

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 2324

(SENATE AUTHORS: HOWE)

DATE
03/11/2019

D-PG
777

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 automobile insurance; clarifying that volunteer drivers receiving funding
- 1.3 from the public transit participation program are not for hire; amending Minnesota
- 1.4 Statutes 2018, sections 65B.15, subdivision 1; 65B.43, subdivision 12, by adding
- 1.5 a subdivision; 65B.47, subdivision 1a; 65B.472, subdivision 1; 256B.0625,
- 1.6 subdivision 17.
- 1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.8 Section 1. Minnesota Statutes 2018, section 65B.15, subdivision 1, is amended to read:
- 1.9 Subdivision 1. **Grounds and notice.** No cancellation or reduction in the limits of liability
- 1.10 of coverage during the policy period of any policy shall be effective unless notice thereof
- 1.11 is given and unless based on one or more reasons stated in the policy which shall be limited
- 1.12 to the following:
- 1.13 ~~1. (1)~~ nonpayment of premium; or
- 1.14 ~~2. (2)~~ the policy was obtained through a material misrepresentation; or
- 1.15 ~~3. (3)~~ any insured made a false or fraudulent claim or knowingly aided or abetted another
- 1.16 in the presentation of such a claim; or
- 1.17 ~~4. (4)~~ the named insured failed to disclose fully motor vehicle accidents and moving
- 1.18 traffic violations of the named insured for the preceding 36 months if called for in the written
- 1.19 application; or
- 1.20 ~~5. (5)~~ the named insured failed to disclose in the written application any requested
- 1.21 information necessary for the acceptance or proper rating of the risk; or

2.1 ~~6. (6)~~ the named insured knowingly failed to give any required written notice of loss or
2.2 notice of lawsuit commenced against the named insured, or, when requested, refused to
2.3 cooperate in the investigation of a claim or defense of a lawsuit; or

2.4 ~~7. (7)~~ the named insured or any other operator who either resides in the same household,
2.5 or customarily operates an automobile insured under such policy, unless the other operator
2.6 is identified as a named insured in another policy as an insured:

2.7 (a) has, within the 36 months prior to the notice of cancellation, had that person's driver's
2.8 license under suspension or revocation because the person committed a moving traffic
2.9 violation or because the person refused to be tested under section 169A.20, subdivision 1;
2.10 or

2.11 (b) is or becomes subject to epilepsy or heart attacks, and such individual does not
2.12 produce a written opinion from a physician testifying to that person's medical ability to
2.13 operate a motor vehicle safely, such opinion to be based upon a reasonable medical
2.14 probability; or

2.15 (c) has an accident record, conviction record (criminal or traffic), physical condition or
2.16 mental condition, any one or all of which are such that the person's operation of an automobile
2.17 might endanger the public safety; or

2.18 (d) has been convicted, or forfeited bail, during the 24 months immediately preceding
2.19 the notice of cancellation for criminal negligence in the use or operation of an automobile,
2.20 or assault arising out of the operation of a motor vehicle, or operating a motor vehicle while
2.21 in an intoxicated condition or while under the influence of drugs; or leaving the scene of
2.22 an accident without stopping to report; or making false statements in an application for a
2.23 driver's license, or theft or unlawful taking of a motor vehicle; or

2.24 (e) has been convicted of, or forfeited bail for, one or more violations within the 18
2.25 months immediately preceding the notice of cancellation, of any law, ordinance, or rule
2.26 which justify a revocation of a driver's license; or

2.27 ~~8. (8)~~ the insured automobile is:

2.28 (a) so mechanically defective that its operation might endanger public safety; or

2.29 (b) used in carrying passengers for hire or compensation, ~~provided however~~ except that
2.30 the use of an automobile for a car pool shall or by a public transit participation program
2.31 (PTPP) volunteer driver is not be considered use of an automobile for hire or compensation;
2.32 or

2.33 (c) used in the business of transportation of flammables or explosives; or

(d) an authorized emergency vehicle; or

(e) subject to an inspection law and has not been inspected or, if inspected, has failed to qualify within the period specified under such inspection law; or

(f) substantially changed in type or condition during the policy period, increasing the risk substantially, such as conversion to a commercial type vehicle, a dragster, sports car or so as to give clear evidence of a use other than the original use.

Sec. 2. Minnesota Statutes 2018, section 65B.43, subdivision 12, is amended to read:

Subd. 12. **Commercial vehicle.** (a) "Commercial vehicle" means:

~~(a)~~ (1) any motor vehicle used as a common carrier;

~~(b)~~ (2) any motor vehicle, other than a passenger vehicle defined in section 168.002, subdivision 24, which has a curb weight in excess of 5,500 pounds apart from cargo capacity;
or

~~(c)~~ (3) any motor vehicle while used in the for-hire transportation of property.

(b) Commercial vehicle does not include a "commuter van," which for purposes of this chapter shall mean a motor vehicle having a capacity of seven to 16 persons which is used principally to provide prearranged transportation of persons to or from their place of employment or to or from a transit stop authorized by a local transit authority which vehicle is to be operated by a person who does not drive the vehicle as a principal occupation but is driving it only to or from the principal place of employment, to or from a transit stop authorized by a local transit authority or for personal use as permitted by the owner of the vehicle.

(c) Commercial vehicle does not include a vehicle when used by a PTPP volunteer driver while providing transportation services.

Sec. 3. Minnesota Statutes 2018, section 65B.43, is amended by adding a subdivision to read:

Subd. 21. **PTPP volunteer driver.** "Public transit participation program volunteer driver" or "PTPP volunteer driver" means an individual who:

(1) provides transportation services for another individual on behalf of an organization receiving funding under section 174.24;

(2) owns, leases, or is otherwise authorized to personally use a vehicle for transportation services; and

4.1 (3) receives no compensation for the transportation services other than reimbursement
4.2 of expenses, including but not limited to mileage reimbursement.

4.3 Sec. 4. Minnesota Statutes 2018, section 65B.47, subdivision 1a, is amended to read:

4.4 Subd. 1a. **Exemptions.** Subdivision 1 does not apply to:

4.5 (1) a commuter van;

4.6 (2) a vehicle being used to transport children as part of a family or group family day
4.7 care program;

4.8 (3) a vehicle being used to transport children to school or to a school-sponsored activity;

4.9 (4) a bus while it is in operation within the state of Minnesota as to any Minnesota
4.10 resident who is an insured as defined in section 65B.43, subdivision 5;

4.11 (5) a passenger in a taxi; ~~or~~

4.12 (6) a taxi driver, provided that this clause applies only to policies issued or renewed on
4.13 or after September 1, 1996, and prior to September 1, 1997; or

4.14 (7) a PTPP volunteer driver.

4.15 Sec. 5. Minnesota Statutes 2018, section 65B.472, subdivision 1, is amended to read:

4.16 Subdivision 1. **Definitions.** (a) Unless a different meaning is expressly made applicable,
4.17 the terms defined in paragraphs (b) through (g) have the meanings given them for the
4.18 purposes of this chapter.

4.19 (b) ~~A~~ "Digital network" means any online-enabled application, software, website, or
4.20 system offered or utilized by a transportation network company that enables the
4.21 prearrangement of rides with transportation network company drivers.

4.22 (c) ~~A~~ "Personal vehicle" means a vehicle that is used by a transportation network company
4.23 driver in connection with providing a prearranged ride and is:

4.24 (1) owned, leased, or otherwise authorized for use by the transportation network company
4.25 driver; and

4.26 (2) not a taxicab, limousine, or for-hire vehicle.

4.27 (d) ~~A~~ "Prearranged ride" means the provision of transportation by a driver to a rider,
4.28 beginning when a driver accepts a ride requested by a rider through a digital network
4.29 controlled by a transportation network company, continuing while the driver transports a
4.30 requesting rider, and ending when the last requesting rider departs from the personal vehicle.

A prearranged ride does not include transportation provided using a taxicab, limousine, or other for-hire vehicle.

(e) ~~A~~ "Transportation network company" means a corporation, partnership, sole proprietorship, or other entity that is operating in Minnesota that uses a digital network to connect transportation network company riders to transportation network company drivers who provide prearranged rides.

(f) ~~A~~ "Transportation network company driver" or "driver" means an individual who:

(1) receives connections to potential riders and related services from a transportation network company in exchange for payment of a fee to the transportation network company; and

(2) uses a personal vehicle to provide a prearranged ride to riders upon connection through a digital network controlled by a transportation network company in return for compensation or payment of a fee.

Transportation network company driver or driver does not include a PTPP volunteer driver.

(g) ~~A~~ "Transportation network company rider" or "rider" means an individual or persons who use a transportation network company's digital network to connect with a transportation network driver who provides prearranged rides to the rider in the driver's personal vehicle between points chosen by the rider.

Sec. 6. Minnesota Statutes 2018, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

(b) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

(3) taxicabs that meet the requirements of this subdivision;

(4) public transit, as defined in section 174.22, subdivision 7; or

(5) not-for-hire vehicles, including volunteer drivers and PTPP volunteer drivers, as defined in section 65B.43, subdivision 21.

(c) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and in consultation with the Minnesota Department of Transportation. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(d) An organization may be terminated, denied, or suspended from enrollment if:

(1) the provider has not initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

(2) the provider has initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

(i) the commissioner has sent the provider a notice that the individual has been disqualified under section 245C.14; and

(ii) the individual has not received a disqualification set-aside specific to the special transportation services provider under sections 245C.22 and 245C.23.

(e) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner in consultation with the Nonemergency Medical Transportation Advisory Committee;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

(f) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph (i), clauses (4), (5), (6), and (7).

(g) The commissioner may use an order by the recipient's attending physician or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency.

Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

(h) The administrative agency shall use the level of service process established by the commissioner in consultation with the Nonemergency Medical Transportation Advisory Committee to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

(i) The covered modes of transportation are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or public transit is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(j) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (i) according to paragraphs (m) and (n) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government.

(k) The commissioner shall:

(1) in consultation with the Nonemergency Medical Transportation Advisory Committee, verify that the mode and use of nonemergency medical transportation is appropriate;

(2) verify that the client is going to an approved medical appointment; and

(3) investigate all complaints and appeals.

(l) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

(m) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (h), not the type of vehicle used to provide the service. The

9.1 medical assistance reimbursement rates for nonemergency medical transportation services
9.2 that are payable by or on behalf of the commissioner for nonemergency medical
9.3 transportation services are:

9.4 (1) \$0.22 per mile for client reimbursement;

9.5 (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer
9.6 transport;

9.7 (3) equivalent to the standard fare for unassisted transport when provided by public
9.8 transit, and \$11 for the base rate and \$1.30 per mile when provided by a nonemergency
9.9 medical transportation provider;

9.10 (4) \$13 for the base rate and \$1.30 per mile for assisted transport;

9.11 (5) \$18 for the base rate and \$1.55 per mile for lift-equipped/ramp transport;

9.12 (6) \$75 for the base rate and \$2.40 per mile for protected transport; and

9.13 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for
9.14 an additional attendant if deemed medically necessary.

9.15 (n) The base rate for nonemergency medical transportation services in areas defined
9.16 under RUCA to be super rural is equal to 111.3 percent of the respective base rate in
9.17 paragraph (m), clauses (1) to (7). The mileage rate for nonemergency medical transportation
9.18 services in areas defined under RUCA to be rural or super rural areas is:

9.19 (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage
9.20 rate in paragraph (m), clauses (1) to (7); and

9.21 (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage
9.22 rate in paragraph (m), clauses (1) to (7).

9.23 (o) For purposes of reimbursement rates for nonemergency medical transportation
9.24 services under paragraphs (m) and (n), the zip code of the recipient's place of residence
9.25 shall determine whether the urban, rural, or super rural reimbursement rate applies.

9.26 (p) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means
9.27 a census-tract based classification system under which a geographical area is determined
9.28 to be urban, rural, or super rural.

9.29 (q) The commissioner, when determining reimbursement rates for nonemergency medical
9.30 transportation under paragraphs (m) and (n), shall exempt all modes of transportation listed
9.31 under paragraph (i) from Minnesota Rules, part 9505.0445, item R, subitem (2).