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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2332

05/14/2015 Authored by Loonan and Atkins

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to insurance; establishing requirements for merged market health plans;
1.3 making related changes; amending Minnesota Statutes 2014, sections 62K.15;
1.4 62L.02, subdivision 27; proposing coding for new law in Minnesota Statutes,
1.5 chapter 62A.

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

1.7 Section 1. [62A.67] MERGED MARKET REGULATION.

1.8 Subdivision 1. Definitions. (a) "Eligible employer" means an employer with 100
1.9 or fewer employees.

1.10 (b) "Employer contribution" means any amount given to an employee by an
1.11 employer as part of a plan or program for the purposes of the Internal Revenue Code,
1.12 section 105, 106, 125, or 162.

1.13 (c) "Merged market" means the market for health insurance coverage offered to
1.14 individuals and dependents who purchase a group health plan using employer contributions
1.15 made by an eligible employer, in full or in part, through the individual market or MNsure.

1.16 (d) "Merged market health plan" means a group health plan issued to employers
1.17 on behalf of individual employees and dependents in the individual market or through
1.18 MNsure, using defined contributions provided by eligible employers.

1.19 Subd. 2. Purchase of plans in the merged market. (a) An eligible employer may
1.20 offer an employer contribution to allow employees and dependents to purchase health
1.21 insurance coverage in the merged market.

1.22 (b) An employee and dependents may use the employer contribution only to
1.23 purchase a merged market health plan offered through MNsure or offered outside of
1.24 MNsure by a health carrier.

2.1 (c) An eligible employer may limit the health plans from which an employee may
 2.2 choose in the merged market.

2.3 (d) An employee and dependents receiving a group health plan under a plan
 2.4 purchased in the merged market are not eligible for advanced premium tax credits or
 2.5 cost-sharing subsidies offered through MNsure. The commissioner, in cooperation with
 2.6 the commissioner of revenue, shall monitor and enforce compliance with this requirement.

2.7 Subd. 3. **Regulation.** (a) Any coverage purchased in the merged market is a group
 2.8 health plan as defined in section 62A.011, subdivision 1c, and shall be regulated by:

2.9 (1) individual market requirements specified in section 62A.65;

2.10 (2) federal small group requirements in United States Code, title 42, sections 300gg
 2.11 and 300gg-1 to 300gg-28; and

2.12 (3) requirements in chapter 62K that apply to qualified health plans.

2.13 (b) Merged market coverage issued to an eligible employer on behalf of an individual
 2.14 while employed by the employer automatically converts to individual coverage if:

2.15 (1) the employer ceases to offer an employer contribution; or

2.16 (2) the individual is no longer employed by that eligible employer.

2.17 Upon the automatic conversion, the coverage shall be regulated under section 62A.65 and
 2.18 the individual and dependents, if eligible, may receive advanced premium tax credits and
 2.19 cost-sharing subsidies to purchase qualified health plan coverage through MNsure.

2.20 (c) Health plan companies offering health plans in the merged market are subject to
 2.21 the reinsurance assessments required under section 1341 of the Affordable Care Act.

2.22 (d) An employer offering a merged market health plan that restricts enrollment to
 2.23 new employees who join the health plan within 30 days of their first day of employment or
 2.24 during the annual open enrollment period must be guaranteed coverage on a guaranteed
 2.25 issue basis from any health carrier participating in the merged market.

2.26 (e) The sale of a group health plan in the merged market by an agent or broker is not
 2.27 a violation of section 62L.12, subdivision 3.

2.28 (f) A health plan company shall consider all enrollees in all health plans, other than
 2.29 grandfathered health plans, offered by the health plan company in the individual market and
 2.30 the merged market, both inside and outside of MNsure, to be members of a single risk pool.

2.31 **EFFECTIVE DATE.** This section is effective January 1, 2016, and applies to
 2.32 merged market health plans offered, issued, or renewed on or after that date.

2.33 Sec. 2. Minnesota Statutes 2014, section 62K.15, is amended to read:

2.34 **62K.15 ANNUAL OPEN ENROLLMENT PERIODS.**

3.1 (a) Health carriers offering individual health plans must limit annual enrollment in
 3.2 the individual market to the annual open enrollment periods for MNsure. Nothing in this
 3.3 section limits the application of special or limited open enrollment periods as defined
 3.4 under the Affordable Care Act.

3.5 (b) Health carriers offering individual health plans must inform all applicants at the
 3.6 time of application and enrollees at least annually of the open and special enrollment
 3.7 periods as defined under the Affordable Care Act.

3.8 (c) Subject to Code of Federal Regulations, title 45, section 147.104(b)(1), a health
 3.9 insurance carrier offering merged market health plans, as defined in section 62A.67,
 3.10 subdivision 1, must allow an eligible employer to begin purchasing a merged market
 3.11 health plan for its employees at any point during the year. New employees hired by
 3.12 an employer already offering a merged market health plan are subject to employee
 3.13 participation requirements in section 62A.67, subdivision 3.

3.14 ~~(e)~~ (d) The commissioner of commerce shall enforce this section.

3.15 Sec. 3. Minnesota Statutes 2014, section 62L.02, subdivision 27, is amended to read:

3.16 Subd. 27. **Small employer market.** (a) "Small employer market" means the market
 3.17 for health benefit plans for small employers.

3.18 (b) A health carrier is considered to be participating in the small employer market if
 3.19 the carrier offers, sells, issues, or renews a health benefit plan to: (1) any small employer;
 3.20 or (2) the eligible employees of a small employer offering a health benefit plan if, with the
 3.21 knowledge of the health carrier, either of the following conditions is met:

3.22 (i) any portion of the premium or benefits is paid for or reimbursed by a small
 3.23 employer; or

3.24 (ii) the health benefit plan is treated by the employer or any of the eligible employees
 3.25 or dependents as part of a plan or program for the purposes of the Internal Revenue Code,
 3.26 section 106, 125, or 162.

3.27 (c) The small employer market does not include the merged market under section
 3.28 62A.67.

3.29 **EFFECTIVE DATE.** This section is effective January 1, 2016.