

4652.0100 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of chapter 4652, the terms in this part have the meanings given them.

Subp. 1a. **Administrative services fee revenue.** "Administrative services fee revenue" includes all revenue from fees related to health administrative services only contracts written for Minnesota residents. An administrative services only contract means a contract between a group purchaser and a third party, including a self-insured, under which the group purchaser provides claims administration and other services.

Subp. 2. **Billing and enrollment expenses.** "Billing and enrollment expenses" means all costs associated with group and individual billing, member enrollment and premium collection and reconciliation functions. Billing and enrollment expenses includes costs for the collection and reconciliation of cash, group and membership setup and maintenance, contract, identification card, and directory preparation and issuance, electronic data interchange expenses pertaining to billing and enrollment, and enrollment materials. Examples of traditional expense categories that a group purchaser may allocate in whole or in part to billing and enrollment expenses are: finance and information systems.

Subp. 3. **Charitable contributions expenses.** "Charitable contributions expenses" means all costs related to contributions made for charitable purposes.

Subp. 4. **Chemical dependency services expenses.** "Chemical dependency services expenses" means all costs related to inpatient and outpatient chemical dependency services that are coded using one or more of the following codes or amended equivalent codes:

A. ICD-9 diagnosis code ranges 303.00 to 305.92; and

B. CPT codes 90801, 90841, 90843, 90844, 90844.22, 90846, 90847, 90847.22, 90849, 90853, 98900, 98902, 98910, and 98912.

Chemical dependency services expenses also means all costs related to inpatient and outpatient chemical dependency services that are coded using codes from another coding system where the commissioner determines that the codes indicate diagnoses or procedures comparable to or consistent with codes listed in items A and B. A group purchaser may use a nationally recognized standardized reporting system to capture costs for chemical dependency inpatient, outpatient, and other professional services. Chemical dependency services expenses does not include prescription drugs or supplies administered or dispensed which are billed directly through a hospital or health care provider.

Subp. 5. **Claim processing expenses.** "Claim processing expenses" means all costs associated with the adjudication and adjustment of claims, coordination of benefits processing, maintenance of the claim system, printing of claim forms, claim audit function, electronic data interchange expenses pertaining to claim processing, and fraud investigation. Examples of traditional expense categories that a group purchaser may

allocate in whole or in part to claim processing expenses are: information systems and legal.

Subp. 6. **Commissioner.** "Commissioner" means the commissioner of the Minnesota Department of Health and authorized agents.

Subp. 7. **Customer service expenses.** "Customer service expenses" means all costs associated with individual, group, or provider support relating to membership, open enrollment, grievance resolution, claim problems, and specialized phone services and equipment. Examples of traditional expense categories that a group purchaser may allocate in whole or in part to customer service expenses are: information systems, finance, legal, and sales and marketing.

Subp. 8. **Dental services expenses.** "Dental services expenses" means all professional and other costs provided under dental services contracts or riders.

Subp. 9. **Durable medical goods expenses.** "Durable medical goods expenses" means all costs for such items as wheel chairs, eyewear, hearing aids, surgical appliances, bulk and cylinder oxygen, equipment rental, and other devices or equipment that can withstand repeated use.

Subp. 10. **Emergency services expenses.** "Emergency services expenses" means all costs for medical care provided in the emergency room of a hospital. Emergency services expenses includes the room, board, and any services such as X-ray and laboratory services billed by the facility. Emergency services expenses does not include expenditures for physician services.

Subp. 11. **General administration expenses.** "General administration expenses" means all costs not attributed or allocated to the categories of billing and enrollment, claim processing, customer service, product management and marketing, regulatory compliance and government relations, provider relations and contracting, quality assurance and utilization management, wellness and health education, research and product development, and charitable contributions. Examples of traditional expense categories that a group purchaser may allocate in whole or in part to general administration expenses are: human resources, facility maintenance, payroll, general accounting, finance, executive, internal audit, treasury, actuarial, finance, information systems, office management and occupancy costs, general office supplies and equipment, legal, board, outside consulting services, membership fees in trade organizations, public relations, and mail room. General administration expenses does not include taxes and assessments.

Subp. 12. **Group purchaser.** "Group purchaser" means a person or organization that purchases health care services on behalf of an identified group of persons, regardless of whether the costs of coverage or services is paid for by the purchaser or by the persons receiving coverage or services, as further defined in rules adopted by the

commissioner. Group purchaser includes, but is not limited to, integrated service networks; community integrated service networks; health insurance companies, health maintenance organizations, nonprofit health service plan corporations, and other health plan companies; employee health plans offered by self-insured employers; trusts established in a collective bargaining agreement under the federal Labor-Management Relations Act of 1947, United States Code, title 29, section 141, et seq.; the Minnesota comprehensive health association; group health coverage offered by fraternal organizations, professional associations, or other organizations; state and federal health care programs; state and local public employee health plans; workers' compensation plans; and the medical component of automobile insurance coverage.

Subp. 13. **Home health care expenses.** "Home health care expenses" means all costs for medical care services delivered in the home under the direction of a physician. Home health care expenses includes costs for noninpatient hospice care.

Subp. 14. **Inpatient hospital services expenses.** "Inpatient hospital services expenses" means all costs for those services furnished by a hospital for inpatient services, including inpatient hospice care. Inpatient hospital services expenses does not include costs of mental health services and chemical dependency services.

Subp. 15. **Insurance company.** "Insurance company" means an organization licensed under Minnesota Statutes, chapter 60A, to offer, sell, or issue a policy of accident and sickness insurance as defined in Minnesota Statutes, section 62A.01.

Subp. 16. **Member.** "Member" means a person who has been enrolled as a subscriber or an eligible dependent of a subscriber for whom the group purchaser has accepted the responsibility for the provision of basic health services under a contract.

Subp. 17. **Member liability.** "Member liability" means the total amount payable by the member for health care services. Member liability includes deductibles, coinsurance, copayments, and amounts beyond plan maximums.

Subp. 18. **Member month.** "Member month" means the equivalent to one member for whom the group purchaser has recognized premium revenue for one month.

Subp. 19. **Mental health services expenses.** "Mental health services expenses" means all costs related to inpatient and outpatient mental health services that are coded using one or more of the following codes or amended equivalent codes:

A. ICD-9 diagnosis code ranges 290 to 302.9 and 306 to 319; and

B. CPT codes: 90801, 90841, 90843, 90844, 90844.22, 90846, 90847, 90847.22, 90849, 90853, 98900, 98902, 98910, and 98912.

Mental health services expenses also means all costs related to inpatient and outpatient mental health services that are coded using codes from another coding system where the

commissioner determines that the codes indicate diagnoses or procedures comparable to or consistent with codes listed in items A and B. A group purchaser may use a nationally recognized standardized reporting system to capture costs for mental health inpatient, outpatient, and other professional services. Mental health services expenses does not include prescription drugs or supplies administered or dispensed which are billed directly through a hospital or health care provider.

Subp. 19a. **Minimum premium plan revenue.** "Minimum premium plan revenue" means revenue from insurance plan policies written from Minnesota residents whereby an employer self-funds a fixed percentage of the estimated monthly claims and the insurer covers the remainder.

Subp. 20. **MinnesotaCare tax expenses.** "MinnesotaCare tax expenses" means all payments made for the MinnesotaCare tax under Minnesota Statutes, sections 295.52 and 295.582.

Subp. 21. **Minnesota resident.** "Minnesota resident" means a person who is listed on the records of the group purchaser as a member having a zip code within Minnesota. The group purchaser may use subscriber records if it does not have separate records for each member.

Subp. 22. **Other health professional services expenses.** "Other health professional services expenses" means costs for all services provided by health professionals other than physicians and dentists, including chiropractors, therapists, social workers, nurse practitioners, and medical dental services. Other health professional services expenses does not include costs of mental health services and chemical dependency services.

Subp. 23. **Other taxes and assessments expenses.** "Other taxes and assessments expenses" means all payments or amounts payable to government agencies except for the MinnesotaCare tax under Minnesota Statutes, section 295.52. Other taxes and assessments expenses does not include fees or fines paid to government agencies.

Subp. 24. **Outpatient services expenses.** "Outpatient services expenses" means all costs for those services offered by a hospital which are furnished to ambulatory patients not requiring emergency care and for which there is not a room and board charge. Outpatient services expenses does not include costs of mental health services and chemical dependency services.

Subp. 24a. **Patient services revenue.** "Patient services revenue" means fee-for-service revenue received for medical and dental services delivered to patients by clinics that are owned by the group purchaser.

Subp. 25. **Pharmacy and other nondurable medical goods expenses.** "Pharmacy and other nondurable medical goods expenses" means all costs paid by the group purchaser to a pharmacist or medical supply company to provide pharmaceuticals and nonreusable

supplies or pieces of equipment that are used to treat a health condition. Pharmacy and other nondurable medical goods expenses does not include the cost of pharmaceuticals and other nondurable medical goods administered or dispensed which are billed directly through a hospital or health care provider.

Subp. 26. **Physician services expenses.** "Physician services expenses" means costs for all services provided by or under the supervision of licensed medical doctors and doctors of osteopathic medicine, including pharmaceuticals and supplies administered or dispensed from the physician's office and billed directly through the physician. Physician services expenses does not include costs of mental health services and chemical dependency services.

Subp. 27. **Product management and marketing expenses.** "Product management and marketing expenses" means all costs associated with the management and marketing of current products, including costs relating to product promotion and advertising, sales, pricing, broker fees and commissions, internal commissions and commissions processing, marketing materials, account reporting, changes or additions to current products, and enrollee education regarding coverage. Examples of traditional expense categories that a group purchaser may allocate in whole or in part to product management and marketing expenses are: information systems, underwriting, legal, finance, actuarial, public relations, and network management.

Subp. 28. **Provider relations and contracting expenses.** "Provider relations and contracting expenses" means all costs associated with contract negotiation and preparation, monitoring of provider compliance, field training with providers, provider communication materials and bulletins, and administration of provider capitations and settlements. Examples of traditional expense categories that a group purchaser may allocate in whole or in part to provider relations and contracting expenses are: finance, legal, accounting, actuarial, and information systems.

Subp. 29. **Quality assurance and utilization management expenses.** "Quality assurance and utilization management expenses" means all costs associated with quality assurance, practice protocol development, utilization review, peer review, credentialing, outcomes analysis related to existing products, nurse triage, and other medical care evaluation activities. Examples of traditional expense categories that a group purchaser may allocate in whole or in part to quality assurance and utilization management expenses are: information systems and legal.

Subp. 30. **Regulatory compliance and government relations expenses.** "Regulatory compliance and government relations expenses" means all costs associated with federal and state reporting, rate filing, state and federal audits, tax accounting, lobbying, licensing and filing fees, and costs associated with the preparation and filing of all financial, utilization, statistical and quality reports, and administration of government

programs. Examples of traditional expense categories that a group purchaser may allocate in whole or in part to regulatory compliance and government relations expenses are: information systems, finance, actuarial, sales and marketing, underwriting, contract, legal, utilization management, quality assurance, and compliance.

Subp. 30a. **Reinsurance assumed revenue.** "Reinsurance assumed revenue" means total revenue from reinsurance plan policies for Minnesota residents received by a group purchaser who writes the reinsurance plan policies. Reinsurance assumed revenue does not include payments received for reinsurance claims.

Subp. 31. **Research and product development expenses.** "Research and product development expenses" means all costs associated with outcomes research, medical research programs, product design and development for products and programs not currently offered, and major systems development. Examples of traditional expense categories that a group purchaser may allocate in whole or in part to research and product development expenses are: actuarial, information systems, marketing, finance, underwriting, and wellness programs.

Subp. 32. **Skilled nursing facilities expenses.** "Skilled nursing facilities expenses" means all costs for those services furnished by a facility primarily engaged in providing skilled nursing care and related services for patients who require medical or nursing care or rehabilitation services. Skilled nursing facilities expenses includes room and board incurred at skilled nursing facilities. Skilled nursing facilities expenses does not include costs of mental health services and chemical dependency services.

Subp. 33. **Subscriber.** "Subscriber" means a person who has been enrolled with a group purchaser and for whom the group purchaser has accepted the responsibility for the provision of basic health services under a contract, where the contract is either directly between the person and the group purchaser or between the employer of the person and the group purchaser. The subscriber may or may not have dependents who are covered under the contract.

Subp. 34. **Total premium revenue.** "Total premium revenue" means all premiums charged on all health insurance policies written for Minnesota residents, including the change in unearned premium from the previous year, minus refunds based on experience. Total premium revenue does not include minimum premium revenue, administrative services fee revenue, utilization review fee revenue, reinsurance assumed revenue, and patient services revenue.

Subp. 34a. **Utilization review fee revenue.** "Utilization review fee revenue" means all revenue from fees not part of premium revenue related to health utilization review products written for Minnesota residents.

Subp. 35. **Wellness and health education expenses.** "Wellness and health education expenses" means all costs associated with wellness and health promotion, disease prevention, member education and materials, provider education, and outreach services. Examples of traditional expense categories that a group purchaser may allocate in whole or in part to wellness and health education expenses are: marketing, medical services, and printing.

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