

Sec. 6. **[18C.62] ENFORCEMENT.**

Sections 18C.60 and 18C.61 are enforced by local units of government under their existing authority. Violation of a provision in either of these sections is a petty misdemeanor.

Sec. 7. **EFFECTIVE DATE.**

Section 4 is effective January 1, 2004.

Presented to the governor April 18, 2002

Signed by the governor April 19, 2002, 9:45 a.m.

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**CHAPTER 346—S.F.No. 2909**

*An act relating to health; permitting a health maintenance organization rural demonstration project; amending Minnesota Statutes 2000, section 62D.30, by adding a subdivision.*

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

Section 1. Minnesota Statutes 2000, section 62D.30, is amended by adding a subdivision to read:

**Subd. 8. RURAL DEMONSTRATION PROJECT.** (a) The commissioner may permit demonstration projects to allow health maintenance organizations to extend coverage to a health improvement and purchasing coalition located in rural Minnesota, comprised of the health maintenance organization and members from a geographic area. For purposes of this subdivision, rural is defined as greater Minnesota excluding the seven-county metropolitan area of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. The coalition must be designed in such a way that members will:

- (1) become better informed about health care trends and cost increases;
- (2) be actively engaged in the design of health benefit options that will meet the needs of their community;
- (3) pool their insurance risk;
- (4) purchase these products from the health maintenance organization involved in the demonstration project; and
- (5) actively participate in health improvement decisions for their community.

(b) The commissioner must consider the following when approving applications for rural demonstration projects:

- (1) the extent of consumer involvement in development of the project;
- (2) the degree to which the project is likely to reduce the number of uninsured or to maintain existing coverage; and

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(3) a plan to evaluate and report to the commissioner and legislature as prescribed by paragraph (e).

(c) For purposes of this subdivision, the commissioner must waive compliance with the following statutes and rules: the cost-sharing restrictions under section 62D.02, subdivision 8, which for purposes of this subdivision is the sum of the annual copayments and deductible which is prohibited from exceeding the maximum out-of-pocket expenses allowable for a number three qualified plan under section 62E.06 or \$5,000 per family and an annual deductible of \$1,000 per person and Minnesota Rules, part 4685.0801, subparts 1 to 7; for a period of at least two years, participation in government programs under section 62D.04, subdivision 5, in the counties of the demonstration project if that compliance would have been required solely due to participation in the demonstration project and shall continue to waive this requirement beyond two years if the enrollment in the demonstration project is less than 10,000 enrollees; small employer marketing under section 62L.05, subdivisions 1 to 3; and small employer geographic premium variations under section 62L.08, subdivision 4. The commissioner shall approve enrollee cost-sharing features desired by the coalition that appropriately share costs between employers, individuals, and the health maintenance organization.

(d) The health maintenance organization may make the starting date of the project contingent upon a minimum number of enrollees as cited in the application, provide for an initial term of contract with the purchasers of a minimum of three years, and impose a reasonable penalty for employers who withdraw early from the project. For purposes of this subdivision, loss ratios are to be determined as if the policies issued under this section are considered individual or small employer policies pursuant to section 62A.021, subdivision 1, paragraph (f). The health maintenance organization may consider businesses of one to be a small employer under section 62L.02, subdivision 26. The health maintenance organization may limit enrollment and establish enrollment criteria for businesses of one. Health improvement and purchasing coalitions under this subdivision are not associations under section 62L.045, subdivision 1, paragraph (a).

(e) The health improvement and purchasing coalition must report to the commissioner and legislature annually on the progress of the demonstration project and, to the extent possible, any significant findings in the criteria listed in clauses (1), (2), and (3) for the final report. The coalition must submit a final report five years from the starting date of the project. The final report must detail significant findings from the project and must include, to the extent available, but should not be limited to, information on the following:

(1) the extent to which the project had an impact on the number of uninsured in the project area;

(2) the effect on health coverage premiums for groups in the project's geographic area, including those purchasing health coverage outside the health improvement and purchasing coalition; and

(3) the degree to which health care consumers were involved in the development and implementation of the demonstration project.

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(f) The commissioner must limit the number of demonstration projects under this subdivision to five projects.

(g) Approval of the application for the demonstration project is deemed to be in compliance with sections 62E.03 and 62E.06, subdivisions 1, paragraph (a), 2, and 3.

(h) Subdivisions 2 to 7 apply to demonstration projects under this subdivision. Waivers permitted under subdivision 1 do not apply to demonstration projects under this subdivision.

(i) If a demonstration project under this subdivision works in conjunction with a purchasing alliance formed under chapter 62T, that chapter will apply to the purchasing alliance except to the extent that chapter 62T is inconsistent with this subdivision.

**Sec. 2. EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

Presented to the governor April 18, 2002

Signed by the governor April 19, 2002, 9:47 a.m.

**CHAPTER 347—S.F.No. 2540**

*An act relating to property; changing certain probate and power of appointment provisions; amending Minnesota Statutes 2000, sections 501A.01; 524.2-804; 525.313; Minnesota Statutes 2001 Supplement, section 524.3-1201.*

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

Section 1. Minnesota Statutes 2000, section 501A.01, is amended to read:

**501A.01 WHEN NONVESTED INTEREST, POWERS OF APPOINTMENT ARE INVALID; EXCEPTIONS.**

(a) A nonvested property interest is invalid unless:

(1) when the interest is created, it is certain to vest or terminate no later than 21 years after the death of an individual then alive; or

(2) the interest either vests or terminates within 90 years after its creation.

(b) A general power of appointment not presently exercisable because of a condition precedent is invalid unless:

(1) when the power is created, the condition precedent is certain to be satisfied or become impossible to satisfy no later than 21 years after the death of an individual then alive; or

(2) the condition precedent either is satisfied or becomes impossible to satisfy within 90 years after its creation.

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