

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 3511

(SENATE AUTHORS: UTKE)

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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 insurance; regulating small employer health coverage; modifying waiver
1.3 of coverage limitations; amending Minnesota Statutes 2016, section 62L.03,
1.4 subdivision 3.

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

1.6 Section 1. Minnesota Statutes 2016, section 62L.03, subdivision 3, is amended to read:

1.7 Subd. 3. **Minimum participation and contribution.** (a) A small employer that has at
1.8 least 75 percent of its eligible employees who have not waived coverage participating in a
1.9 health benefit plan and that contributes at least 50 percent toward the cost of coverage of
1.10 each eligible employee must be guaranteed coverage on a guaranteed issue basis from any
1.11 health carrier participating in the small employer market. The participation level of eligible
1.12 employees must be determined at the initial offering of coverage and at the renewal date of
1.13 coverage. A health carrier must not increase the participation requirements applicable to a
1.14 small employer at any time after the small employer has been accepted for coverage. For
1.15 the purposes of this subdivision, waiver of coverage includes only waivers due to: (1)
1.16 coverage under another group health plan; (2) coverage under Medicare Parts A and B; ~~or~~
1.17 (3) coverage under MNsure; (4) coverage under MinnesotaCare; or (5) coverage under
1.18 medical assistance under chapter 256B.

1.19 (b) If a small employer does not satisfy the contribution or participation requirements
1.20 under this subdivision, a health carrier may voluntarily issue or renew individual health
1.21 plans, or a health benefit plan which must fully comply with this chapter. A health carrier
1.22 that provides a health benefit plan to a small employer that does not meet the contribution
1.23 or participation requirements of this subdivision must maintain this information in its files
1.24 for audit by the commissioner. A health carrier may not offer an individual health plan,

2.1 purchased through an arrangement between the employer and the health carrier, to any
2.2 employee unless the health carrier also offers the individual health plan, on a guaranteed
2.3 issue basis, to all other employees of the same employer. An arrangement permitted under
2.4 section 62L.12, subdivision 2, paragraph (1), is not an arrangement between the employer
2.5 and the health carrier for purposes of this paragraph.

2.6 (c) Nothing in this section obligates a health carrier to issue coverage to a small employer
2.7 that currently offers coverage through a health benefit plan from another health carrier,
2.8 unless the new coverage will replace the existing coverage and not serve as one of two or
2.9 more health benefit plans offered by the employer. This paragraph does not apply if the
2.10 small employer will meet the required participation level with respect to the new coverage.

2.11 (d) If a small employer cannot meet either the participation or contribution requirement,
2.12 the small employer may purchase coverage only during an open enrollment period each
2.13 year between November 15 and December 15.