

seller's disclosure required by section 513.55 was inaccurate.

Subd. 2. FAILURE TO NOTIFY; LIABILITY. A seller who fails to notify the prospective buyer of any amendments to the initial disclosure required under subdivision 1 is liable to the prospective buyer as provided in section 513.57.

Sec. 8. [513.59] TRANSFER NOT INVALIDATED.

A transfer subject to sections 513.52 to 513.60 is not invalidated solely because of the failure of any person to comply with a provision of those sections. This section does not prevent a court from ordering a rescission of the transfer.

Sec. 9. [513.60] WAIVER.

The written disclosure required under sections 513.52 to 513.60 may be waived if the seller and the prospective buyer agree in writing. Waiver of the disclosure required under sections 513.52 to 513.60 does not waive, limit, or abridge any obligation for seller disclosure created by any other law.

Sec. 10. EFFECTIVE DATE.

This act is effective January 1, 2003, and applies to purchase agreements entered into on or after that date.

Presented to the governor March 28, 2002

Signed by the governor April 1, 2002, 9:08 a.m.

CHAPTER 307—S.F.No. 3315

An act relating to insurance; making certain changes involving the joint underwriting association's procedures; providing continuation coverage for certain life insurance; modifying scope of provisions regulating credit insurance; providing for health care administrative simplification; amending Minnesota Statutes 2000, sections 61A.092, subdivision 6; 62B.01; 62F.04, by adding a subdivision; 62J.51, subdivision 19; 62J.535, subdivision 2, by adding subdivisions; 62J.581; repealing Minnesota Statutes 2000, sections 62F.04, subdivision 1a; 62J.535, subdivision 1.

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

ARTICLE 1

JOINT UNDERWRITING ASSOCIATION

Section 1. Minnesota Statutes 2000, section 62F.04, is amended by adding a subdivision to read:

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

Subd. 3. AVOIDANCE OF GRAVE RISK. Because the activities of certain persons or entities present a risk that is so great, the association shall not offer insurance coverage to any person or entity the board of directors of the association determines is outside the intended scope and purpose of the association because of the gravity of the risk of offering insurance coverage.

Sec. 2. REPEALER.

Minnesota Statutes 2000, section 62F.04, subdivision 1a, is repealed.

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 2

OTHER INSURANCE CHANGES

Section 1. Minnesota Statutes 2000, section 61A.092, subdivision 6, is amended to read:

Subd. 6. APPLICATION. This section applies to a policy, certificate of insurance, or similar evidence of coverage issued to a Minnesota resident or issued to provide coverage to a Minnesota resident. This section does not apply to: (1) a certificate of insurance or similar evidence of coverage that meets the conditions of section 61A.093, subdivision 2; or (2) a group life insurance policy that contains a provision permitting the certificate holder, upon termination or layoff from employment, to retain the coverage provided under the group policy by paying premiums directly to the insurer, provided that the employer shall give the employee notice of the employee's and each related certificate holder's right to continue the insurance by paying premiums directly to the insurer. The insurer may reserve the right to increase premium rates after the first 18 months of continued coverage provided for under clause (2). A related certificate holder is an insured spouse or dependent child of the employee. Upon termination of this group policy or at the option of the insured who has continued coverage under clause (2), each covered employee, spouse, and dependent child is entitled to have issued to them a life conversion policy as prescribed in section 61A.09, subdivision 1, paragraph (h).

Sec. 2. Minnesota Statutes 2000, section 62B.01, is amended to read:

62B.01 SCOPE.

All life insurance, accident and health insurance, and involuntary unemployment insurance in connection with loan or other credit transactions are subject to sections 62B.01 to 62B.14, except mortgage life, mortgage accidental death, and mortgage disability insurance written in connection with first real estate mortgage loans. Insurance is not subject to sections 62B.01 to 62B.14 where its issuance is an isolated transaction on the part of the insurer not related to an agreement or a plan for insuring

New language is indicated by underline, deletions by strikeout.

debtors of the creditor. Credit life, credit accident and health, and credit involuntary unemployment insurance provided at no additional cost to the borrower are not subject to sections 62B.01 to 62B.14.

Sec. 3. Minnesota Statutes 2000, section 62J.51, subdivision 19, is amended to read:

Subd. 19. **UNIFORM DENTAL BILLING FORM.** "Uniform dental billing form" means the 1990 most current version uniform dental claim form developed by the American Dental Association.

Sec. 4. Minnesota Statutes 2000, section 62J.535, is amended by adding a subdivision to read:

Subd. 1a. **ELECTRONIC CLAIM TRANSACTIONS.** Group purchasers, including government programs, not defined as covered entities under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, and the rules promulgated under those sections, that voluntarily agree with providers to accept electronic claim transactions, must accept them in the ANSI X12N 837 standard electronic format as established by federal law. Nothing in this section requires acceptance of electronic claim transactions by entities not covered under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, and the rules promulgated under those sections. Notwithstanding the above, nothing in this section or other state law prohibits group purchasers not defined as covered entities under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, and the rules promulgated under those sections, from requiring, as authorized by Minnesota law or rule, additional information associated with a claim submitted by a provider.

Sec. 5. Minnesota Statutes 2000, section 62J.535, is amended by adding a subdivision to read:

Subd. 1b. **PAPER CLAIM TRANSACTIONS.** All group purchasers that accept paper claim transactions must accept, and health care providers submitting paper claim transactions must submit, such transactions with use of the applicable medical and nonmedical data code sets specified in the federal electronic claim transaction standards adopted under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, and the rules promulgated under those sections. The paper claim transaction must also be conducted using the uniform billing forms as specified in section 62J.52 and the identifiers specified in section 62J.54, on and after the compliance date required by law. Notwithstanding the above, nothing in this section or other state law prohibits group purchasers not defined as covered entities under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, and the rules promulgated under those sections, from requiring, as authorized by Minnesota law or rule, additional information associated with a claim submitted by a provider.

Sec. 6. Minnesota Statutes 2000, section 62J.535, subdivision 2, is amended to read:

Subd. 2. **COMPLIANCE.** ~~(a)~~ Subdivision 1a is effective concurrent with the date of required compliance for covered entities established under United States Code, title

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

42, sections 1320d to 1320d-8, as amended from time to time, for uniform electronic billing standards, all health care providers must conform to the uniform billing standards developed under subdivision 1.

(b) Notwithstanding paragraph (a), the requirements for the uniform remittance advice report shall be effective 12 months after the date of the required compliance of the standards for the electronic remittance advice transaction are effective under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time.

Sec. 7. Minnesota Statutes 2000, section 62J.581, is amended to read:

62J.581 STANDARDS FOR MINNESOTA UNIFORM HEALTH CARE REIMBURSEMENT DOCUMENTS.

Subdivision 1. **MINNESOTA UNIFORM REMITTANCE ADVICE REPORT.** All group purchasers and payers shall provide a uniform remittance advice report to health care providers when a claim is adjudicated. The uniform remittance advice report shall comply with the standards prescribed in this section. Notwithstanding the above, this section does not apply to group purchasers not included as covered entities under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, and the rules promulgated under those sections.

Subd. 2. **MINNESOTA UNIFORM EXPLANATION OF BENEFITS DOCUMENT.** All group purchasers and payers shall provide a uniform explanation of benefits document to health care patients when a claim is adjudicated an explanation of benefits document is provided as otherwise required or permitted by law. The uniform explanation of benefits document shall comply with the standards prescribed in this section. Notwithstanding the above, this section does not apply to group purchasers not included as covered entities under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, and the rules promulgated under those sections.

Subd. 3. **SCOPE.** For purposes of sections 62J.50 to 62J.61, the uniform remittance advice report and the uniform explanation of benefits document format specified in subdivision 4 shall apply to all health care services delivered by a health care provider or health care provider organization in Minnesota, regardless of the location of the payer. Health care services not paid on an individual claims basis, such as capitated payments, are not included in this section. A health plan company is excluded from the requirements in subdivisions 1 and 2 if they comply with section 62A.01, subdivisions 2 and 3.

Subd. 4. **SPECIFICATIONS.** The uniform remittance advice report and the uniform explanation of benefits document shall be provided by use of a paper document conforming to the specifications in this section or by use of the ANSI X12N 835 standard electronic format as established under United States Code, title 42, sections 1320d to 1320d-8, and as amended from time to time for the remittance advice. The commissioner, after consulting with the administrative uniformity committee, shall specify the data elements and definitions for the uniform remittance advice report and the uniform explanation of benefits document. The commissioner

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

and the administrative uniformity committee must consult with the Minnesota Dental Association and Delta Dental Plan of Minnesota before requiring under this section the use of a paper document for the uniform explanation of benefits document or the uniform remittance advice report for dental care services.

Subd. 5. **EFFECTIVE DATE.** The requirements in subdivisions 1 and 2 are effective ~~12 months after the date of required compliance with the standards for the electronic remittance advice transaction under United States Code, title 42, sections 1320d to 1320d-8, and as amended from time to time~~ October 16, 2004. The requirements in subdivisions 1 and 2 apply regardless of when the health care service was provided to the patient.

Sec. 8. REVISOR INSTRUCTION.

The revisor of statutes is instructed to amend the headnote of Minnesota Statutes, section 62J.535, to read "Uniform Billing Requirements for Claim Transactions."

Sec. 9. REPEALER.

Minnesota Statutes 2000, section 62J.535, subdivision 1, is repealed.

Sec. 10. EFFECTIVE DATE.

Sections 1 and 2 are effective the day following final enactment.

Presented to the governor March 28, 2002

Signed by the governor April 1, 2002, 9:07 a.m.

CHAPTER 308—S.F.No. 3145

An act relating to the military; revising the Minnesota code of military justice; amending Minnesota Statutes 2000, sections 192A.015; 192A.02, subdivision 3, by adding a subdivision; 192A.025; 192A.045, subdivisions 2, 3; 192A.05; 192A.055; 192A.07; 192A.08, subdivision 1; 192A.085, subdivisions 1, 3, 5, 7; 192A.09; 192A.095; 192A.10; 192A.105; 192A.11, subdivisions 1, 3; 192A.115; 192A.13; 192A.135; 192A.14; 192A.15, subdivisions 3, 5; 192A.155; 192A.16; 192A.205; 192A.235, subdivision 3; 192A.25, subdivision 3; 192A.28; 192A.31, subdivision 1; 192A.384; 192A.385; 192A.39; 192A.415; 192A.43, subdivisions 1, 2; 192A.46; 192A.47; 192A.48; 192A.485; 192A.50; 192A.51; 192A.525; 192A.54; 192A.55; 192A.555; 192A.56; 192A.57; 192A.585; 192A.59; 192A.60; 192A.605; 192A.61, subdivision 3; 192A.612; 192A.615, subdivisions 1, 2; 192A.62; 192A.635; 192A.64, subdivisions 1, 2; 192A.645; 192A.65; 192A.66; 192A.665; proposing coding for new law in Minnesota Statutes, chapter 192A; repealing Minnesota Statutes 2000, sections 192A.045, subdivision 1; 192A.06; 192A.075; 192A.145; 192A.165; 192A.17; 192A.175; 192A.18; 192A.185; 192A.19; 192A.195; 192A.21; 192A.215; 192A.22; 192A.225; 192A.23; 192A.235, subdivision 2; 192A.245; 192A.265; 192A.27; 192A.275; 192A.285; 192A.29; 192A.295; 192A.305; 192A.31, subdivision 2; 192A.315; 192A.32; 192A.325; 192A.33; 192A.335; 192A.34; 192A.345; 192A.35; 192A.355; 192A.36; 192A.365; 192A.37; 192A.375; 192A.38; 192A.43, subdivision 3; 192A.505; 192A.52; 192A.53; 192A.58; 192A.611; 192A.655.

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