

benefits provided at premiums established by the commissioner if the spouse was a dependent under the active or former employee's coverage under this section at the time of the death. Coverage under this clause must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

(c) The plan benefits must continue in the event of strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.

(d) ~~A person who desires to participate under paragraphs (a) to (c) shall notify the commissioner of intent to participate according to rules established by the commissioner. The eligible employer shall notify the commissioner and coverage begins as soon as the commissioner permits.~~

(e) A participant who discontinues coverage may not reenroll.

Persons participating under these paragraphs shall make appropriate premium payments in the time and manner established by the commissioner.

Sec. 5. EFFECTIVE DATE.

Section 2 is effective the day following final enactment.

Presented to the governor May 17, 1991

Signed by the governor May 21, 1991, 1:21 p.m.

CHAPTER 129—S.F.No. 328

An act relating to insurance; Medicare supplement; specifying policy requirements; allowing certain foreign travel coverages to be added as a rider to the basic plan; amending Minnesota Statutes 1990, sections 62A.31, subdivision 1; 62A.316; 62A.36, subdivision 1a; and 62A.43, subdivision 1.

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

Section 1. Minnesota Statutes 1990, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. **POLICY REQUIREMENTS.** No individual or group policy, certificate, subscriber contract or other evidence of accident and health insurance the effect or purpose of which is to supplement Medicare coverage issued or delivered in this state or offered to a resident of this state shall be sold or issued to an individual ~~age 65 or older~~ covered by Medicare unless the following requirements are met:

New language is indicated by underline, deletions by ~~strikeout~~.

(a) The policy must provide a minimum of the coverage set out in subdivision 2;

(b) The policy must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage;

(c) The policy must contain a provision that the plan will not be canceled or nonrenewed on the grounds of the deterioration of health of the insured;

(d) Before the policy is sold or issued, an offer of both categories of Medicare supplement insurance has been made to the individual, together with an explanation of both coverages; ~~and~~

(e) An outline of coverage as provided in section 62A.39 must be delivered at the time of application and prior to payment of any premium;

(f) (1) The policy must provide that benefits and premiums under the policy shall be suspended at the request of the policyholder for the period, not to exceed 24 months, in which the policyholder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder notifies the issuer of the policy within 90 days after the date the individual becomes entitled to this assistance;

(2) If suspension occurs and if the policyholder or certificate holder loses entitlement to this medical assistance, the policy shall be automatically reinstated, effective as of the date of termination of this entitlement, if the policyholder provides notice of loss of the entitlement within 90 days after the date of the loss;

(3) The policy must provide that upon reinstatement (i) there is no additional waiting period with respect to treatment of preexisting conditions, (ii) coverage is provided which is substantially equivalent to coverage in effect before the date of the suspension, and (iii) premiums are classified on terms that are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage not been suspended;

(g) The written statement required by an application for Medicare supplement insurance pursuant to section 62A.43, subdivision 1, shall be made on a form, approved by the commissioner, that states that counseling services may be available in the state to provide advice concerning the purchase of Medicare supplement policies and enrollment under the Medicaid program;

(h) No issuer of Medicare supplement policies in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any Medicare supplement insurance policy form available for sale in this state, nor may it discriminate in the pricing of such a policy, because of the health status, claims experience, receipt of health care, or medical condi-

New language is indicated by underline, deletions by strikeout.

tion of an applicant where an application for such insurance is submitted during the six-month period beginning with the first month in which an individual first enrolled for benefits under Medicare Part B;

(i) If a Medicare supplement policy replaces another Medicare supplement policy, the issuer of the replacing policy shall waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods in the new Medicare supplement policy for similar benefits to the extent the time was spent under the original policy;

(j) The policy has been filed with and approved by the department as meeting all the requirements of sections 62A.31 to 62A.44; and

(k) the policy guarantees renewability.

Only the following standards for renewability may be used in Medicare supplement insurance policy forms.

No issuer of Medicare supplement insurance policies may cancel or non-renew a Medicare supplement policy or certificate for any reason other than nonpayment of premium or material misrepresentation.

If a group Medicare supplement insurance policy is terminated by the group policyholder and is not replaced as provided in this clause, the issuer shall offer certificate holders an individual Medicare supplement policy which, at the option of the certificate holder, provides for continuation of the benefits contained in the group policy; or provides for such benefits and benefit packages as otherwise meet the requirements of this clause.

If an individual is a certificate holder in a group Medicare supplement insurance policy and the individual terminates membership in the group, the issuer of the policy shall offer the certificate holder the conversion opportunities described in this clause; or offer the certificate holder continuation of coverage under the group policy.

Sec. 2. Minnesota Statutes 1990, section 62A.316, is amended to read:

62A.316 BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.

(a) The basic Medicare supplement plan must have a level of coverage that will provide:

(1) coverage for all of the Medicare part A inpatient hospital coinsurance amounts, and 100 percent of all Medicare part A eligible expenses for hospitalization not covered by Medicare for the calendar year, after satisfying the Medicare part A deductible;

(2) coverage for the daily copayment amount of Medicare part A eligible expenses for the calendar year incurred for skilled nursing facility care;

New language is indicated by underline, deletions by ~~strikeout~~.

(3) coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement for Medicare part B after the Medicare deductible amount;

(4) 80 percent of the usual and customary hospital and medical expenses and supplies incurred during travel outside the United States as a result of a medical emergency;

(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations; and

~~(5)~~ (6) 100 percent of the cost of immunizations.

(b) Only the following optional benefit riders may be added to this plan:

(1) coverage for all of the Medicare part A inpatient hospital deductible amount;

(2) a minimum of 80 percent of usual and customary eligible medical expenses and supplies not covered by Medicare part B. This does not include outpatient prescription drugs;

(3) coverage for all of the Medicare part B annual deductible; and

(4) coverage for at least 50 percent, or the equivalent of 50 percent, of usual and customary prescription drug expenses.

Nothing in this section prohibits the plan from requiring that services be received from providers designated as preferred providers or participating providers in order to receive coverage under optional benefit riders.

Sec. 3. Minnesota Statutes 1990, section 62A.36, subdivision 1a, is amended to read:

Subd. 1a. **SUPPLEMENT TO ANNUAL STATEMENTS.** Each insurer that has Medicare supplement policies in force in this state shall, as a supplement to the annual statement required by section 60A.13, submit, in a form prescribed by the commissioner, data showing its incurred claims experience, its earned premiums, and the aggregate amount of premiums collected and losses incurred for each Medicare policy form in force. If the data submitted does not confirm that the insurer has satisfied the loss ratio requirements of this section, the commissioner shall notify the insurer in writing of the deficiency. The insurer shall have 30 days from the date of the commissioner's notice to file amended rates that comply with this section. If the insurer fails to file amended rates within the prescribed time, the commissioner shall order that the insurer's filed rates for the nonconforming policy be reduced to an amount that would have resulted in a loss ratio that complied with this section had it been in effect

New language is indicated by underline, deletions by ~~strikeout~~.

for the reporting period of the supplement. The insurer's failure to file amended rates within the specified time or the issuance of the commissioner's order amending the rates does not preclude the insurer from filing an amendment of its rates at a later time. The commissioner shall annually make the submitted data as to premiums and loss ratios for the preceding three years available to the public at a cost not to exceed the cost of copying. The commissioner shall also provide the public with copies of the policies to which the loss ratios and premiums apply. The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios.

Sec. 4. Minnesota Statutes 1990, section 62A.43, subdivision 1, is amended to read:

Subdivision 1. **DUPLICATE COVERAGE PROHIBITED.** No agent shall sell a Medicare supplement plan, as defined in section 62A.31, to a person who currently has one plan in effect; however, an agent may sell a replacement plan in accordance with section 62A.40, provided that the second plan is not made effective any sooner than necessary to provide continuous benefits for preexisting conditions. Every application for Medicare supplement insurance shall require a written statement signed by the applicant listing of all health and accident insurance maintained by the applicant as of the date the application is taken and stating whether the applicant is entitled to any medical assistance. The written statement must be accompanied by a written acknowledgment, signed by the seller of the policy, of the request for and receipt of the statement.

Sec. 5. EFFECTIVE DATE.

Sections 1 to 4 are effective November 5, 1991. If the federal government extends the date for compliance with any provision of this act that is required by the federal Omnibus Budget Reconciliation Act of 1990, the commissioner may by order extend the date by which that provision of this act must be complied with. An order of the commissioner under this section must not extend the compliance date for longer than six months from November 5, 1991.

Presented to the governor May 17, 1991

Signed by the governor May 21, 1991, 1:24 p.m.

CHAPTER 130—S.F.No. 417

An act relating to education; making noncontroversial clarifications and modifications to certain school district and department of education provisions; amending Minnesota Statutes 1990, sections 120.062, subdivisions 4 and 6; 120.0752, subdivision 2; 121.612, subdivisions 2 and 5; 122.23, subdivision 18; 123.932, subdivision 3; 124.14, subdivision 1; 124.155, subdivision 2; 124.195, subdivisions 2, 3, 3a, 10, and 11; 124.2139; 124.214, subdivisions 2 and 3; 124.244, subdivision 3; 124.83, subdivisions 1 and 5; 124A.036, subdivision 5;

New language is indicated by underline, deletions by ~~strikeout~~.