

**4685.2200 TERMINATION OF COVERAGE.**

Subpart 1. **Definitions.** For the purpose of this part, the following terms have the meanings given them.

A. "Notice date" means the date a written notice of cancellation of coverage is postmarked by the United States Postal Service.

B. "Effective date of notice" means the date that a notice of cancellation of coverage takes effect as stated in the notice.

C. "Cancellation date" means the date coverage ends, as stated in the notice of cancellation.

Subp. 1a. **Justification.** In addition to those reasons specified in Minnesota Statutes, section 62D.12, subdivision 2, a health maintenance organization may, upon 30 days advance notice, cancel or fail to renew the coverage of an enrollee if the enrollee moves out of the geographic service area filed with the commissioner, provided the cancellation or nonrenewal is made within one year following the date the health maintenance organization was provided written notification of the address change. Written notification of the change of address of an enrollee may be from any reliable source, such as the United States Postal Service or providers. If notification is received from a source other than the enrollee, the health maintenance organization must verify that the enrollee has moved out of the service area before sending notice of termination. The verification may be in any form which is separate from the termination notice and which provides an adequate record for the commissioner to audit as required under Minnesota Statutes, section 62D.14.

A health maintenance organization may cancel or fail to renew the coverage of an enrollee if the enrollee knowingly gives false, material information at the time of enrollment relative to the enrollee's health status, provided the cancellation or nonrenewal is made within six months of the date of enrollment. This subpart does not prevent the enrollee from exercising the appeals rights provided by Minnesota Statutes, section 62D.11.

Subp. 2. **Notice.** In any situation where 30 days notice of cancellation or nonrenewal of the coverage of a specified group plan or of the coverage of any individual therein is required, notice given by a health maintenance organization to an authorized representative of any such group shall be deemed to be notice to all affected enrollees in any such group and satisfy the notice requirement of the act, except as set out in subpart 2a.

The notice requirement of Minnesota Statutes, section 62D.12, subdivision 2a, shall be deemed to be satisfied in the event of voluntary enrollee cancellation or nonrenewal of coverage, including such voluntary cancellation manifested by the nongroup plan enrollee's failure to pay the prescribed prepayment amount.

The notice requirements of Minnesota Statutes, section 62D.12, subdivision 2a, are considered satisfied in the event of voluntary group cancellation or nonrenewal of coverage

manifested by the group contract holder's notice to the health maintenance organization of the cancellation or nonrenewal.

Subp. 2a. **Notice of cancellation to group enrollees.** In situations where the health maintenance organization is canceling coverage for all enrollees of a group plan for nonpayment of the premium for coverage under the group plan, the health maintenance organization is required to give all enrollees in the group plan 30 days notice of termination. The effective date of the notice shall not be less than 30 days after the notice date and shall clearly state the cancellation date which shall be no more than 60 days prior to the effective date of the notice. The notice shall include a statement of the enrollees' rights to convert to an individual policy without underwriting restrictions and shall include either an application for conversion coverage or a telephone number which the enrollees can call for further information about conversion to an individual plan.

The health maintenance organization shall not bill a group enrollee for any amount arising before the cancellation date, whether arising from past due premiums or from health services received by the enrollee.

Subp. 3. **Termination of dependents at limiting age.** A health maintenance organization may terminate enrollees who are covered dependents in a family health maintenance contract upon the attainment by the dependent enrollee of a limiting age as specified in the contract. Provided, however, that no health maintenance contract may specify a limiting age of less than 18 years of age. If any health maintenance contract provides for the termination of coverage based on the attainment of a specified age it shall also provide in substance that attainment of that age shall not terminate coverage while the child is incapable of self-sustaining employment by reason of developmental disability or physical disability, and chiefly dependent upon the enrollee for support and maintenance. The enrollee must provide proof of the child's incapacity and dependency within 31 days of attainment of the age, and subsequently as required by the health maintenance organization, but not more frequently than annually after a two-year period following attainment of the age.

**Statutory Authority:** *MS s 62D.05; 62D.20*

**History:** *16 SR 2478; L 2005 c 56 s 2*

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