

each insurance company selected by the state board of investment. All contracts must be approved before execution by the state board of investment. The state board of investment shall establish policies and procedures under section 11A.04, clause (2), to carry out this paragraph.

(c) A personnel policy for unrepresented employees or a collective bargaining agreement may establish limits on the number of vendors under paragraph (b), clause (4), that it will utilize and conditions under which the vendors may contact employees both during working hours and after working hours.

(b) Subd. 2. LIMIT ON CERTAIN CONTRIBUTIONS OR BENEFIT CHANGES. No change in benefits or employer contributions in a supplemental pension plan to which this section applies after May 6, 1971, is effective without prior legislative authorization.

Sec. 5. EFFECTIVE DATE.

Section 1 is effective January 1, 1992. Sections 2 and 3 are effective July 1, 1992.

Presented to the governor April 16, 1992

Signed by the governor April 20, 1992, 4:50 p.m.

CHAPTER 488—H.F.No. 1873

An act relating to public employment; requiring public employers to include certain former employees in the same insurance pool as active employees; amending Minnesota Statutes 1990, sections 43A.27, subdivision 3; 43A.316, by adding a subdivision; and 471.61, by adding a subdivision.

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

Section 1. Minnesota Statutes 1990, section 43A.27, subdivision 3, is amended to read:

Subd. 3. RETIRED EMPLOYEES. A retired employee of the state who receives an annuity under a state retirement program may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages that are actuarially equivalent to those made available through collective bargaining agreements or plans established pursuant to section 43A.18 to employees in positions equivalent to that from which retired. A spouse of a deceased retired employee who received an annuity under a state retirement program may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the employee's death. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired

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employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 2. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 6a. CHIROPRACTIC SERVICES. All benefits provided by the plan or a successor plan relating to expenses incurred for medical treatment or services of a physician must also include chiropractic treatment and services of a chiropractor to the extent that the chiropractic services and treatment are within the scope of chiropractic licensure.

This subdivision is intended to provide equal access to benefits for plan members who choose to obtain treatment for illness or injury from a doctor of chiropractic, as long as the treatment falls within the chiropractor's scope of practice. This subdivision is not intended to change or add to the benefits provided for in the plan.

Sec. 3. Minnesota Statutes 1990, section 471.61, is amended by adding a subdivision to read:

Subd. 2b. INSURANCE CONTINUATION. A unit of local government must allow a former employee and the employee's dependents to continue to participate indefinitely in the employer-sponsored hospital, medical, and dental insurance group that the employee participated in immediately before retirement, under the following conditions:

(a) The continuation requirement of this subdivision applies only to a former employee who is receiving a disability benefit or an annuity from a Minnesota public pension plan other than a volunteer firefighter plan, or who has met age and service requirements necessary to receive an annuity from such a plan.

(b) Until the former employee reaches age 65, the former employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance.

(c) A former employee may receive dependent coverage only if the employee received dependent coverage immediately before leaving employment. This subdivision does not require dependent coverage to continue after the death of the former employee. For purposes of this subdivision, "dependent" has the same

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meaning for former employees as it does for active employees in the unit of local government.

(d) Coverage for a former employee and dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left.

(e) The former employee must pay the entire premium for continuation coverage, except as otherwise provided in a collective bargaining agreement or personnel policy. A unit of local government may discontinue coverage if a former employee fails to pay the premium within the deadline provided for payment of premiums under federal law governing insurance continuation.

(f) An employer must notify an employee before termination of employment of the options available under this subdivision, and of the deadline for electing to continue to participate.

(g) A former employee must notify the employer of intent to participate within the deadline provided for notice of insurance continuation under federal law. A former employee who does not elect to continue participation does not have a right to reenter the employer's group insurance program.

(h) A former employee who initially selects dependent coverage may later drop dependent coverage while retaining individual coverage. A former employee may not drop individual coverage and retain dependent coverage.

(i) This subdivision does not limit rights granted to former employees under other state or federal law, or under collective bargaining agreements or personnel plans.

(j) Unless otherwise provided by a collective bargaining agreement, if retired employees were not permitted to remain in the active employee group prior to the effective date of sections 1 and 3, a public employer may assess active employees through payroll deduction for all or part of the additional premium costs from the inclusion of retired employees in the active employee group. This paragraph does not apply to employees covered by section 179A.03, subdivision 7.

(k) Notwithstanding section 179A.20, subdivision 2a, insurance continuation under this subdivision may be provided for in a collective bargaining agreement or personnel policy.

Sec. 4. EFFECTIVE DATE.

Sections 1 and 3 apply to each public employer upon the next expiration of a collective bargaining agreement or personnel plan establishing insurance premiums and coverage for each bargaining unit of active employees. Coverage may be delayed until the beginning of the next contract year of the employer-sponsored hospital, medical, and dental insurance plan. Sections 1 and 3 do not apply to a person who became a former employee before the effective date of

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sections 1 and 3, unless the person has continuously participated in the employer-sponsored insurance group since leaving employment.

Presented to the governor April 16, 1992

Signed by the governor April 20, 1992, 4:54 p.m.

CHAPTER 489—S.F.No. 2728

An act relating to agriculture; establishing a state over-order premium milk price for dairy farmers for certain milk; proposing coding for new law in Minnesota Statutes, chapter 32A.

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

Section 1. **[32A.071] CLASS I MILK PRICE.**

Subdivision 1. PURPOSE. It is the intent of the legislature that establishing an over-order premium milk price will benefit the incomes of all Minnesota dairy farmers and improve the economies in rural communities.

Subd. 2. MINIMUM CLASS I MILK PRICE. The minimum price for class I milk as defined by the upper midwest federal milk marketing order, Code of Federal Regulations, title 7, part 1068, for milk purchased in Minnesota for class I use shall be not less than \$1.50 per hundredweight higher than the class I price specified in the applicable milk marketing order. This price shall be paid by processors of class I milk directly to their suppliers of grade A milk or to the agents of the suppliers. Suppliers or agents shall pass the entire over-order premium payment on to the dairy producers.

Subd. 3. RULES. The commissioner of agriculture shall adopt emergency and permanent rules to implement subdivision 2 in a manner that minimizes disruption to existing trade practices and commercial transactions, including maximizing the use of pooling of over-order premium payments among grade A milk producers.

Subd. 4. REPORT. Not later than March 1 of 1993 and each year thereafter, the commissioner of agriculture shall report to the chairs of the senate agriculture and rural development committee and the house of representatives agriculture committee on the impacts and benefits to dairy farmers of the minimum class I milk price established under subdivision 2. The report must also include a summary of processor and distributor information the commissioner has analyzed to determine compliance with sections 32A.01 to 32A.09.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective August 1, 1992, except that the rulemaking authority granted to the commissioner of agriculture is effective the day following final enactment.

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