

(3) any prisoner who shall be confined in the county jail, convicted and awaiting sentence, to be transferred to and confined in the workhouse, correctional or work farm while awaiting sentence.

Transferred prisoners are subject to the rules and discipline of the confining institution. Transportation of prisoners is the responsibility of the sending institution.

(b) Upon agreement by a county sheriff and an administrator of a workhouse on conditions of transference and confinement, including payment of prisoner per diems, any prisoner in the custody of the county sheriff under pretrial status may be transferred to and confined in the workhouse.

Presented to the governor April 12, 1999

Signed by the governor April 15, 1999, 11:13 a.m.

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#### CHAPTER 51—H.F.No. 614

*An act relating to health; expanding the reserve corridor for community integrated service networks; modifying the definition of review organization; amending Minnesota Statutes 1998, sections 62N.28, subdivision 5; and 145.61, subdivision 5.*

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

Section 1. Minnesota Statutes 1998, section 62N.28, subdivision 5, is amended to read:

Subd. 5. **NET WORTH CORRIDOR.** A community network shall not maintain net worth that exceeds ~~2-1/2~~ three times the amount required of the community network under subdivision 1. Subdivision 4 is not relevant for purposes of this subdivision.

Sec. 2. Minnesota Statutes 1998, section 145.61, subdivision 5, is amended to read:

Subd. 5. **REVIEW ORGANIZATION.** "Review organization" means a nonprofit organization acting according to clause (k) or a committee whose membership is limited to professionals, administrative staff, and consumer directors, except where otherwise provided for by state or federal law, and which is established by one or more of the following: a hospital, a clinic, a nursing home, one or more state or local associations of professionals, an organization of professionals from a particular area or medical institution, a health maintenance organization as defined in chapter 62D, a community integrated service network as defined in chapter 62N, a nonprofit health service plan corporation as defined in chapter 62C, a preferred provider organization, a professional standards review organization established pursuant to United States Code, title 42, section 1320c-1 et seq., a medical review agent established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), the department of human services, a health provider cooperative operating under sections 62R.17 to 62R.26, or a corporation organized under chapter 317A that owns, operates, or is established by one or more of the above referenced entities, to gather and review information relating to the care and treatment of patients for the purposes of:

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

(a) evaluating and improving the quality of health care rendered in the area or medical institution or by the entity or organization that established the review organization;

(b) reducing morbidity or mortality;

(c) obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;

(d) developing and publishing guidelines showing the norms of health care in the area or medical institution or in the entity or organization that established the review organization;

(e) developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;

(f) reviewing the quality or cost of health care services provided to enrollees of health maintenance organizations, community integrated service networks, health service plans, preferred provider organizations, and insurance companies;

(g) acting as a professional standards review organization pursuant to United States Code, title 42, section 1320c-1 et seq.;

(h) determining whether a professional shall be granted staff privileges in a medical institution, membership in a state or local association of professionals, or participating status in a nonprofit health service plan corporation, health maintenance organization, community integrated service network, preferred provider organization, or insurance company, or whether a professional's staff privileges, membership, or participation status should be limited, suspended or revoked;

(i) reviewing, ruling on, or advising on controversies, disputes or questions between:

(1) health insurance carriers, nonprofit health service plan corporations, health maintenance organizations, community integrated service networks, self-insurers and their insureds, subscribers, enrollees, or other covered persons;

(2) professional licensing boards and health providers licensed by them;

(3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;

(4) professionals and health insurance carriers, nonprofit health service plan corporations, health maintenance organizations, community integrated service networks, or self-insurers concerning a charge or fee for health care services provided to an insured, subscriber, enrollee, or other covered person;

(5) professionals or their patients and the federal, state, or local government, or agencies thereof;

(j) providing underwriting assistance in connection with professional liability insurance coverage applied for or obtained by dentists, or providing assistance to underwriters in evaluating claims against dentists;

(k) acting as a medical review agent under section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b);

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

(l) providing recommendations on the medical necessity of a health service, or the relevant prevailing community standard for a health service;

(m) providing quality assurance as required by United States Code, title 42, sections 1396r(b)(1)(b) and 1395i-3(b)(1)(b) of the Social Security Act;

(n) providing information to group purchasers of health care services when that information was originally generated within the review organization for a purpose specified by this subdivision; or

(o) providing information to other, affiliated or nonaffiliated review organizations, when that information was originally generated within the review organization for a purpose specified by this subdivision, and as long as that information will further the purposes of a review organization as specified by this subdivision.

Presented to the governor April 12, 1999

Signed by the governor April 15, 1999, 10:45 a.m.

#### CHAPTER 52—H.F.No. 583

*An act relating to insurance; regulating investments by township mutual insurance companies; amending Minnesota Statutes 1998, section 67A.231.*

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

Section 1. Minnesota Statutes 1998, section 67A.231, is amended to read:

#### **67A.231 DEPOSIT OF FUNDS; INVESTMENT; LIMITATIONS.**

The directors of any township mutual insurance company may authorize the treasurer to invest any of its funds and accumulations in:

(a) Bonds, notes, mortgages, or other obligations guaranteed by the full faith and credit of the United States of America and those for which the credit of the United States is pledged to pay principal, interest or dividends, including United States agency and instrumentality bonds, debentures, or obligations;

(b) Bonds, notes, evidence of indebtedness, or other public authority obligations guaranteed by this state;

(c) Bonds, notes, evidence of the indebtedness or other obligations guaranteed by the full faith and credit of any county, municipality, school district, or other duly authorized political subdivision of this state;

(d) Bonds or other interest bearing obligations, payable from revenues, provided that the bonds or other interest bearing obligations are at the time of purchase rated among the highest four quality categories used by a nationally recognized rating agency for rating the quality of similar bonds or other interest bearing obligations, and are not rated lower by any other such agency; or obligations of a United States agency or instrumentality that have been rated in one of the two highest categories established by the Se-

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