2), shall not be employed by, be a member of the board of directors of, or otherwise be a representative of a health carrier, institutional health care provider or other entity providing health care, navigator, insurance producer, or other entity in the business of selling items or services of significant value to or through MNsure. For purposes of this paragraph, "health care provider or entity" does not include an academic institution.

(b) Board members must recuse themselves from discussion of and voting on an official matter if the board member has a conflict of interest. A conflict of interest means an association including a financial or personal association that has the potential to bias or have the appearance of biasing a board member's decisions in matters related to MNsure or the conduct of activities under this chapter.

(c) No board member shall have a spouse who is an executive of a health carrier.

(d) No member of the board may currently serve as a lobbyist, as defined under section 10A.01, subdivision 21.