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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. **1439**

02/22/2021

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The bill was read for the first time and referred to the Committee on State Government Finance and Elections

1.1 A bill for an act
1.2 relating to state government; modifying contracting provision in certain health
1.3 insurance benefit plans; amending Minnesota Statutes 2020, section 43A.23,
1.4 subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2020, section 43A.23, subdivision 1, is amended to read:

1.7 Subdivision 1. **General.** (a) The commissioner is authorized to request proposals or to
1.8 negotiate and to enter into contracts with parties which in the judgment of the commissioner
1.9 are best qualified to provide service to the benefit plans. Contracts entered into are not
1.10 subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate
1.11 premium rates and coverage. The commissioner shall consider the cost of the plans,
1.12 conversion options relating to the contracts, service capabilities, character, financial position,
1.13 and reputation of the carriers, and any other factors which the commissioner deems
1.14 appropriate. Each benefit contract must be for a uniform term of at least one year, but may
1.15 be made automatically renewable from term to term in the absence of notice of termination
1.16 by either party. A carrier licensed under chapter 62A is exempt from the taxes imposed by
1.17 chapter 297I on premiums paid to it by the state.

1.18 (b) All self-insured hospital and medical service products must comply with coverage
1.19 mandates, data reporting, and consumer protection requirements applicable to the licensed
1.20 carrier administering the product, had the product been insured, including chapters 62J,
1.21 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or
1.22 provide different levels of coverage between network and nonnetwork providers shall comply

2.1 with section 62D.123 and geographic access standards for health maintenance organizations
2.2 adopted by the commissioner of health in rule under chapter 62D.

2.3 (c) Notwithstanding paragraph (b), a self-insured hospital and medical product offered
2.4 under sections 43A.22 to 43A.30 is required to extend dependent coverage to an eligible
2.5 employee's child to the full extent required under chapters 62A and 62L. Dependent child
2.6 coverage must, at a minimum, extend to an eligible employee's dependent child to the
2.7 limiting age as defined in section 62Q.01, subdivision 2a, disabled children to the extent
2.8 required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required
2.9 in sections 62A.042 and 62A.302.

2.10 (d) Beginning January 1, 2010, the health insurance benefit plans offered in the
2.11 commissioner's plan under section 43A.18, subdivision 2, and the managerial plan under
2.12 section 43A.18, subdivision 3, ~~must~~ may include an option for a health plan that is compatible
2.13 with the definition of a high-deductible health plan in section 223 of the United States
2.14 Internal Revenue Code.