

1 Department of Commerce

2

3 Adopted Rules Governing Health Maintenance Organizations

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5 Rules as Adopted

6 2730.0200 AUTHORITY AND PURPOSE.

7 Parts 2730.0200 to 2730.0700 are promulgated pursuant to
8 the authority granted by Laws of Minnesota 1973, chapter 607,
9 sections 10, subdivision 4, and 19, and by Minnesota Statutes,
10 sections 14.05 to 14.36, for the purpose of setting forth rules
11 and procedural standards that the commissioner of commerce deems
12 necessary to carry out the provisions of the act.

13 2730.0300 EXAMINATION OF AGENTS, SOLICITORS, AND BROKERS.

14 Pursuant to Minnesota Statutes, section 62D.22, subdivision
15 8, and in accordance with Minnesota Statutes 1971, section
16 60A.17, and agents' license rules of the Department of Commerce,
17 part 2700.0700, the commissioner shall conduct written
18 examinations for the licensing of health maintenance
19 organization agents, solicitors, and brokers. Such examinations
20 shall be designed to determine:

21 A. the abilities and qualifications of each license
22 applicant to protect the rights of health maintenance
23 organizations, enrollees, providers association with health
24 maintenance organizations, and the general public relative to
25 solicitations for enrollment in health maintenance
26 organizations; and

27 B. each license applicant's familiarity with enrollee
28 obligations, rights, and duties under health maintenance
29 contracts and evidences of coverage, health service benefits
30 thereunder, charges for and limitations upon services, and the
31 authorized forms of solicitation and advertising of health
32 maintenance organization services.

33 2730.0400 SPECIAL EXAMINATIONS

34 Upon application in writing, affirmatively showing the
35 reason or reasons therefor, the commissioner of commerce may

1 conduct special examinations for purposes of authorizing
2 solicitation or advertising limited in scope or duration or for
3 particular requirements of health maintenance organization
4 agent, solicitor, and broker license applicants.

5 2730.0500 DETERMINATION OF UNREASONABLE EXPENSES.

6 Not less frequently than once every three years, the
7 commissioner of health or the commissioner of commerce shall
8 determine whether any expense a health maintenance organization
9 incurs or pays is unreasonably high in relation to the value of
10 any service or good provided to it. In making such
11 determinations, to the extent possible, due consideration shall
12 be given to:

13 A. the expense incurred or paid by other health
14 maintenance organizations and other health care delivery systems
15 for the same or similar service or goods;

16 B. the cost of such service or goods to the supplier
17 thereof;

18 C. the impact of such expense upon the finance
19 solvency of the health maintenance organization;

20 D. all pertinent cost/service data obtained or
21 obtainable by the commissioner of health from the health
22 maintenance organization pursuant to Minnesota Statutes,
23 sections 62D.03, 62D.04, 62D.08, 62D.10, and 62D.14;

24 E. guidelines developed and published pursuant to
25 Minnesota Statutes, section 145.61, subdivision 5, clause (e);

26 F. pertinent data available from any rating
27 organization approved by the commissioner of commerce;

28 G. such other information and information collection
29 techniques as the commissioner of health may employ that show
30 the real cost or fair market value of such service or goods; and

31 H. whether the officers and trustees of the health
32 maintenance organization have acted with good faith and in the
33 best interests of the health maintenance organization in
34 entering into, and performing under, a contract under which the
35 health maintenance organization has incurred an expense.

1 2730.0600 COMMISSIONER'S ENFORCEMENT AUTHORITY.

2 Upon a finding by the commissioner of health or the
3 commissioner of commerce that a health maintenance organization
4 is incurring or paying for any expense that is unreasonably high
5 in relation to the value of the service or goods provided, the
6 commissioner of health may:

7 A. issue an order pursuant to Minnesota Statutes,
8 section 62D.17;

9 B. consider the unreasonable expense to constitute a
10 failure of the health maintenance organization to satisfy
11 Minnesota Statutes, section 62D.12, subdivision 9, paragraph (c)
12 or 62D.15, subdivision 1, paragraph (i) and to proceed
13 accordingly; or

14 C. exercise such other statutory power as is
15 available to him and that he deems appropriate.

16 2730.0700 INTERAGENCY AGREEMENT.

17 The commissioner of commerce may by agreement with the
18 commissioner of health provide procedures for the implementation
19 and coordinated enforcement of part 2730.0500.