SENATE STATE OF MINNESOTA EIGHTY-SEVENTH LEGISLATURE

S.F. No. 2075

(SENATE AUTHORS: KRUSE)

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02/23/2012 3940 Introduction and first reading

Introduction and first reading Referred to Commerce and Consumer Protection

1.1 A bill for an act
1.2 relating to insurance; permitting a small employer to retain small employer health
1.3 coverage when its workforce is reduced to one covered employee; amending
1.4 Minnesota Statutes 2010, section 62L.03, subdivision 1.
1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2010, section 62L.03, subdivision 1, is amended to read:

Subdivision 1. **Guaranteed issue and reissue.** (a) Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, affirmatively market, offer, sell, issue, and renew any of its health benefit plans, on a guaranteed issue basis, to any small employer, including a small employer covered by paragraph (b), that meets the participation and contribution requirements of subdivision 3, as provided in this chapter.

- (b) A small employer that has its workforce reduced to one <u>covered</u> employee may continue coverage <u>as under</u> a small employer for 12 months from the date the group is reduced to one employee plan if the small employer plan has been in effect continuously for at least 12 months immediately prior to the workforce reduction and the remaining covered employee has been continuously covered under that plan during that entire period. The health carrier must make renewals of the small employer plan available to that employer on the same basis upon which renewals are available to employers that are still small employers as defined under this chapter.
- (c) Notwithstanding paragraph (a), a health carrier may, at the time of coverage renewal, modify the health coverage for a product offered in the small employer market if the modification is consistent with state law, approved by the commissioner, and effective

Section 1.

S.F. No. 2075, as introduced - 87th Legislative Session (2011-2012) [11-3200]

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on a uniform basis for all small employers purchasing that product other than through a qualified association in compliance with section 62L.045, subdivision 2.

Paragraph (a) does not apply to a health benefit plan designed for a small employer to comply with a collective bargaining agreement, provided that the health benefit plan otherwise complies with this chapter and is not offered to other small employers, except for other small employers that need it for the same reason. This paragraph applies only with respect to collective bargaining agreements entered into prior to August 21, 1996, and only with respect to plan years beginning before the later of July 1, 1997, or the date upon which the last of the collective bargaining agreements relating to the plan terminates determined without regard to any extension agreed to after August 21, 1996.

- (d) Every health carrier participating in the small employer market shall make available both of the plans described in section 62L.05 to small employers and shall fully comply with the underwriting and the rate restrictions specified in this chapter for all health benefit plans issued to small employers.
- (e) A health carrier may cease to transact business in the small employer market as provided under section 62L.09.

2.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

Section 1. 2