

**4685.1970 FINANCIAL DISCLOSURE.**

Subpart 1. **Principal officer.** As provided by Minnesota Statutes, section 62D.03, subdivision 4, "principal officer" means an employee whose annual wages, expense reimbursements, and other payments exceed \$60,000, if such employee performs the duties of:

- A. president;
- B. vice-president;
- C. secretary;
- D. treasurer;
- E. executive director;
- F. chief executive officer;
- G. chief operating officer;
- H. chief financial officer;
- I. medical director; or
- J. general counsel.

Subp. 2. **Disclosure of contractual and financial arrangement.** The disclosure of contractual and financial arrangements under Minnesota Statutes, section 62D.03, subdivision 4, must include a detailed description of the obligations to be met by and compensation to be received by each party to the contract or arrangement.

Subp. 3. **Disclosure of wages, expense reimbursements, and other payments.** The disclosure of wages, expense reimbursements, and other payments under Minnesota Statutes, section 62D.08, subdivision 3, to persons identified in Minnesota Statutes, section 62D.03, subdivision 4, clause (c) must include items taxable as income to such persons under Minnesota Statutes, chapter 290, if the items are received for:

- A. direct services rendered in any capacity to the health maintenance organization; or
- B. indirect services rendered in any capacity for the health maintenance organization. Indirect services are services essential to the operation of the health maintenance organization, including administration, management, and the provision of medical care, regardless of whether the individual providing the services is compensated by the health maintenance organization or the major participating entity.

Subp. 4. **Allocation.** If the actual compensation for the services listed in subpart 3, items A and B, is unknown, the health maintenance organization shall calculate an allocation

of the wages, expense reimbursements, and other payments for the persons identified in Minnesota Statutes, section 62D.03, subdivision 4. The allocation must be based on:

- A. time;
- B. number of enrollees;
- C. gross revenues;
- D. dollar volume of claims processed; or
- E. number of claims processed.

The health maintenance organization shall indicate in the annual report the allocation basis or bases chosen.

**Statutory Authority:** *MS s 62D.08; 62D.20; 62D.21*

**History:** *10 SR 2159*

**Published Electronically:** *October 11, 2007*