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ARTICLE 2
INSURANCE **POLICY**

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ARTICLE 2
INSURANCE
Section 1. Minnesota Statutes 2022, section 60A.08, subdivision 15, is amended to read:
Subd. 15. **Classification of insurance filings data.** (a) All forms, rates, and related information filed with the commissioner under section 61A.02 shall be nonpublic data until the filing becomes effective.
(b) All forms, rates, and related information filed with the commissioner under section 62A.02 shall be nonpublic data until the filing becomes effective.
(c) All forms, rates, and related information filed with the commissioner under section 62C.14, subdivision 10, shall be nonpublic data until the filing becomes effective.
(d) All forms, rates, and related information filed with the commissioner under section 70A.06 shall be nonpublic data until the filing becomes effective.
(e) All forms, rates, and related information filed with the commissioner under section 79.56 shall be nonpublic data until the filing becomes effective.
(f) All forms, rates, and related information filed with the commissioner under section 65A.298 are nonpublic data until the filing becomes effective.
~~(g)~~ (g) Notwithstanding paragraphs (b) and (c), for all rate increases subject to review under section 2794 of the Public Health Services Act and any amendments to, or regulations, or guidance issued under the act that are filed with the commissioner on or after September 1, 2011, the commissioner:
(1) may acknowledge receipt of the information;
(2) may acknowledge that the corresponding rate filing is pending review;
(3) must provide public access from the Department of Commerce's website to parts I and II of the Preliminary Justifications of the rate increases subject to review; and
(4) must provide notice to the public on the Department of Commerce's website of the review of the proposed rate, which must include a statement that the public has 30 calendar days to submit written comments to the commissioner on the rate filing subject to review.
~~(g)~~ (h) Notwithstanding paragraphs (b) and (c), for all proposed premium rates filed with the commissioner for individual health plans, as defined in section 62A.011, subdivision 4, and small group health plans, as defined in section 62K.03, subdivision 12, the commissioner must provide public access on the Department of Commerce's website to compiled data of the proposed changes to rates, separated by health plan and geographic rating area, within ten business days after the deadline by which health carriers, as defined in section 62A.011, subdivision 2, must submit proposed rates to the commissioner for approval.

11.24 Sec. 2. **[60A.0812] PROPERTY AND CASUALTY POLICY EXCLUSIONS.**

11.25 Subdivision 1. **Short title.** This section may be cited as the "Family Protection Act."

11.26 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
11.27 meanings given.

11.28 (b) "Boat" means a motorized or nonmotorized vessel that floats and is used for personal,
11.29 noncommercial use on waters in Minnesota.

11.30 (c) "Boat insurance policy" means an insurance policy that provides liability coverage
11.31 for bodily injury resulting from the ownership, maintenance, or use of a boat, although the
12.1 policy may also provide for property insurance coverage for the boat for noncommercial
12.2 use.

12.3 (d) "Insured" means an insured under a policy specified in subdivision 3, clauses (1) to
12.4 (4), including the named insured and the following persons not identified by name as an
12.5 insured while residing in the same household with the named insured:

12.6 (1) a spouse of a named insured;

12.7 (2) a relative of a named insured; or

12.8 (3) a minor in the custody of a named insured, spouse of a named insured, or of a relative
12.9 residing in the same household with a named insured.

12.10 For purposes of this section, a person resides in or is a member of the same household with
12.11 the named insured if the person's home is usually in the same family unit, even if the person
12.12 is temporarily living elsewhere.

12.13 (e) "Permitted exclusion" means an exclusion of or limitation on liability for damages
12.14 for bodily injury resulting from fraud, intentional conduct, criminal conduct that intentionally
12.15 causes an injury, and other exclusions permitted by law, including a permitted exclusion
12.16 contained in a boat insurance policy issued in this state pursuant to subdivision 6.

12.17 (f) "Prohibited exclusion" means an exclusion of or limitation on liability for damages
12.18 for bodily injury because the injured person is:

12.19 (1) an insured other than a named insured;

12.20 (2) a resident or member of the insured's household; or

12.21 (3) related to the insured by blood or marriage.

12.22 Subd. 3. **Prohibited exclusions.** A prohibited exclusion contained in a plan or policy
12.23 identified in clauses (1) to (4) is against public policy and is void. The following insurance
12.24 coverage issued in this state must not contain a prohibited exclusion, unless expressly
12.25 provided otherwise under this section:

- 12.26 (1) a plan of reparation security, as defined under section 65B.43;
- 12.27 (2) a boat insurance policy;
- 12.28 (3) a personal excess liability policy; and
- 12.29 (4) a personal umbrella policy.
- 12.30 Subd. 4. **Permitted exclusions.** An insurance policy listed in this section may contain
- 12.31 a permitted exclusion for bodily injury to an insured.
- 13.1 Subd. 5. **Underlying coverage requirement.** An excess or umbrella policy may contain
- 13.2 a requirement that coverage for family or household members under an excess or umbrella
- 13.3 policy governed by this section is available only to the extent coverage is first available
- 13.4 from an underlying policy that provides coverage for damages for bodily injury.
- 13.5 Subd. 6. **Election of coverage for boat insurance policies.** (a) An insurer issuing bodily
- 13.6 injury liability coverage for a boat insurance policy under this section must notify a person
- 13.7 at the time of sale of the person's rights under this section to decline coverage for insureds
- 13.8 and be provided an updated quote reflecting the appropriate premium for the coverage
- 13.9 provided.
- 13.10 (b) Named insureds must affirmatively make an election to decline coverage, in a form
- 13.11 approved by the commissioner, after being informed that an updated quote will be provided.
- 13.12 (c) An insurer offering an election of coverage under this subdivision must have the
- 13.13 disclosure approved by the commissioner. The notice must be in 14-point bold type, in a
- 13.14 conspicuous location of the notice document, and contain at least the following:
- 13.15 ELECTION TO DECLINE COVERAGE: YOU HAVE THE RIGHT TO DECLINE
- 13.16 BODILY INJURY COVERAGE FOR INJURIES TO YOUR FAMILY AND HOUSEHOLD
- 13.17 MEMBERS FOR WHICH YOU WOULD OTHERWISE BE ENTITLED TO UNDER
- 13.18 MINNESOTA LAW. IF YOU ELECT TO DECLINE THIS COVERAGE, YOU WILL
- 13.19 RECEIVE AN UPDATED PREMIUM QUOTE BASED ON THE COVERAGE YOU
- 13.20 ARE ELECTING TO PURCHASE. READ YOUR POLICY CAREFULLY TO
- 13.21 DETERMINE WHICH FAMILY AND HOUSEHOLD MEMBERS WOULD NOT BE
- 13.22 COVERED FOR BODILY INJURY IF YOU ELECT TO DECLINE COVERAGE.
- 13.23 Subd. 7. **Excessive rate hearings for boat insurance policies.** Whenever an insurer
- 13.24 files a change in a rate for a boat insurance policy that will result in a 15 percent or more
- 13.25 increase in a 12-month period over existing rates, the commissioner may hold a hearing to
- 13.26 determine if the change is excessive. The hearing must be conducted under chapter 14. The
- 13.27 commissioner must give notice of intent to hold a hearing within 60 days of the filing of
- 13.28 the change. It shall be the responsibility of the insurer to show the rate is not excessive. The
- 13.29 rate is effective unless it is determined as a result of the hearing that the rate is excessive.
- 13.30 This subdivision expires January 1, 2029.

10.28 Section 1. Minnesota Statutes 2022, section 60A.14, subdivision 1, is amended to read:

10.29 Subdivision 1. **Fees other than examination fees.** In addition to the fees and charges

10.30 provided for examinations, the following fees must be paid to the commissioner for deposit

10.31 in the general fund:

11.1 (a) by township mutual fire insurance companies:

11.2 (1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

11.3 (2) for filing annual statements, \$15;

11.4 (3) for each annual certificate of authority, \$15;

11.5 (4) for filing bylaws \$25 and amendments thereto, \$10;

11.6 (b) by other domestic and foreign companies including fraternal and reciprocal

11.7 exchanges:

11.8 (1) for filing an application for an initial certification of authority to be admitted to

11.9 transact business in this state, \$1,500;

11.10 (2) for filing certified copy of certificate of articles of incorporation, \$100;

11.11 (3) for filing annual statement, ~~\$225~~ \$300;

11.12 (4) for filing certified copy of amendment to certificate or articles of incorporation, \$100;

11.13 (5) for filing bylaws, \$75 or amendments thereto, \$75;

11.14 (6) for each company's certificate of authority, ~~\$575~~ \$750, annually;

11.15 (c) the following general fees apply:

11.16 (1) for each certificate, including certified copy of certificate of authority, renewal,

11.17 valuation of life policies, corporate condition or qualification, \$25;

11.18 (2) for each copy of paper on file in the commissioner's office 50 cents per page, and

11.19 \$2.50 for certifying the same;

11.20 (3) for license to procure insurance in unadmitted foreign companies, \$575;

13.31 Subd. 8. **No endorsement required.** An endorsement, rider, or contract amendment is

13.32 not required for this section to be effective.

13.33 **EFFECTIVE DATE.** This section is effective January 1, 2024, for plans of reparation

13.34 security, as defined under Minnesota Statutes, section 65B.43, a personal excess liability

14.1 policy, or a personal umbrella policy offered, issued, or renewed on or after that date. This

14.2 section is effective on May 1, 2024, for a boat insurance policy covering a personal injury

14.3 sustained while using a boat.

14.4 Sec. 3. Minnesota Statutes 2022, section 60A.14, subdivision 1, is amended to read:

14.5 Subdivision 1. **Fees other than examination fees.** In addition to the fees and charges

14.6 provided for examinations, the following fees must be paid to the commissioner for deposit

14.7 in the general fund:

14.8 (a) by township mutual fire insurance companies:

14.9 (1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

14.10 (2) for filing annual statements, \$15;

14.11 (3) for each annual certificate of authority, \$15;

14.12 (4) for filing bylaws \$25 and amendments thereto, \$10;

14.13 (b) by other domestic and foreign companies including fraternal and reciprocal

14.14 exchanges:

14.15 (1) for filing an application for an initial certification of authority to be admitted to

14.16 transact business in this state, \$1,500;

14.17 (2) for filing certified copy of certificate of articles of incorporation, \$100;

14.18 (3) for filing annual statement, ~~\$225~~ \$300;

14.19 (4) for filing certified copy of amendment to certificate or articles of incorporation, \$100;

14.20 (5) for filing bylaws, \$75 or amendments thereto, \$75;

14.21 (6) for each company's certificate of authority, ~~\$575~~ \$750, annually;

14.22 (c) the following general fees apply:

14.23 (1) for each certificate, including certified copy of certificate of authority, renewal,

14.24 valuation of life policies, corporate condition or qualification, \$25;

14.25 (2) for each copy of paper on file in the commissioner's office 50 cents per page, and

14.26 \$2.50 for certifying the same;

14.27 (3) for license to procure insurance in unadmitted foreign companies, \$575;

11.21 (4) for valuing the policies of life insurance companies, ~~one cent~~ two cents per \$1,000
11.22 of insurance so valued, provided that the fee shall not exceed ~~\$13,000~~ \$26,000 per year for
11.23 any company. The commissioner may, in lieu of a valuation of the policies of any foreign
11.24 life insurance company admitted, or applying for admission, to do business in this state,
11.25 accept a certificate of valuation from the company's own actuary or from the commissioner
11.26 of insurance of the state or territory in which the company is domiciled;

11.27 (5) for receiving and filing certificates of policies by the company's actuary, or by the
11.28 commissioner of insurance of any other state or territory, \$50;

11.29 (6) for each appointment of an agent filed with the commissioner, \$30;

12.1 (7) for filing forms, rates, and compliance certifications under section 60A.315, \$140
12.2 per filing, or \$125 per filing when submitted via electronic filing system. Filing fees may
12.3 be paid on a quarterly basis in response to an invoice. Billing and payment may be made
12.4 electronically;

12.5 (8) for annual renewal of surplus lines insurer license, ~~\$300~~ \$400.

12.6 The commissioner shall adopt rules to define filings that are subject to a fee.

S2219-2

9.26 Sec. 10. Minnesota Statutes 2022, section 61A.031, is amended to read:

9.27 **61A.031 SUICIDE PROVISIONS.**

9.28 (a) The sanity or insanity of a person shall not be a factor in determining whether a
9.29 person committed suicide within the terms of an individual or group life insurance policy
9.30 regulating the payment of benefits in the event of the insured's suicide. This section paragraph
9.31 shall not be construed to alter present law but is intended to clarify present law.

10.1 (b) A life insurance policy or certificate issued or delivered in this state may exclude or
10.2 restrict liability for any death benefit in the event the insured dies as a result of suicide
10.3 within one year from the date of the issue of the policy or certificate. Any exclusion or
10.4 restriction shall be clearly stated in the policy or certificate. Any life insurance policy or
10.5 certificate which contains any exclusion or restriction under this paragraph shall also provide
10.6 that in the event any death benefit is denied because the insured dies as a result of suicide
10.7 within one year from the date of issue of the policy or certificate, the insurer shall refund
10.8 all premiums paid for coverage providing the denied death benefit on the insured.

10.9 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to policies
10.10 issued on or after that date.

10.11 Sec. 11. Minnesota Statutes 2022, section 61A.60, subdivision 3, is amended to read:

10.12 Subd. 3. **Definitions.** The following definitions must appear on the back of the notice
10.13 forms provided in subdivisions 1 and 2:

14.28 (4) for valuing the policies of life insurance companies, ~~one cent~~ two cents per \$1,000
14.29 of insurance so valued, provided that the fee shall not exceed ~~\$13,000~~ \$26,000 per year for
15.1 any company. The commissioner may, in lieu of a valuation of the policies of any foreign
15.2 life insurance company admitted, or applying for admission, to do business in this state,
15.3 accept a certificate of valuation from the company's own actuary or from the commissioner
15.4 of insurance of the state or territory in which the company is domiciled;

15.5 (5) for receiving and filing certificates of policies by the company's actuary, or by the
15.6 commissioner of insurance of any other state or territory, \$50;

15.7 (6) for each appointment of an agent filed with the commissioner, \$30;

15.8 (7) for filing forms, rates, and compliance certifications under section 60A.315, \$140
15.9 per filing, or \$125 per filing when submitted via electronic filing system. Filing fees may
15.10 be paid on a quarterly basis in response to an invoice. Billing and payment may be made
15.11 electronically;

15.12 (8) for annual renewal of surplus lines insurer license, ~~\$300~~ \$400.

15.13 The commissioner shall adopt rules to define filings that are subject to a fee.

15.14 Sec. 4. Minnesota Statutes 2022, section 61A.031, is amended to read:

15.15 **61A.031 SUICIDE PROVISIONS.**

15.16 (a) The sanity or insanity of a person shall not be a factor in determining whether a
15.17 person committed suicide within the terms of an individual or group life insurance policy
15.18 regulating the payment of benefits in the event of the insured's suicide. This section shall
15.19 not be construed to alter present law but is intended to clarify present law.

15.20 (b) A life insurance policy or certificate issued or delivered in this state may exclude or
15.21 restrict liability for any death benefit in the event the insured dies as a result of suicide
15.22 within one year from the date the policy or certificate is issued. Any exclusion or restriction
15.23 shall be clearly stated in the policy or certificate. Any life insurance policy or certificate
15.24 which contains any exclusion or restriction under this paragraph shall also provide that in
15.25 the event any death benefit is denied because the insured dies as a result of suicide within
15.26 one year from the date the policy or certificate is issued, the insurer shall refund all premiums
15.27 paid for coverage providing the denied death benefit on the insured.

15.28 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to policies
15.29 issued or after that date.

16.1 Sec. 5. Minnesota Statutes 2022, section 61A.60, subdivision 3, is amended to read:

16.2 Subd. 3. **Definitions.** The following definitions must appear on the back of the notice
16.3 forms provided in subdivisions 1 and 2:

10.14 DEFINITIONS

10.15 PREMIUMS: Premiums are the payments you make in exchange for an insurance policy
10.16 or annuity contract. They are unlike deposits in a savings or investment program, because
10.17 if you drop the policy or contract, you might get back less than you paid in.

10.18 CASH SURRENDER VALUE: This is the amount of money you can get in cash if you
10.19 surrender your life insurance policy or annuity. If there is a policy loan, the cash surrender
10.20 value is the difference between the cash value printed in the policy and the loan value. Not
10.21 all policies have cash surrender values.

10.22 LAPSE: A life insurance policy may lapse when you do not pay the premiums within
10.23 the grace period. If you had a cash surrender value, the insurer might change your policy
10.24 to as much extended term insurance or paid-up insurance as the cash surrender value will
10.25 buy. Sometimes the policy lets the insurer borrow from the cash surrender value to pay the
10.26 premiums.

10.27 SURRENDER: You surrender a life insurance policy when you either let it lapse or tell
10.28 the company you want to drop it. Whenever a policy has a cash surrender value, you can
10.29 get it in cash if you return the policy to the company with a written request. Most insurers
10.30 will also let you exchange the cash value of the policy for paid-up or extended term insurance.

10.31 CONVERT TO PAID-UP INSURANCE: This means you use your cash surrender value
10.32 to change your insurance to a paid-up policy with the same insurer. The death benefit
11.1 generally will be lower than under the old policy, but you will not have to pay any more
11.2 premiums.

11.3 PLACE ON EXTENDED TERM: This means you use your cash surrender value to
11.4 change your insurance to term insurance with the same insurer. In this case, the net death
11.5 benefit will be the same as before. However, you will only be covered for a specified period
11.6 of time stated in the policy.

11.7 BORROW POLICY LOAN VALUES: If your life insurance policy has a cash surrender
11.8 value, you can almost always borrow all or part of it from the insurer. Interest will be charged
11.9 according to the terms of the policy, and if the loan with unpaid interest ever exceeds the
11.10 cash surrender value, your policy will be surrendered. If you die, the amount of the loan
11.11 and any unpaid interest due will be subtracted from the death benefits.

11.12 EVIDENCE OF INSURABILITY: This means proof that you are an acceptable risk.
11.13 You have to meet the insurer's standards regarding age, health, occupation, etc., to be eligible
11.14 for coverage.

11.15 INCONTESTABLE CLAUSE: This says that after two years, depending on the policy
11.16 or insurer, the life insurer will not resist a claim because you made a false or incomplete
11.17 statement when you applied for the policy. For the early years, though, if there are wrong
11.18 answers on the application and the insurer finds out about them, the insurer can deny a claim
11.19 as if the policy had never existed.

16.4 DEFINITIONS

16.5 PREMIUMS: Premiums are the payments you make in exchange for an insurance policy
16.6 or annuity contract. They are unlike deposits in a savings or investment program, because
16.7 if you drop the policy or contract, you might get back less than you paid in.

16.8 CASH SURRENDER VALUE: This is the amount of money you can get in cash if you
16.9 surrender your life insurance policy or annuity. If there is a policy loan, the cash surrender
16.10 value is the difference between the cash value printed in the policy and the loan value. Not
16.11 all policies have cash surrender values.

16.12 LAPSE: A life insurance policy may lapse when you do not pay the premiums within
16.13 the grace period. If you had a cash surrender value, the insurer might change your policy
16.14 to as much extended term insurance or paid-up insurance as the cash surrender value will
16.15 buy. Sometimes the policy lets the insurer borrow from the cash surrender value to pay the
16.16 premiums.

16.17 SURRENDER: You surrender a life insurance policy when you either let it lapse or tell
16.18 the company you want to drop it. Whenever a policy has a cash surrender value, you can
16.19 get it in cash if you return the policy to the company with a written request. Most insurers
16.20 will also let you exchange the cash value of the policy for paid-up or extended term insurance.

16.21 CONVERT TO PAID-UP INSURANCE: This means you use your cash surrender value
16.22 to change your insurance to a paid-up policy with the same insurer. The death benefit
16.23 generally will be lower than under the old policy, but you will not have to pay any more
16.24 premiums.

16.25 PLACE ON EXTENDED TERM: This means you use your cash surrender value to
16.26 change your insurance to term insurance with the same insurer. In this case, the net death
16.27 benefit will be the same as before. However, you will only be covered for a specified period
16.28 of time stated in the policy.

16.29 BORROW POLICY LOAN VALUES: If your life insurance policy has a cash surrender
16.30 value, you can almost always borrow all or part of it from the insurer. Interest will be charged
16.31 according to the terms of the policy, and if the loan with unpaid interest ever exceeds the
16.32 cash surrender value, your policy will be surrendered. If you die, the amount of the loan
16.33 and any unpaid interest due will be subtracted from the death benefits.

17.1 EVIDENCE OF INSURABILITY: This means proof that you are an acceptable risk.
17.2 You have to meet the insurer's standards regarding age, health, occupation, etc., to be eligible
17.3 for coverage.

17.4 INCONTESTABLE CLAUSE: This says that after two years, depending on the policy
17.5 or insurer, the life insurer will not resist a claim because you made a false or incomplete
17.6 statement when you applied for the policy. For the early years, though, if there are wrong
17.7 answers on the application and the insurer finds out about them, the insurer can deny a claim
17.8 as if the policy had never existed.

Senate Language S2744-3	Commerce - Insurance	May 01, 2023 02:53 PM	House Language UES2744-2
<div>11.20 SUICIDE CLAUSE: This says that if you commit <u>complete</u> suicide after being insured</div> <div>11.21 for less than two years one year, depending on the policy and insurer, your beneficiaries</div> <div>11.22 will receive only a refund of the premiums that were paid.</div> <div>11.23 <u>EFFECTIVE DATE.</u> This section is effective January 1, 2024, and applies to policies</div> <div>11.24 issued on or after that date.</div>	S2744-3	<div>17.9 SUICIDE CLAUSE: This says that if you commit <u>complete</u> suicide after being insured</div> <div>17.10 for less than two years one year, depending on the policy and insurer, your beneficiaries</div> <div>17.11 will receive only a refund of the premiums that were paid.</div> <div>17.12 <u>EFFECTIVE DATE.</u> This section is effective January 1, 2024, and applies to policies</div> <div>17.13 issued on or after that date.</div>	<div>17.14 Sec. 6. Minnesota Statutes 2022, section 62A.152, subdivision 3, is amended to read:</div> <div>17.15 Subd. 3. Provider discrimination prohibited. All group policies and group subscriber</div> <div>17.16 contracts that provide benefits for mental or nervous disorder treatments in a hospital must</div> <div>17.17 provide direct reimbursement for those services at a hospital or <u>psychiatric residential</u></div> <div>17.18 <u>treatment facility</u> if performed by a mental health professional qualified according to section</div> <div>17.19 245I.04, subdivision 2, to the extent that the services and treatment are within the scope of</div> <div>17.20 mental health professional licensure.</div> <div>17.21 This subdivision is intended to provide payment of benefits for mental or nervous disorder</div> <div>17.22 treatments performed by a licensed mental health professional in a hospital or <u>psychiatric</u></div> <div>17.23 <u>residential treatment facility</u> and is not intended to change or add benefits for those services</div> <div>17.24 provided in policies or contracts to which this subdivision applies.</div> <div>17.25 <u>EFFECTIVE DATE.</u> This section is effective January 1, 2025, and applies to health</div> <div>17.26 <u>plans offered, issued, or renewed on or after that date.</u></div> <div>17.27 Sec. 7. <u>Minnesota Statutes 2022, section 62A.3099, is amended by adding a subdivision</u></div> <div>17.28 <u>to read:</u></div> <div>17.29 Subd. 18b. Open enrollment period. <u>"Open enrollment period" means the time period</u></div> <div>17.30 <u>described in Code of Federal Regulations, title 42, section 422.62, paragraph (a), clauses</u></div> <div>17.31 <u>(2) to (4), as amended.</u></div> <div>18.1 <u>EFFECTIVE DATE.</u> This section is effective August 1, 2024, and applies to policies</div> <div>18.2 <u>offered, issued, or renewed on or after that date.</u></div> <div>18.3 Sec. 8. <u>Minnesota Statutes 2022, section 62A.31, subdivision 1, is amended to read:</u></div> <div>18.4 Subdivision 1. Policy requirements. <u>No individual or group policy, certificate, subscriber</u></div> <div>18.5 <u>contract issued by a health service plan corporation regulated under chapter 62C, or other</u></div> <div>18.6 <u>evidence of accident and health insurance the effect or purpose of which is to supplement</u></div> <div>18.7 <u>Medicare coverage, including to supplement coverage under Medicare Advantage plans</u></div> <div>18.8 <u>established under Medicare Part C, issued or delivered in this state or offered to a resident</u></div> <div>18.9 <u>of this state shall be sold or issued to an individual covered by Medicare unless the</u></div> <div>18.10 <u>requirements in subdivisions 1a to 4w are met.</u></div>

18.11 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to policies
18.12 offered, issued, or renewed on or after that date.

18.13 Sec. 9. Minnesota Statutes 2022, section 62A.31, subdivision 1f, is amended to read:

18.14 Subd. 1f. **Suspension based on entitlement to medical assistance.** (a) The policy or
18.15 certificate must provide that benefits and premiums under the policy or certificate shall be
18.16 suspended for any period that may be provided by federal regulation at the request of the
18.17 policyholder or certificate holder for the period, not to exceed 24 months, in which the
18.18 policyholder or certificate holder has applied for and is determined to be entitled to medical
18.19 assistance under title XIX of the Social Security Act, but only if the policyholder or certificate
18.20 holder notifies the issuer of the policy or certificate within 90 days after the date the
18.21 individual becomes entitled to this assistance.

18.22 (b) If suspension occurs and if the policyholder or certificate holder loses entitlement
18.23 to this medical assistance, the policy or certificate shall be automatically reinstated, effective
18.24 as of the date of termination of this entitlement, if the policyholder or certificate holder
18.25 provides notice of loss of the entitlement within 90 days after the date of the loss and pays
18.26 the premium attributable to the period, effective as of the date of termination of entitlement.

18.27 (c) The policy must provide that upon reinstatement (1) there is no ~~additional~~ waiting
18.28 period with respect to treatment of preexisting conditions, (2) coverage is provided which
18.29 is substantially equivalent to coverage in effect before the date of the suspension. If the
18.30 suspended policy provided coverage for outpatient prescription drugs, reinstatement of the
18.31 policy for Medicare Part D enrollees must be without coverage for outpatient prescription
18.32 drugs and must otherwise provide coverage substantially equivalent to the coverage in effect
18.33 before the date of suspension, and (3) premiums are classified on terms that are at least as
19.1 favorable to the policyholder or certificate holder as the premium classification terms that
19.2 would have applied to the policyholder or certificate holder had coverage not been suspended.

19.3 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to policies
19.4 offered, issued, or renewed on or after that date.

19.5 Sec. 10. Minnesota Statutes 2022, section 62A.31, subdivision 1h, is amended to read:

19.6 Subd. 1h. **Limitations on denials, conditions, and pricing of coverage.** No health
19.7 carrier issuing Medicare-related coverage in this state may impose preexisting condition
19.8 limitations or otherwise deny or condition the issuance or effectiveness of any such coverage
19.9 available for sale in this state, nor may it discriminate in the pricing of such coverage,
19.10 because of the health status, claims experience, receipt of health care, medical condition,
19.11 or age of an applicant where an application for such coverage is submitted: (1) prior to or
19.12 during the six-month period beginning with the first day of the month in which an individual
19.13 first enrolled for benefits under Medicare Part B; or (2) during the open enrollment period.
19.14 This subdivision applies to each Medicare-related coverage offered by a health carrier
19.15 regardless of whether the individual has attained the age of 65 years. If an individual who
19.16 is enrolled in Medicare Part B due to disability status is involuntarily disenrolled due to loss

19.17 of disability status, the individual is eligible for another six-month enrollment period provided
19.18 under this subdivision beginning the first day of the month in which the individual later
19.19 becomes eligible for and enrolls again in Medicare Part B and during the open enrollment
19.20 period. An individual who is or was previously enrolled in Medicare Part B due to disability
19.21 status is eligible for another six-month enrollment period under this subdivision beginning
19.22 the first day of the month in which the individual has attained the age of 65 years and either
19.23 maintains enrollment in, or enrolls again in, Medicare Part B and during the open enrollment
19.24 period. If an individual enrolled in Medicare Part B voluntarily disenrolls from Medicare
19.25 Part B because the individual becomes enrolled under an employee welfare benefit plan,
19.26 the individual is eligible for another six-month enrollment period, as provided in this
19.27 subdivision, beginning the first day of the month in which the individual later becomes
19.28 eligible for and enrolls again in Medicare Part B and during the open enrollment period.

19.29 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to policies
19.30 offered, issued, or renewed on or after that date.

19.31 Sec. 11. Minnesota Statutes 2022, section 62A.31, subdivision 1p, is amended to read:

19.32 Subd. 1p. **Renewal or continuation provisions.** Medicare supplement policies and
19.33 certificates shall include a renewal or continuation provision. The language or specifications
20.1 of the provision shall be consistent with the type of contract issued. The provision shall be
20.2 appropriately captioned and shall appear on the first page of the policy or certificate, and
20.3 shall include any reservation by the issuer of the right to change premiums. Except for riders
20.4 or endorsements by which the issuer effectuates a request made in writing by the insured,
20.5 exercises a specifically reserved right under a Medicare supplement policy or certificate,
20.6 or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all
20.7 riders or endorsements added to a Medicare supplement policy or certificate after the date
20.8 of issue or at reinstatement or renewal that reduce or eliminate benefits or coverage in the
20.9 policy or certificate shall require a signed acceptance by the insured. After the date of policy
20.10 or certificate issue, a rider or endorsement that increases benefits or coverage with a
20.11 concomitant increase in premium during the policy or certificate term shall be agreed to in
20.12 writing and signed by the insured, unless the benefits are required by the minimum standards
20.13 for Medicare supplement policies or if the increased benefits or coverage is required by
20.14 law. Where a separate additional premium is charged for benefits provided in connection
20.15 with riders or endorsements, the premium charge shall be set forth in the policy, declaration
20.16 page, or certificate. If a Medicare supplement policy or certificate contains limitations with
20.17 respect to preexisting conditions, the limitations shall appear as a separate paragraph of the
20.18 policy or certificate and be labeled as "preexisting condition limitations."

20.19 Issuers of accident and sickness policies or certificates that provide hospital or medical
20.20 expense coverage on an expense incurred or indemnity basis to persons eligible for Medicare
20.21 shall provide to those applicants a "Guide to Health Insurance for People with Medicare"
20.22 in the form developed by the Centers for Medicare and Medicaid Services and in a type
20.23 size no smaller than 12-point type. Delivery of the guide must be made whether or not such
20.24 policies or certificates are advertised, solicited, or issued as Medicare supplement policies

20.25 or certificates as defined in this section and section 62A.3099. Except in the case of direct
 20.26 response issuers, delivery of the guide must be made to the applicant at the time of
 20.27 application, and acknowledgment of receipt of the guide must be obtained by the issuer.
 20.28 Direct response issuers shall deliver the guide to the applicant upon request, but no later
 20.29 than the time at which the policy is delivered.

20.30 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to policies
 20.31 offered, issued, or renewed on or after that date.

20.32 Sec. 12. Minnesota Statutes 2022, section 62A.31, subdivision 1u, is amended to read:

20.33 Subd. 1u. **Guaranteed issue for eligible persons.** (a)(1) Eligible persons are those
 20.34 individuals described in paragraph (b) who seek to enroll under the policy during the period
 21.1 specified in paragraph (c) and who submit evidence of the date of termination or
 21.2 disenrollment described in paragraph (b), or of the date of Medicare Part D enrollment, with
 21.3 the application for a Medicare supplement policy.

21.4 (2) With respect to eligible persons, an issuer shall not: deny or condition the issuance
 21.5 or effectiveness of a Medicare supplement policy described in paragraph (c) that is offered
 21.6 and is available for issuance to new enrollees by the issuer; discriminate in the pricing of
 21.7 such a Medicare supplement policy because of health status, claims experience, receipt of
 21.8 health care, medical condition, or age; or impose an exclusion of benefits based upon a
 21.9 preexisting condition under such a Medicare supplement policy.

21.10 (b) An eligible person is an individual described in any of the following:

21.11 (1) the individual is enrolled under an employee welfare benefit plan that provides health
 21.12 benefits that supplement the benefits under Medicare; and the plan terminates, or the plan
 21.13 ceases to provide all such supplemental health benefits to the individual;

21.14 (2) the individual is enrolled with a Medicare Advantage organization under a Medicare
 21.15 Advantage plan under Medicare Part C, and any of the following circumstances apply, or
 21.16 the individual is 65 years of age or older and is enrolled with a Program of All-Inclusive
 21.17 Care for the Elderly (PACE) provider under section 1894 of the federal Social Security Act,
 21.18 and there are circumstances similar to those described in this clause that would permit
 21.19 discontinuance of the individual's enrollment with the provider if the individual were enrolled
 21.20 in a Medicare Advantage plan:

21.21 (i) the organization's or plan's certification under Medicare Part C has been terminated
 21.22 or the organization has terminated or otherwise discontinued providing the plan in the area
 21.23 in which the individual resides;

21.24 (ii) the individual is no longer eligible to elect the plan because of a change in the
 21.25 individual's place of residence or other change in circumstances specified by the secretary,
 21.26 but not including termination of the individual's enrollment on the basis described in section
 21.27 1851(g)(3)(B) of the federal Social Security Act, United States Code, title 42, section
 21.28 1395w-21(g)(3)(b) (where the individual has not paid premiums on a timely basis or has

- 21.29 engaged in disruptive behavior as specified in standards under section 1856 of the federal
21.30 Social Security Act, United States Code, title 42, section 1395w-26), or the plan is terminated
21.31 for all individuals within a residence area;
- 21.32 (iii) the individual demonstrates, in accordance with guidelines established by the
21.33 Secretary, that:
- 22.1 (A) the organization offering the plan substantially violated a material provision of the
22.2 organization's contract in relation to the individual, including the failure to provide an
22.3 enrollee on a timely basis medically necessary care for which benefits are available under
22.4 the plan or the failure to provide such covered care in accordance with applicable quality
22.5 standards; or
- 22.6 (B) the organization, or agent or other entity acting on the organization's behalf, materially
22.7 misrepresented the plan's provisions in marketing the plan to the individual; or
- 22.8 (iv) the individual meets such other exceptional conditions as the secretary may provide;
- 22.9 (3)(i) the individual is enrolled with:
- 22.10 (A) an eligible organization under a contract under section 1876 of the federal Social
22.11 Security Act, United States Code, title 42, section 1395mm (Medicare cost);
- 22.12 (B) a similar organization operating under demonstration project authority, effective for
22.13 periods before April 1, 1999;
- 22.14 (C) an organization under an agreement under section 1833(a)(1)(A) of the federal Social
22.15 Security Act, United States Code, title 42, section 1395l(a)(1)(A) (health care prepayment
22.16 plan); or
- 22.17 (D) an organization under a Medicare Select policy under section 62A.318 or the similar
22.18 law of another state; and
- 22.19 (ii) the enrollment ceases under the same circumstances that would permit discontinuance
22.20 of an individual's election of coverage under clause (2);
- 22.21 (4) the individual is enrolled under a Medicare supplement policy, and the enrollment
22.22 ceases because:
- 22.23 (i)(A) of the insolvency of the issuer or bankruptcy of the nonissuer organization; or
- 22.24 (B) of other involuntary termination of coverage or enrollment under the policy;
- 22.25 (ii) the issuer of the policy substantially violated a material provision of the policy; or
- 22.26 (iii) the issuer, or an agent or other entity acting on the issuer's behalf, materially
22.27 misrepresented the policy's provisions in marketing the policy to the individual;
- 22.28 (5)(i) the individual was enrolled under a Medicare supplement policy and terminates
22.29 that enrollment and subsequently enrolls, for the first time, with any Medicare Advantage

- 22.30 organization under a Medicare Advantage plan under Medicare Part C; any eligible
22.31 organization under a contract under section 1876 of the federal Social Security Act, United
23.1 States Code, title 42, section 1395mm (Medicare cost); any similar organization operating
23.2 under demonstration project authority; any PACE provider under section 1894 of the federal
23.3 Social Security Act, or a Medicare Select policy under section 62A.318 or the similar law
23.4 of another state; and
- 23.5 (ii) the subsequent enrollment under item (i) is terminated by the enrollee during any
23.6 period within the first 12 months of the subsequent enrollment during which the enrollee
23.7 is permitted to terminate the subsequent enrollment under section 1851(e) of the federal
23.8 Social Security Act;
- 23.9 (6) the individual, upon first enrolling for benefits under Medicare Part B, enrolls in a
23.10 Medicare Advantage plan under Medicare Part C, or with a PACE provider under section
23.11 1894 of the federal Social Security Act, and disenrolls from the plan by not later than 12
23.12 months after the effective date of enrollment; ~~or~~
- 23.13 (7) the individual enrolls in a Medicare Part D plan during the initial Part D enrollment
23.14 period, as defined under United States Code, title 42, section 1395ss(v)(6)(D), and, at the
23.15 time of enrollment in Part D, was enrolled under a Medicare supplement policy that covers
23.16 outpatient prescription drugs and the individual terminates enrollment in the Medicare
23.17 supplement policy and submits evidence of enrollment in Medicare Part D along with the
23.18 application for a policy described in paragraph (e), clause (4)-; or
- 23.19 (8) the individual was enrolled in a state public program and is losing coverage due to
23.20 the unwinding of the Medicaid continuous enrollment conditions, as provided by Code of
23.21 Federal Regulations, title 45, section 155.420(d)(9) and (d)(1), and Public Law 117-328,
23.22 section 5131 (2022).
- 23.23 (c)(1) In the case of an individual described in paragraph (b), clause (1), the guaranteed
23.24 issue period begins on the later of: (i) the date the individual receives a notice of termination
23.25 or cessation of all supplemental health benefits or, if a notice is not received, notice that a
23.26 claim has been denied because of a termination or cessation; or (ii) the date that the applicable
23.27 coverage terminates or ceases; and ends 63 days after the later of those two dates.
- 23.28 (2) In the case of an individual described in paragraph (b), clause (2), (3), (5), or (6),
23.29 whose enrollment is terminated involuntarily, the guaranteed issue period begins on the
23.30 date that the individual receives a notice of termination and ends 63 days after the date the
23.31 applicable coverage is terminated.
- 23.32 (3) In the case of an individual described in paragraph (b), clause (4), item (i), the
23.33 guaranteed issue period begins on the earlier of: (i) the date that the individual receives a
23.34 notice of termination, a notice of the issuer's bankruptcy or insolvency, or other such similar
24.1 notice if any; and (ii) the date that the applicable coverage is terminated, and ends on the
24.2 date that is 63 days after the date the coverage is terminated.

24.3 (4) In the case of an individual described in paragraph (b), clause (2), (4), (5), or (6),
24.4 who disenrolls voluntarily, the guaranteed issue period begins on the date that is 60 days
24.5 before the effective date of the disenrollment and ends on the date that is 63 days after the
24.6 effective date.

24.7 (5) In the case of an individual described in paragraph (b), clause (7), the guaranteed
24.8 issue period begins on the date the individual receives notice pursuant to section
24.9 1882(v)(2)(B) of the Social Security Act from the Medicare supplement issuer during the
24.10 60-day period immediately preceding the initial Part D enrollment period and ends on the
24.11 date that is 63 days after the effective date of the individual's coverage under Medicare Part
24.12 D.

24.13 (6) In the case of an individual described in paragraph (b) but not described in this
24.14 paragraph, the guaranteed issue period begins on the effective date of disenrollment and
24.15 ends on the date that is 63 days after the effective date.

24.16 (7) For all individuals described in paragraph (b), the open enrollment period is a
24.17 guaranteed issue period.

24.18 (d)(1) In the case of an individual described in paragraph (b), clause (5), or deemed to
24.19 be so described, pursuant to this paragraph, whose enrollment with an organization or
24.20 provider described in paragraph (b), clause (5), item (i), is involuntarily terminated within
24.21 the first 12 months of enrollment, and who, without an intervening enrollment, enrolls with
24.22 another such organization or provider, the subsequent enrollment is deemed to be an initial
24.23 enrollment described in paragraph (b), clause (5).

24.24 (2) In the case of an individual described in paragraph (b), clause (6), or deemed to be
24.25 so described, pursuant to this paragraph, whose enrollment with a plan or in a program
24.26 described in paragraph (b), clause (6), is involuntarily terminated within the first 12 months
24.27 of enrollment, and who, without an intervening enrollment, enrolls in another such plan or
24.28 program, the subsequent enrollment is deemed to be an initial enrollment described in
24.29 paragraph (b), clause (6).

24.30 (3) For purposes of paragraph (b), clauses (5) and (6), no enrollment of an individual
24.31 with an organization or provider described in paragraph (b), clause (5), item (i), or with a
24.32 plan or in a program described in paragraph (b), clause (6), may be deemed to be an initial
24.33 enrollment under this paragraph after the two-year period beginning on the date on which
24.34 the individual first enrolled with the organization, provider, plan, or program.

25.1 (e) The Medicare supplement policy to which eligible persons are entitled under:

25.2 (1) paragraph (b), clauses (1) to (4), is any Medicare supplement policy that has a benefit
25.3 package consisting of the basic Medicare supplement plan described in section 62A.316,
25.4 paragraph (a), plus any combination of the three optional riders described in section 62A.316,
25.5 paragraph (b), clauses (1) to (3), offered by any issuer;

25.6 (2) paragraph (b), clause (5), is the same Medicare supplement policy in which the
25.7 individual was most recently previously enrolled, if available from the same issuer, or, if
25.8 not so available, any policy described in clause (1) offered by any issuer, except that after
25.9 December 31, 2005, if the individual was most recently enrolled in a Medicare supplement
25.10 policy with an outpatient prescription drug benefit, a Medicare supplement policy to which
25.11 the individual is entitled under paragraph (b), clause (5), is:

25.12 (i) the policy available from the same issuer but modified to remove outpatient
25.13 prescription drug coverage; or

25.14 (ii) at the election of the policyholder, a policy described in clause (4), except that the
25.15 policy may be one that is offered and available for issuance to new enrollees that is offered
25.16 by any issuer;

25.17 (3) paragraph (b), clause (6), is any Medicare supplement policy offered by any issuer;

25.18 (4) paragraph (b), clause (7), is a Medicare supplement policy that has a benefit package
25.19 classified as a basic plan under section 62A.316 if the enrollee's existing Medicare
25.20 supplement policy is a basic plan or, if the enrollee's existing Medicare supplement policy
25.21 is an extended basic plan under section 62A.315, a basic or extended basic plan at the option
25.22 of the enrollee, provided that the policy is offered and is available for issuance to new
25.23 enrollees by the same issuer that issued the individual's Medicare supplement policy with
25.24 outpatient prescription drug coverage. The issuer must permit the enrollee to retain all
25.25 optional benefits contained in the enrollee's existing coverage, other than outpatient
25.26 prescription drugs, subject to the provision that the coverage be offered and available for
25.27 issuance to new enrollees by the same issuer.

25.28 (f)(1) At the time of an event described in paragraph (b), because of which an individual
25.29 loses coverage or benefits due to the termination of a contract or agreement, policy, or plan,
25.30 the organization that terminates the contract or agreement, the issuer terminating the policy,
25.31 or the administrator of the plan being terminated, respectively, shall notify the individual
25.32 of the individual's rights under this subdivision, and of the obligations of issuers of Medicare
25.33 supplement policies under paragraph (a). The notice must be communicated
25.34 contemporaneously with the notification of termination.

26.1 (2) At the time of an event described in paragraph (b), because of which an individual
26.2 ceases enrollment under a contract or agreement, policy, or plan, the organization that offers
26.3 the contract or agreement, regardless of the basis for the cessation of enrollment, the issuer
26.4 offering the policy, or the administrator of the plan, respectively, shall notify the individual
26.5 of the individual's rights under this subdivision, and of the obligations of issuers of Medicare
26.6 supplement policies under paragraph (a). The notice must be communicated within ten
26.7 working days of the issuer receiving notification of disenrollment.

26.8 (g) Reference in this subdivision to a situation in which, or to a basis upon which, an
26.9 individual's coverage has been terminated does not provide authority under the laws of this
26.10 state for the termination in that situation or upon that basis.

26.11 (h) An individual's rights under this subdivision are in addition to, and do not modify
26.12 or limit, the individual's rights under subdivision 1h.

26.13 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to policies
26.14 offered, issued, or renewed on or after that date.

26.15 Sec. 13. Minnesota Statutes 2022, section 62A.31, is amended by adding a subdivision to
26.16 read:

26.17 Subd. 1w. **Open enrollment.** A medicare supplement policy or certificate must not be
26.18 sold or issued to an eligible individual outside of the time periods described in subdivision
26.19 1u.

26.20 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to policies
26.21 offered, issued, or renewed on or after that date.

26.22 Sec. 14. Minnesota Statutes 2022, section 62A.31, subdivision 4, is amended to read:

26.23 Subd. 4. **Prohibited policy provisions.** (a) A Medicare supplement policy or certificate
26.24 in force in the state shall not contain benefits that duplicate benefits provided by Medicare
26.25 or contain exclusions on coverage that are more restrictive than those of Medicare.
26.26 Duplication of benefits is permitted to the extent permitted under subdivision 1s, paragraph
26.27 (a), for benefits provided by Medicare Part D.

26.28 (b) No Medicare supplement policy or certificate may use waivers to exclude, limit, or
26.29 reduce coverage or benefits for specifically named or described preexisting diseases or
26.30 physical conditions; ~~except as permitted under subdivision 1b.~~

26.31 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to policies
26.32 offered, issued, or renewed on or after that date.

27.1 Sec. 15. Minnesota Statutes 2022, section 62A.44, subdivision 2, is amended to read:

27.2 Subd. 2. **Questions.** (a) Application forms shall include the following questions designed
27.3 to elicit information as to whether, as of the date of the application, the applicant has another
27.4 Medicare supplement or other health insurance policy or certificate in force or whether a
27.5 Medicare supplement policy or certificate is intended to replace any other accident and
27.6 sickness policy or certificate presently in force. A supplementary application or other form
27.7 to be signed by the applicant and agent containing the questions and statements may be
27.8 used.

27.9 "(1) You do not need more than one Medicare supplement policy or certificate.

27.10 (2) If you purchase this policy, you may want to evaluate your existing health coverage
27.11 and decide if you need multiple coverages.

27.12 (3) You may be eligible for benefits under Medicaid and may not need a Medicare
27.13 supplement policy or certificate.

- 27.14 (4) The benefits and premiums under your Medicare supplement policy or certificate
27.15 can be suspended, if requested, during your entitlement to benefits under Medicaid for
27.16 24 months. You must request this suspension within 90 days of becoming eligible for
27.17 Medicaid. If you are no longer entitled to Medicaid, your policy or certificate will be
27.18 reinstated if requested within 90 days of losing Medicaid eligibility.
- 27.19 (5) Counseling services may be available in Minnesota to provide advice concerning
27.20 medical assistance through state Medicaid, Qualified Medicare Beneficiaries (QMBs),
27.21 and Specified Low-Income Medicare Beneficiaries (SLMBs).
- 27.22 To the best of your knowledge:
- 27.23 (1) Do you have another Medicare supplement policy or certificate in force?
- 27.24 (a) If so, with which company?
- 27.25 (b) If so, do you intend to replace your current Medicare supplement policy with this
27.26 policy or certificate?
- 27.27 (2) Do you have any other health insurance policies that provide benefits which this
27.28 Medicare supplement policy or certificate would duplicate?
- 27.29 (a) If so, please name the company.
- 27.30 (b) What kind of policy?
- 28.1 (3) Are you covered for medical assistance through the state Medicaid program? If so,
28.2 which of the following programs provides coverage for you?
- 28.3 (a) Specified Low-Income Medicare Beneficiary (SLMB),
- 28.4 (b) Qualified Medicare Beneficiary (QMB), or
- 28.5 (c) full Medicaid Beneficiary?"
- 28.6 (b) Agents shall list any other health insurance policies they have sold to the applicant.
- 28.7 (1) List policies sold that are still in force.
- 28.8 (2) List policies sold in the past five years that are no longer in force.
- 28.9 (c) In the case of a direct response issuer, a copy of the application or supplemental
28.10 form, signed by the applicant, and acknowledged by the insurer, shall be returned to the
28.11 applicant by the insurer on delivery of the policy or certificate.
- 28.12 (d) Upon determining that a sale will involve replacement of Medicare supplement
28.13 coverage, any issuer, other than a direct response issuer, or its agent, shall furnish the
28.14 applicant, before issuance or delivery of the Medicare supplement policy or certificate, a
28.15 notice regarding replacement of Medicare supplement coverage. One copy of the notice
28.16 signed by the applicant and the agent, except where the coverage is sold without an agent,
28.17 shall be provided to the applicant and an additional signed copy shall be retained by the

28.18 issuer. A direct response issuer shall deliver to the applicant at the time of the issuance of
28.19 the policy or certificate the notice regarding replacement of Medicare supplement coverage.

28.20 (e) The notice required by paragraph (d) for an issuer shall be provided in substantially
28.21 the following form in no less than 12-point type:

28.22 "NOTICE TO APPLICANT REGARDING REPLACEMENT
28.23 OF MEDICARE SUPPLEMENT INSURANCE

28.24 (Insurance company's name and address)

28.25 SAVE THIS NOTICE! IT MAY BE IMPORTANT TO YOU IN THE FUTURE.

28.26 According to (your application) (information you have furnished), you intend to terminate
28.27 existing Medicare supplement insurance and replace it with a policy or certificate to be
28.28 issued by (Company Name) Insurance Company. Your new policy or certificate will provide
28.29 30 days within which you may decide without cost whether you desire to keep the policy
28.30 or certificate.

29.1 You should review this new coverage carefully. Compare it with all accident and sickness
29.2 coverage you now have. If, after due consideration, you find that purchase of this Medicare
29.3 supplement coverage is a wise decision you should terminate your present Medicare
29.4 supplement policy. You should evaluate the need for other accident and sickness coverage
29.5 you have that may duplicate this policy.

29.6 STATEMENT TO APPLICANT BY ISSUER, AGENT, (BROKER OR OTHER
29.7 REPRESENTATIVE): I have reviewed your current medical or health insurance
29.8 coverage. To the best of my knowledge this Medicare supplement policy will not duplicate
29.9 your existing Medicare supplement policy because you intend to terminate the existing
29.10 Medicare supplement policy. The replacement policy or certificate is being purchased
29.11 for the following reason(s) (check one):

29.12 Additional benefits

29.13 No change in benefits, but lower premiums

29.14 Fewer benefits and lower premiums

29.15 Other (please specify)

29.16

29.17

29.18

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29.19	(1) Health conditions which you may presently have (preexisting conditions) may not		
29.20	be immediately or fully covered under the new policy or certificate. This could result		
29.21	in denial or delay of a claim for benefits under the new policy or certificate, whereas a		
29.22	similar claim might have been payable under your present policy or certificate.		
29.23	(2) State law provides that your replacement policy or certificate may not contain new		
29.24	preexisting conditions, waiting periods, elimination periods, or probationary periods.		
29.25	The insurer will waive any time periods applicable to preexisting conditions, waiting		
29.26	periods, elimination periods, or probationary periods in the new policy (or coverage)		
29.27	for similar benefits to the extent the time was spent (depleted) under the original policy		
29.28	or certificate.		
29.29	(3) If you still wish to terminate your present policy or certificate and replace it with		
29.30	new coverage, be certain to truthfully and completely answer all questions on the		
29.31	application concerning your medical and health history. Failure to include all material		
29.32	medical information on an application may provide a basis for the company to deny any		
29.33	future claims and to refund your premium as though your policy or certificate had never		
29.34	been in force. After the application has been completed and before you sign it, review		
30.1	it carefully to be certain that all information has been properly recorded. (If the policy		
30.2	or certificate is guaranteed issue, this paragraph need not appear.)		
30.3	Do not cancel your present policy or certificate until you have received your new policy		
30.4	or certificate and you are sure that you want to keep it.		
30.5		
30.6	(Signature of Agent, Broker, or Other Representative)*		
30.7		
30.8	(Typed Name and Address of Issuer, Agent, or Broker)		
30.9		
30.10	(Date)		
30.11		
30.12	(Applicant's Signature)		
30.13		
30.14	(Date)		
30.15	*Signature not required for direct response sales."		

12.18 Sec. 3. Minnesota Statutes 2022, section 62D.02, is amended by adding a subdivision to
12.19 read:

12.20 Subd. 17. **Preventive items and services.** "Preventive items and services" has the
12.21 meaning given in section 62Q.46, subdivision 1, paragraph (a).

12.22 Sec. 4. Minnesota Statutes 2022, section 62D.095, subdivision 2, is amended to read:

12.23 Subd. 2. **Co-payments.** A health maintenance contract may impose a co-payment and
12.24 coinsurance consistent with the provisions of the Affordable Care Act as defined under
12.25 section 62A.011, subdivision 1a, and for items and services that are not preventive items
12.26 and services.

12.27 Sec. 5. Minnesota Statutes 2022, section 62D.095, subdivision 3, is amended to read:

12.28 Subd. 3. **Deductibles.** A health maintenance contract ~~may~~ must not impose a deductible
12.29 ~~consistent with the provisions of the Affordable Care Act as defined under section 62A.011,~~
12.30 ~~subdivision 1a for preventive items and services.~~

13.1 Sec. 6. Minnesota Statutes 2022, section 62D.095, subdivision 4, is amended to read:

13.2 Subd. 4. **Annual out-of-pocket maximums.** A health maintenance contract ~~may~~ must
13.3 not impose an annual out-of-pocket maximum ~~consistent with the provisions of the~~
13.4 Affordable Care Act as defined under section 62A.011, subdivision 1a for services rendered
13.5 that are not listed under section 62D.02, subdivision 17, or for preventive items and services.

13.6 Sec. 7. Minnesota Statutes 2022, section 62D.095, subdivision 5, is amended to read:

13.7 Subd. 5. **Exceptions.** ~~No~~ Co-payments or deductibles ~~may~~ must not be imposed on
13.8 preventive health care items and services consistent with the provisions of the Affordable
13.9 Care Act as defined under section 62A.011, subdivision 1a.

30.16 ~~(f) Paragraph (c), clauses (1) and (2), of the replacement notice (applicable to preexisting~~
30.17 ~~conditions) may be deleted by an issuer if the replacement does not involve application of~~
30.18 ~~a new preexisting condition limitation.~~

30.19 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to policies
30.20 offered, issued, or renewed on or after that date.

30.21 Sec. 16. Minnesota Statutes 2022, section 62D.02, is amended by adding a subdivision to
30.22 read:

30.23 Subd. 17. **Preventive items and services.** "Preventive items and services" has the
30.24 meaning given in section 62Q.46, subdivision 1, paragraph (a).

30.25 Sec. 17. Minnesota Statutes 2022, section 62D.095, subdivision 2, is amended to read:

30.26 Subd. 2. **Co-payments.** A health maintenance contract may impose a co-payment and
30.27 coinsurance consistent with the provisions of the Affordable Care Act as defined under
30.28 section 62A.011, subdivision 1a, and for items and services that are not preventive items
30.29 and services.

31.1 Sec. 18. Minnesota Statutes 2022, section 62D.095, subdivision 3, is amended to read:

31.2 Subd. 3. **Deductibles.** A health maintenance contract ~~may~~ must not impose a deductible
31.3 ~~consistent with the provisions of the Affordable Care Act as defined under section 62A.011,~~
31.4 ~~subdivision 1a for preventive items and services.~~

31.5 Sec. 19. Minnesota Statutes 2022, section 62D.095, subdivision 5, is amended to read:

31.6 Subd. 5. **Exceptions.** ~~No~~ Co-payments or deductibles ~~may~~ must not be imposed on
31.7 preventive health care items and services consistent with the provisions of the Affordable
31.8 Care Act as defined under section 62A.011, subdivision 1a.

31.9 Sec. 20. Minnesota Statutes 2022, section 62J.26, subdivision 1, is amended to read:

31.10 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
31.11 the meanings given unless the context otherwise requires:

31.12 (1) "commissioner" means the commissioner of commerce;

31.13 (2) "enrollee" has the meaning given in section 62Q.01, subdivision 2b;

31.14 (3) "health plan" means a health plan as defined in section 62A.011, subdivision 3, but
31.15 includes coverage listed in clauses (7) and (10) of that definition;

- 31.16 (4) "mandated health benefit proposal" or "proposal" means a proposal that would
31.17 statutorily require a health plan company to do the following:
- 31.18 (i) provide coverage or increase the amount of coverage for the treatment of a particular
31.19 disease, condition, or other health care need;
- 31.20 (ii) provide coverage or increase the amount of coverage of a particular type of health
31.21 care treatment or service or of equipment, supplies, or drugs used in connection with a health
31.22 care treatment or service;
- 31.23 (iii) provide coverage for care delivered by a specific type of provider;
- 31.24 (iv) require a particular benefit design or impose conditions on cost-sharing for:
- 31.25 (A) the treatment of a particular disease, condition, or other health care need;
- 31.26 (B) a particular type of health care treatment or service; or
- 31.27 (C) the provision of medical equipment, supplies, or a prescription drug used in
31.28 connection with treating a particular disease, condition, or other health care need; or
- 32.1 (v) impose limits or conditions on a contract between a health plan company and a health
32.2 care provider.
- 32.3 (b) "Mandated health benefit proposal" does not include health benefit proposals;
- 32.4 (1) amending the scope of practice of a licensed health care professional; or
- 32.5 (2) that make state law consistent with federal law.
- 32.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 32.7 Sec. 21. Minnesota Statutes 2022, section 62J.26, subdivision 2, is amended to read:
- 32.8 Subd. 2. **Evaluation process and content.** (a) The commissioner, in consultation with
32.9 the commissioners of health and management and budget, must evaluate all mandated health
32.10 benefit proposals as provided under subdivision 3.
- 32.11 (b) The purpose of the evaluation is to provide the legislature with a complete and timely
32.12 analysis of all ramifications of any mandated health benefit proposal. The evaluation must
32.13 include, in addition to other relevant information, the following to the extent applicable:
- 32.14 (1) scientific and medical information on the mandated health benefit proposal, on the
32.15 potential for harm or benefit to the patient, and on the comparative benefit or harm from
32.16 alternative forms of treatment, and must include the results of at least one professionally
32.17 accepted and controlled trial comparing the medical consequences of the proposed therapy,
32.18 alternative therapy, and no therapy;
- 32.19 (2) public health, economic, and fiscal impacts of the mandated health benefit proposal
32.20 on persons receiving health services in Minnesota, on the relative cost-effectiveness of the
32.21 proposal, and on the health care system in general;

- 32.22 (3) the extent to which the treatment, service, equipment, or drug is generally utilized
32.23 by a significant portion of the population;
- 32.24 (4) the extent to which insurance coverage for the mandated health benefit proposal is
32.25 already generally available;
- 32.26 (5) the extent to which the mandated health benefit proposal, by health plan category,
32.27 would apply to the benefits offered to the health plan's enrollees;
- 32.28 (6) the extent to which the mandated health benefit proposal will increase or decrease
32.29 the cost of the treatment, service, equipment, or drug;
- 32.30 (7) the extent to which the mandated health benefit proposal may increase enrollee
32.31 premiums; and
- 33.1 (8) if the proposal applies to a qualified health plan as defined in section 62A.011,
33.2 subdivision 7, the cost to the state to defray the cost of the mandated health benefit proposal
33.3 using commercial market reimbursement rates in accordance with Code of Federal
33.4 Regulations, title 45, section 155.70.
- 33.5 (c) The commissioner shall consider actuarial analysis done by health plan companies
33.6 and any other proponent or opponent of the mandated health benefit proposal in determining
33.7 the cost of the proposal.
- 33.8 (d) The commissioner must summarize the nature and quality of available information
33.9 on these issues, and, if possible, must provide preliminary information to the public. The
33.10 commissioner may conduct research on these issues or may determine that existing research
33.11 is sufficient to meet the informational needs of the legislature. The commissioner may seek
33.12 the assistance and advice of researchers, community leaders, or other persons or organizations
33.13 with relevant expertise. The commissioner must provide the public with at least 45 days'
33.14 notice when requesting information pursuant to this section. The commissioner must notify
33.15 the chief authors of a bill when a request for information is issued.
- 33.16 (e) Information submitted to the commissioner pursuant to this section that meets the
33.17 definition of trade secret information, as defined in section 13.37, subdivision 1, paragraph
33.18 (b), is nonpublic data.
- 33.19 Sec. 22. Minnesota Statutes 2022, section 62J.26, is amended by adding a subdivision to
33.20 read:
- 33.21 Subd. 6. **Notification.** (a) Upon passage of the law containing a mandated health benefit
33.22 proposal, the commissioner must notify health plan companies of the change to benefits.
33.23 Health plan companies must report to the commissioner estimated costs attributed to the
33.24 change in benefits over a ten-year period. A health plan company's calculation of the costs
33.25 must:

Senate Language S2744-3	Commerce - Insurance	May 01, 2023 02:53 PM	House Language UES2744-2
13.10 Sec. 8. [62J.841] DEFINITIONS.			33.26 (1) be based on an analysis performed in accordance with generally accepted actuarial 33.27 principles and methodologies;
13.11 Subdivision 1. Scope. For purposes of sections 62J.841 to 62J.845, the following 13.12 definitions apply.			33.28 (2) be conducted by a member of the American Academy of Actuaries; and
13.13 Subd. 2. Consumer Price Index. "Consumer Price Index" means the Consumer Price 13.14 Index, Annual Average, for All Urban Consumers, CPI-U: U.S. City Average, All Items, 13.15 reported by the United States Department of Labor, Bureau of Labor Statistics, or its 13.16 successor or, if the index is discontinued, an equivalent index reported by a federal authority 13.17 or, if no such index is reported, "Consumer Price Index" means a comparable index chosen 13.18 by the Bureau of Labor Statistics.			33.29 (3) include projected costs for the ten years following the effective date of the change 33.30 in benefits.
13.19 Subd. 3. Generic or off-patent drug. "Generic or off-patent drug" means any prescription 13.20 drug for which any exclusive marketing rights granted under the Federal Food, Drug, and 13.21 Cosmetic Act, section 351 of the federal Public Health Service Act, and federal patent law 13.22 have expired, including any drug-device combination product for the delivery of a generic 13.23 drug.			33.31 (b) The commissioner must annually report to the legislature defrayal amounts paid to 33.32 health plan companies pursuant to Code of Federal Regulations, title 45, section 155.70. 34.1 The report must compare the amounts paid to each health plan company to the estimated 34.2 amount projected by each health plan company in its report pursuant to paragraph (a).
13.24 Subd. 4. Manufacturer. "Manufacturer" has the meaning provided in section 151.01, 13.25 subdivision 14a, but does not include an entity required solely because the entity repackages 13.26 or relabels drugs.			34.3 Sec. 23. [62J.841] DEFINITIONS.
13.27 Subd. 5. Prescription drug. "Prescription drug" means a drug for human use subject 13.28 to United States Code, title 21, section 353(b)(1).			34.4 Subdivision 1. Scope. For purposes of sections 62J.841 to 62J.845, the following 34.5 definitions apply.
13.29 Subd. 6. Wholesale acquisition cost. "Wholesale acquisition cost" has the meaning 13.30 provided in United States Code, title 42, section 1395w-3a.			34.6 Subd. 2. Consumer Price Index. "Consumer Price Index" means the Consumer Price 34.7 Index, Annual Average, for All Urban Consumers, CPI-U: U.S. City Average, All Items, 34.8 reported by the United States Department of Labor, Bureau of Labor Statistics, or its 34.9 successor or, if the index is discontinued, an equivalent index reported by a federal authority 34.10 or, if no such index is reported, "Consumer Price Index" means a comparable index chosen 34.11 by the Bureau of Labor Statistics.
14.1 Subd. 7. Wholesale distributor. "Wholesale distributor" has the meaning provided in 14.2 section 151.441, subdivision 14.			34.12 Subd. 3. Generic or off-patent drug. "Generic or off-patent drug" means any prescription 34.13 drug for which any exclusive marketing rights granted under the Federal Food, Drug, and 34.14 Cosmetic Act, section 351 of the federal Public Health Service Act, and federal patent law 34.15 have expired, including any drug-device combination product for the delivery of a generic 34.16 drug.
14.3 Sec. 9. [62J.842] EXCESSIVE PRICE INCREASES PROHIBITED.			34.17 Subd. 4. Manufacturer. "Manufacturer" has the meaning given in section 151.01, 34.18 subdivision 14a, but does not include an entity that must be licensed solely because the 34.19 entity repackages or relabels drugs.
14.4 Subdivision 1. Prohibition. No manufacturer shall impose, or cause to be imposed, an 14.5 excessive price increase, whether directly or through a wholesale distributor, pharmacy, or			34.20 Subd. 5. Prescription drug. "Prescription drug" means a drug for human use subject 34.21 to United States Code, title 21, section 353(b)(1).
			34.22 Subd. 6. Wholesale acquisition cost. "Wholesale acquisition cost" has the meaning 34.23 provided in United States Code, title 42, section 1395w-3a.
			34.24 Subd. 7. Wholesale distributor. "Wholesale distributor" has the meaning provided in 34.25 section 151.441, subdivision 14.
			34.26 Sec. 24. [62J.842] EXCESSIVE PRICE INCREASES PROHIBITED.
			34.27 Subdivision 1. Prohibition. No manufacturer shall impose, or cause to be imposed, an 34.28 excessive price increase, whether directly or through a wholesale distributor, pharmacy, or

14.6 similar intermediary, on the sale of any generic or off-patent drug sold, dispensed, or
14.7 delivered to any consumer in the state.

14.8 Subd. 2. **Excessive price increase.** A price increase is excessive for purposes of this
14.9 section when:

14.10 (1) the price increase, adjusted for inflation utilizing the Consumer Price Index, exceeds:
14.11 (i) 15 percent of the wholesale acquisition cost over the immediately preceding calendar
14.12 year; or
14.13 (ii) 40 percent of the wholesale acquisition cost over the immediately preceding three
14.14 calendar years; and
14.15 (2) the price increase, adjusted for inflation utilizing the Consumer Price Index, exceeds
14.16 \$30 for:
14.17 (i) a 30-day supply of the drug; or
14.18 (ii) a course of treatment lasting less than 30 days.

14.19 Subd. 3. **Exemption.** It is not a violation of this section for a wholesale distributor or
14.20 pharmacy to increase the price of a generic or off-patent drug if the price increase is directly
14.21 attributable to additional costs for the drug imposed on the wholesale distributor or pharmacy
14.22 by the manufacturer of the drug.

14.23 Sec. 10. **[62J.843] REGISTERED AGENT AND OFFICE WITHIN THE STATE.**

14.24 Any manufacturer that sells, distributes, delivers, or offers for sale any generic or
14.25 off-patent drug in the state must maintain a registered agent and office within the state.

14.26 Sec. 11. **[62J.844] ENFORCEMENT.**

14.27 Subdivision 1. **Notification.** (a) The commissioner of health shall notify the manufacturer
14.28 of a generic or off-patent drug, the attorney general, and the Board of Pharmacy of any price
14.29 increase that the commissioner believes may violate section 62J.842.

15.1 (b) The commissioner of management and budget and any other state agency that provides
15.2 or purchases a pharmacy benefit except the Department of Human Services, and any entity
15.3 under contract with a state agency to provide a pharmacy benefit other than an entity under
15.4 contract with the Department of Human Services, may notify the manufacturer of a generic
15.5 or off-patent drug, the attorney general, and the Board of Pharmacy of any price increase
15.6 that the commissioner or entity believes may violate section 62J.842.

15.7 Subd. 2. **Submission of drug cost statement and other information by manufacturer;**
15.8 **investigation by attorney general.** (a) Within 45 days of receiving a notice under subdivision
15.9 1, the manufacturer of the generic or off-patent drug shall submit a drug cost statement to
15.10 the attorney general. The statement must:

34.29 similar intermediary, on the sale of any generic or off-patent drug sold, dispensed, or
34.30 delivered to any consumer in the state.

35.1 Subd. 2. **Excessive price increase.** A price increase is excessive for purposes of this
35.2 section when:

35.3 (1) the price increase, adjusted for inflation utilizing the Consumer Price Index, exceeds:
35.4 (i) 15 percent of the wholesale acquisition cost over the immediately preceding calendar
35.5 year; or
35.6 (ii) 40 percent of the wholesale acquisition cost over the immediately preceding three
35.7 calendar years; and
35.8 (2) the price increase, adjusted for inflation utilizing the Consumer Price Index, exceeds
35.9 \$30 for:
35.10 (i) a 30-day supply of the drug; or
35.11 (ii) a course of treatment lasting less than 30 days.

35.12 Subd. 3. **Exemption.** It is not a violation of this section for a wholesale distributor or
35.13 pharmacy to increase the price of a generic or off-patent drug if the price increase is directly
35.14 attributable to additional costs for the drug imposed on the wholesale distributor or pharmacy
35.15 by the manufacturer of the drug.

35.16 Sec. 25. **[62J.843] REGISTERED AGENT AND OFFICE WITHIN THE STATE.**

35.17 Any manufacturer that sells, distributes, delivers, or offers for sale any generic or
35.18 off-patent drug in the state must maintain a registered agent and office within the state.

35.19 Sec. 26. **[62J.844] ENFORCEMENT.**

35.20 Subdivision 1. **Notification.** (a) The commissioner of health shall notify the manufacturer
35.21 of a generic or off-patent drug and the attorney general of any price increase that the
35.22 commissioner believes may violate section 62J.842.

35.23 (b) The commissioner of management and budget and any other state agency that provides
35.24 or purchases a pharmacy benefit except the Department of Human Services, and any entity
35.25 under contract with a state agency to provide a pharmacy benefit other than an entity under
35.26 contract with the Department of Human Services, may notify the manufacturer of a generic
35.27 or off-patent drug and the attorney general of any price increase that the commissioner or
35.28 entity believes may violate section 62J.842.

35.29 Subd. 2. **Submission of drug cost statement and other information by manufacturer;**
35.30 **investigation by attorney general.** (a) Within 45 days of receiving a notice under subdivision
36.1 1, the manufacturer of the generic or off-patent drug shall submit a drug cost statement to
36.2 the attorney general. The statement must:

15.11 (1) itemize the cost components related to production of the drug;

15.12 (2) identify the circumstances and timing of any increase in materials or manufacturing

15.13 costs that caused any increase during the preceding calendar year, or preceding three calendar

15.14 years as applicable, in the price of the drug; and

15.15 (3) provide any other information that the manufacturer believes to be relevant to a

15.16 determination of whether a violation of section 62J.842 has occurred.

15.17 (b) The attorney general may investigate whether a violation of section 62J.842 has

15.18 occurred, in accordance with section 8.31, subdivision 2.

15.19 Subd. 3. **Petition to court.** (a) On petition of the attorney general, a court may issue an

15.20 order:

15.21 (1) compelling the manufacturer of a generic or off-patent drug to:

15.22 (i) provide the drug cost statement required under subdivision 2, paragraph (a); and

15.23 (ii) answer interrogatories, produce records or documents, or be examined under oath,

15.24 as required by the attorney general under subdivision 2, paragraph (b);

15.25 (2) restraining or enjoining a violation of sections 62J.841 to 62J.845, including issuing

15.26 an order requiring that drug prices be restored to levels that comply with section 62J.842;

15.27 (3) requiring the manufacturer to provide an accounting to the attorney general of all

15.28 revenues resulting from a violation of section 62J.842;

15.29 (4) requiring the manufacturer to repay to all Minnesota consumers, including any

15.30 third-party payers, any money acquired as a result of a price increase that violates section

15.31 62J.842;

16.1 (5) notwithstanding section 16A.151, requiring that all revenues generated from a

16.2 violation of section 62J.842 be remitted to the state and deposited into a special fund, to be

16.3 used for initiatives to reduce the cost to consumers of acquiring prescription drugs, if a

16.4 manufacturer is unable to determine the individual transactions necessary to provide the

16.5 repayments described in clause (4);

16.6 (6) imposing a civil penalty of up to \$10,000 per day for each violation of section 62J.842;

16.7 (7) providing for the attorney general's recovery of costs and disbursements incurred in

16.8 bringing an action against a manufacturer found in violation of section 62J.842, including

16.9 the costs of investigation and reasonable attorney's fees; and

16.10 (8) providing any other appropriate relief, including any other equitable relief as

16.11 determined by the court.

16.12 (b) For purposes of paragraph (a), clause (6), every individual transaction in violation

16.13 of section 62J.842 is considered a separate violation.

36.3 (1) itemize the cost components related to production of the drug;

36.4 (2) identify the circumstances and timing of any increase in materials or manufacturing

36.5 costs that caused any increase during the preceding calendar year, or preceding three calendar

36.6 years as applicable, in the price of the drug; and

36.7 (3) provide any other information that the manufacturer believes to be relevant to a

36.8 determination of whether a violation of section 62J.842 has occurred.

36.9 (b) The attorney general may investigate whether a violation of section 62J.842 has

36.10 occurred, in accordance with section 8.31, subdivision 2.

36.11 Subd. 3. **Petition to court.** (a) On petition of the attorney general, a court may issue an

36.12 order:

36.13 (1) compelling the manufacturer of a generic or off-patent drug to:

36.14 (i) provide the drug cost statement required under subdivision 2, paragraph (a); and

36.15 (ii) answer interrogatories, produce records or documents, or be examined under oath,

36.16 as required by the attorney general under subdivision 2, paragraph (b);

36.17 (2) restraining or enjoining a violation of sections 62J.841 to 62J.845, including issuing

36.18 an order requiring that drug prices be restored to levels that comply with section 62J.842;

36.19 (3) requiring the manufacturer to provide an accounting to the attorney general of all

36.20 revenues resulting from a violation of section 62J.842;

36.21 (4) requiring the manufacturer to repay to all Minnesota consumers, including any

36.22 third-party payers, any money acquired as a result of a price increase that violates section

36.23 62J.842;

36.24 (5) notwithstanding section 16A.151, requiring that all revenues generated from a

36.25 violation of section 62J.842 be remitted to the state and deposited into a special fund, to be

36.26 used for initiatives to reduce the cost to consumers of acquiring prescription drugs, if a

36.27 manufacturer is unable to determine the individual transactions necessary to provide the

36.28 repayments described in clause (4);

36.29 (6) imposing a civil penalty of up to \$10,000 per day for each violation of section 62J.842;

37.1 (7) providing for the attorney general's recovery of costs and disbursements incurred in

37.2 bringing an action against a manufacturer found in violation of section 62J.842, including

37.3 the costs of investigation and reasonable attorney's fees; and

37.4 (8) providing any other appropriate relief, including any other equitable relief as

37.5 determined by the court.

37.6 (b) For purposes of paragraph (a), clause (6), every individual transaction in violation

37.7 of section 62J.842 is considered a separate violation.

16.14 Subd. 4. **Private right of action.** Any action brought pursuant to section 8.31, subdivision
16.15 3a, by a person injured by a violation of section 62J.842 is for the benefit of the public.

16.16 Sec. 12. **[62J.845] PROHIBITION ON WITHDRAWAL OF GENERIC OR**
16.17 **OFF-PATENT DRUGS FOR SALE.**

16.18 Subdivision 1. **Prohibition.** A manufacturer of a generic or off-patent drug is prohibited
16.19 from withdrawing that drug from sale or distribution within this state for the purpose of
16.20 avoiding the prohibition on excessive price increases under section 62J.842.

16.21 Subd. 2. **Notice to board and attorney general.** Any manufacturer that intends to
16.22 withdraw a generic or off-patent drug from sale or distribution within the state shall provide
16.23 a written notice of withdrawal to the Board of Pharmacy and the attorney general at least
16.24 90 days prior to the withdrawal.

16.25 Subd. 3. **Financial penalty.** The attorney general shall assess a penalty of \$500,000 on
16.26 any manufacturer of a generic or off-patent drug that the attorney general determines has
16.27 failed to comply with the requirements of this section.

16.28 Sec. 13. **[62J.846] SEVERABILITY.**

16.29 If any provision of sections 62J.841 to 62J.845 or the application thereof to any person
16.30 or circumstance is held invalid for any reason in a court of competent jurisdiction, the
17.1 invalidity does not affect other provisions or any other application of sections 62J.841 to
17.2 62J.845 that can be given effect without the invalid provision or application.

17.3 Sec. 14. **[62J.85] CITATION.**

17.4 Sections 62J.85 to 62J.95 may be cited as the "Prescription Drug Affordability Act."

17.5 Sec. 15. **[62J.86] DEFINITIONS.**

17.6 Subdivision 1. **Definitions.** For the purposes of sections 62J.85 to 62J.95, the following
17.7 terms have the meanings given.

17.8 Subd. 2. **Advisory council.** "Advisory council" means the Prescription Drug Affordability
17.9 Advisory Council established under section 62J.88.

17.10 Subd. 3. **Biologic.** "Biologic" means a drug that is produced or distributed in accordance
17.11 with a biologics license application approved under Code of Federal Regulations, title 42,
17.12 section 447.502.

17.13 Subd. 4. **Biosimilar.** "Biosimilar" has the meaning provided in section 62J.84, subdivision
17.14 2, paragraph (b).

17.15 Subd. 5. **Board.** "Board" means the Prescription Drug Affordability Board established
17.16 under section 62J.87.

37.8 Subd. 4. **Private right of action.** Any action brought pursuant to section 8.31, subdivision
37.9 3a, by a person injured by a violation of section 62J.842 is for the benefit of the public.

37.10 Sec. 27. **[62J.845] PROHIBITION ON WITHDRAWAL OF GENERIC OR**
37.11 **OFF-PATENT DRUGS FOR SALE.**

37.12 Subdivision 1. **Prohibition.** A manufacturer of a generic or off-patent drug is prohibited
37.13 from withdrawing that drug from sale or distribution within this state for the purpose of
37.14 avoiding the prohibition on excessive price increases under section 62J.842.

37.15 Subd. 2. **Notice to board and attorney general.** Any manufacturer that intends to
37.16 withdraw a generic or off-patent drug from sale or distribution within the state shall provide
37.17 a written notice of withdrawal to the attorney general at least 90 days prior to the withdrawal.

37.18 Subd. 3. **Financial penalty.** The attorney general shall assess a penalty of \$500,000 on
37.19 any manufacturer of a generic or off-patent drug that the attorney general determines has
37.20 failed to comply with the requirements of this section.

37.21 Sec. 28. **[62J.846] SEVERABILITY.**

37.22 If any provision of sections 62J.841 to 62J.845 or the application thereof to any person
37.23 or circumstance is held invalid for any reason in a court of competent jurisdiction, the
37.24 invalidity does not affect other provisions or any other application of sections 62J.841 to
37.25 62J.845 that can be given effect without the invalid provision or application.

37.26 Sec. 29. **[62J.85] CITATION.**

37.27 Sections 62J.85 to 62J.95 may be cited as the "Prescription Drug Affordability Act."

37.28 Sec. 30. **[62J.86] DEFINITIONS.**

37.29 Subdivision 1. **Definitions.** For the purposes of sections 62J.85 to 62J.95, the following
37.30 terms have the meanings given.

38.1 Subd. 2. **Advisory council.** "Advisory council" means the Prescription Drug Affordability
38.2 Advisory Council established under section 62J.88.

38.3 Subd. 3. **Biologic.** "Biologic" means a drug that is produced or distributed in accordance
38.4 with a biologics license application approved under Code of Federal Regulations, title 42,
38.5 section 447.502.

38.6 Subd. 4. **Biosimilar.** "Biosimilar" has the meaning provided in section 62J.84, subdivision
38.7 2, paragraph (b).

38.8 Subd. 5. **Board.** "Board" means the Prescription Drug Affordability Board established
38.9 under section 62J.87.

17.17 Subd. 6. **Brand name drug.** "Brand name drug" means a drug that is produced or
17.18 distributed pursuant to:

17.19 (1) a new drug application approved under United States Code, title 21, section 355(c),
17.20 except for a generic drug as defined under Code of Federal Regulations, title 42, section
17.21 447.502; or

17.22 (2) a biologics license application approved under United States Code, title 45, section
17.23 262(a)(c).

17.24 Subd. 7. **Generic drug.** "Generic drug" has the meaning provided in section 62J.84,
17.25 subdivision 2, paragraph (e).

17.26 Subd. 8. **Group purchaser.** "Group purchaser" has the meaning given in section 62J.03,
17.27 subdivision 6, and includes pharmacy benefit managers, as defined in section 62W.02,
17.28 subdivision 15.

17.29 Subd. 9. **Manufacturer.** "Manufacturer" means an entity that:

18.1 (1) engages in the manufacture of a prescription drug product or enters into a lease with
18.2 another manufacturer to market and distribute a prescription drug product under the entity's
18.3 own name; and

18.4 (2) sets or changes the wholesale acquisition cost of the prescription drug product it
18.5 manufacturers or markets.

18.6 Subd. 10. **Prescription drug product.** "Prescription drug product" means a brand name
18.7 drug, a generic drug, a biologic, or a biosimilar.

18.8 Subd. 11. **Wholesale acquisition cost or WAC.** "Wholesale acquisition cost" or "WAC"
18.9 has the meaning given in United States Code, title 42, section 1395W-3a(c)(6)(B).

18.10 Sec. 16. **[62J.87] PRESCRIPTION DRUG AFFORDABILITY BOARD.**

18.11 Subdivision 1. **Establishment.** The commissioner of commerce shall establish the
18.12 Prescription Drug Affordability Board, which shall be governed as a board under section
18.13 15.012, paragraph (a), to protect consumers, state and local governments, health plan
18.14 companies, providers, pharmacies, and other health care system stakeholders from
18.15 unaffordable costs of certain prescription drugs.

18.16 Subd. 2. **Membership.** (a) The Prescription Drug Affordability Board consists of nine
18.17 members appointed as follows:

18.18 (1) seven voting members appointed by the governor;

18.19 (2) one nonvoting member appointed by the majority leader of the senate; and

18.20 (3) one nonvoting member appointed by the speaker of the house.

38.10 Subd. 6. **Brand name drug.** "Brand name drug" means a drug that is produced or
38.11 distributed pursuant to:

38.12 (1) a new drug application approved under United States Code, title 21, section 355(c),
38.13 except for a generic drug as defined under Code of Federal Regulations, title 42, section
38.14 447.502; or

38.15 (2) a biologics license application approved under United States Code, title 45, section
38.16 262(a)(c).

38.17 Subd. 7. **Generic drug.** "Generic drug" has the meaning provided in section 62J.84,
38.18 subdivision 2, paragraph (e).

38.19 Subd. 8. **Group purchaser.** "Group purchaser" has the meaning given in section 62J.03,
38.20 subdivision 6, and includes pharmacy benefit managers, as defined in section 62W.02,
38.21 subdivision 15.

38.22 Subd. 9. **Manufacturer.** "Manufacturer" means an entity that:

38.23 (1) engages in the manufacture of a prescription drug product or enters into a lease with
38.24 another manufacturer to market and distribute a prescription drug product under the entity's
38.25 own name; and

38.26 (2) sets or changes the wholesale acquisition cost of the prescription drug product it
38.27 manufacturers or markets.

38.28 Subd. 10. **Prescription drug product.** "Prescription drug product" means a brand name
38.29 drug, a generic drug, a biologic, or a biosimilar.

38.30 Subd. 11. **Wholesale acquisition cost or WAC.** "Wholesale acquisition cost" or "WAC"
38.31 has the meaning given in United States Code, title 42, section 1395W-3a(c)(6)(B).

39.1 Sec. 31. **[62J.87] PRESCRIPTION DRUG AFFORDABILITY BOARD.**

39.2 Subdivision 1. **Establishment.** The commissioner of commerce shall establish the
39.3 Prescription Drug Affordability Board, which shall be governed as a board under section
39.4 15.012, paragraph (a), to protect consumers, state and local governments, health plan
39.5 companies, providers, pharmacies, and other health care system stakeholders from
39.6 unaffordable costs of certain prescription drugs.

39.7 Subd. 2. **Membership.** (a) The Prescription Drug Affordability Board consists of nine
39.8 members appointed as follows:

39.9 (1) seven voting members appointed by the governor;

39.10 (2) one nonvoting member appointed by the majority leader of the senate; and

39.11 (3) one nonvoting member appointed by the speaker of the house.

18.21 (b) All members appointed must have knowledge and demonstrated expertise in
 18.22 pharmaceutical economics and finance or health care economics and finance. A member
 18.23 must not be an employee of, a board member of, or a consultant to a manufacturer or trade
 18.24 association for manufacturers, or a pharmacy benefit manager or trade association for
 18.25 pharmacy benefit managers.

18.26 (c) Initial appointments must be made by January 1, 2024.

18.27 Subd. 3. **Terms.** (a) Board appointees shall serve four-year terms, except that initial
 18.28 appointees shall serve staggered terms of two, three, or four years as determined by lot by
 18.29 the secretary of state. A board member shall serve no more than two consecutive terms.

18.30 (b) A board member may resign at any time by giving written notice to the board.

19.1 Subd. 4. **Chair; other officers.** (a) The governor shall designate an acting chair from
 19.2 the members appointed by the governor.

19.3 (b) The board shall elect a chair to replace the acting chair at the first meeting of the
 19.4 board by a majority of the members. The chair shall serve for one year.

19.5 (c) The board shall elect a vice-chair and other officers from its membership as it deems
 19.6 necessary.

19.7 Subd. 5. **Staff; technical assistance.** (a) The board shall hire an executive director and
 19.8 other staff, who shall serve in the unclassified service. The executive director must have
 19.9 knowledge and demonstrated expertise in pharmacoeconomics, pharmacology, health policy,
 19.10 health services research, medicine, or a related field or discipline.

19.11 (b) The commissioner of health shall provide technical assistance to the board. The board
 19.12 may also employ or contract for professional and technical assistance as the board deems
 19.13 necessary to perform the board's duties.

19.14 (c) The attorney general shall provide legal services to the board.

19.15 Subd. 6. **Compensation.** The board members shall not receive compensation but may
 19.16 receive reimbursement for expenses as authorized under section 15.059, subdivision 3.

19.17 Subd. 7. **Meetings.** (a) Meetings of the board are subject to chapter 13D. The board shall
 19.18 meet publicly at least every three months to review prescription drug product information
 19.19 submitted to the board under section 62J.90. If there are no pending submissions, the chair
 19.20 of the board may cancel or postpone the required meeting. The board may meet in closed
 19.21 session when reviewing proprietary information, as determined under the standards developed
 19.22 in accordance with section 62J.91, subdivision 3.

19.23 (b) The board shall announce each public meeting at least three weeks prior to the
 19.24 scheduled date of the meeting. Any materials for the meeting shall be made public at least
 19.25 two weeks prior to the scheduled date of the meeting.

39.12 (b) All members appointed must have knowledge and demonstrated expertise in
 39.13 pharmaceutical economics and finance or health care economics and finance. A member
 39.14 must not be an employee of, a board member of, or a consultant to a manufacturer or trade
 39.15 association for manufacturers, or a pharmacy benefit manager or trade association for
 39.16 pharmacy benefit managers.

39.17 (c) Initial appointments must be made by January 1, 2024.

39.18 Subd. 3. **Terms.** (a) Board appointees shall serve four-year terms, except that initial
 39.19 appointees shall serve staggered terms of two, three, or four years as determined by lot by
 39.20 the secretary of state. A board member shall serve no more than two consecutive terms.

39.21 (b) A board member may resign at any time by giving written notice to the board.

39.22 Subd. 4. **Chair; other officers.** (a) The governor shall designate an acting chair from
 39.23 the members appointed by the governor.

39.24 (b) The board shall elect a chair to replace the acting chair at the first meeting of the
 39.25 board by a majority of the members. The chair shall serve for one year.

39.26 (c) The board shall elect a vice-chair and other officers from its membership as it deems
 39.27 necessary.

39.28 Subd. 5. **Staff; technical assistance.** (a) The board shall hire an executive director and
 39.29 other staff, who shall serve in the unclassified service. The executive director must have
 39.30 knowledge and demonstrated expertise in pharmacoeconomics, pharmacology, health policy,
 39.31 health services research, medicine, or a related field or discipline.

40.1 (b) The commissioner of health shall provide technical assistance to the board. The board
 40.2 may also employ or contract for professional and technical assistance as the board deems
 40.3 necessary to perform the board's duties.

40.4 (c) The attorney general shall provide legal services to the board.

40.5 Subd. 6. **Compensation.** The board members shall not receive compensation but may
 40.6 receive reimbursement for expenses as authorized under section 15.059, subdivision 3.

40.7 Subd. 7. **Meetings.** (a) Meetings of the board are subject to chapter 13D. The board shall
 40.8 meet publicly at least every three months to review prescription drug product information
 40.9 submitted to the board under section 62J.90. If there are no pending submissions, the chair
 40.10 of the board may cancel or postpone the required meeting. The board may meet in closed
 40.11 session when reviewing proprietary information, as determined under the standards developed
 40.12 in accordance with section 62J.91, subdivision 3.

40.13 (b) The board shall announce each public meeting at least three weeks prior to the
 40.14 scheduled date of the meeting. Any materials for the meeting shall be made public at least
 40.15 two weeks prior to the scheduled date of the meeting.

19.26 (c) At each public meeting, the board shall provide the opportunity for comments from
19.27 the public, including the opportunity for written comments to be submitted to the board
19.28 prior to a decision by the board.

19.29 Sec. 17. **[62J.88] PRESCRIPTION DRUG AFFORDABILITY ADVISORY**
19.30 **COUNCIL.**

19.31 Subdivision 1. **Establishment.** The governor shall appoint a 18-member stakeholder
19.32 advisory council to provide advice to the board on drug cost issues and to represent
20.1 stakeholders' views. The governor shall appoint the members of the advisory council based
20.2 on the members' knowledge and demonstrated expertise in one or more of the following
20.3 areas: the pharmaceutical business; practice of medicine; patient perspectives; health care
20.4 cost trends and drivers; clinical and health services research; and the health care marketplace.

20.5 Subd. 2. **Memberships.** The council's membership shall consist of the following:

20.6 (1) two members representing patients and health care consumers;

20.7 (2) two members representing health care providers;

20.8 (3) one member representing health plan companies;

20.9 (4) two members representing employers, with one member representing large employers
20.10 and one member representing small employers;

20.11 (5) one member representing government employee benefit plans;

20.12 (6) one member representing pharmaceutical manufacturers;

20.13 (7) one member who is a health services clinical researcher;

20.14 (8) one member who is a pharmacologist;

20.15 (9) one member representing the commissioner of health with expertise in health
20.16 economics;

20.17 (10) one member representing pharmaceutical wholesalers;

20.18 (11) one member representing pharmacy benefit managers;

20.19 (12) one member from the Rare Disease Advisory Council;

20.20 (13) one member representing generic drug manufacturers;

20.21 (14) one member representing pharmaceutical distributors; and

20.22 (15) one member who is an oncologist who is not employed by, under contract with, or
20.23 otherwise affiliated with a hospital.

20.24 Subd. 3. **Terms.** (a) The initial appointments to the advisory council must be made by
20.25 January 1, 2024. The initial appointed advisory council members shall serve staggered terms

40.16 (c) At each public meeting, the board shall provide the opportunity for comments from
40.17 the public, including the opportunity for written comments to be submitted to the board
40.18 prior to a decision by the board.

40.19 Sec. 32. **[62J.88] PRESCRIPTION DRUG AFFORDABILITY ADVISORY**
40.20 **COUNCIL.**

40.21 Subdivision 1. **Establishment.** The governor shall appoint a 18-member stakeholder
40.22 advisory council to provide advice to the board on drug cost issues and to represent
40.23 stakeholders' views. The governor shall appoint the members of the advisory council based
40.24 on the members' knowledge and demonstrated expertise in one or more of the following
40.25 areas: the pharmaceutical business; practice of medicine; patient perspectives; health care
40.26 cost trends and drivers; clinical and health services research; and the health care marketplace.

40.27 Subd. 2. **Memberships.** The council's membership shall consist of the following:

40.28 (1) two members representing patients and health care consumers;

40.29 (2) two members representing health care providers;

40.30 (3) one member representing health plan companies;

40.31 (4) two members representing employers, with one member representing large employers
40.32 and one member representing small employers;

41.1 (5) one member representing government employee benefit plans;

41.2 (6) one member representing pharmaceutical manufacturers;

41.3 (7) one member who is a health services clinical researcher;

41.4 (8) one member who is a pharmacologist;

41.5 (9) one member representing the commissioner of health with expertise in health
41.6 economics;

41.7 (10) one member representing pharmaceutical wholesalers;

41.8 (11) one member representing pharmacy benefit managers;

41.9 (12) one member from the Rare Disease Advisory Council;

41.10 (13) one member representing generic drug manufacturers;

41.11 (14) one member representing pharmaceutical distributors; and

41.12 (15) one member who is an oncologist who is not employed by, under contract with, or
41.13 otherwise affiliated with a hospital.

41.14 Subd. 3. **Terms.** (a) The initial appointments to the advisory council must be made by
41.15 January 1, 2024. The initial appointed advisory council members shall serve staggered terms

20.26 of two, three, or four years, determined by lot by the secretary of state. Following the initial
20.27 appointments, the advisory council members shall serve four-year terms.

20.28 (b) Removal and vacancies of advisory council members shall be governed by section
20.29 15.059.

21.1 Subd. 4. **Compensation.** Advisory council members may be compensated according to
21.2 section 15.059, except that those advisory council members designated in subdivision 2,
21.3 clauses (10) to (15), must not be compensated.

21.4 Subd. 5. **Meetings.** Meetings of the advisory council are subject to chapter 13D. The
21.5 advisory council shall meet publicly at least every three months to advise the board on drug
21.6 cost issues related to the prescription drug product information submitted to the board under
21.7 section 62J.90.

21.8 Subd. 6. **Exemption.** Notwithstanding section 15.059, the advisory council shall not
21.9 expire.

21.10 Sec. 18. **[62J.89] CONFLICTS OF INTEREST.**

21.11 Subdivision 1. **Definition.** For purposes of this section, "conflict of interest" means a
21.12 financial or personal association that has the potential to bias or have the appearance of
21.13 biasing a person's decisions in matters related to the board, the advisory council, or in the
21.14 conduct of the board's or council's activities. A conflict of interest includes any instance in
21.15 which a person, a person's immediate family member, including a spouse, parent, child, or
21.16 other legal dependent, or an in-law of any of the preceding individuals, has received or
21.17 could receive a direct or indirect financial benefit of any amount deriving from the result
21.18 or findings of a decision or determination of the board. For purposes of this section, a
21.19 financial benefit includes honoraria, fees, stock, the value of the member's, immediate family
21.20 member's, or in-law's stock holdings, and any direct financial benefit deriving from the
21.21 finding of a review conducted under sections 62J.85 to 62J.95. Ownership of securities is
21.22 not a conflict of interest if the securities are: (1) part of a diversified mutual or exchange
21.23 traded fund; or (2) in a tax-deferred or tax-exempt retirement account that is administered
21.24 by an independent trustee.

21.25 Subd. 2. **General.** (a) Prior to the acceptance of an appointment or employment, or prior
21.26 to entering into a contractual agreement, a board or advisory council member, board staff
21.27 member, or third-party contractor must disclose to the appointing authority or the board
21.28 any conflicts of interest. The information disclosed must include the type, nature, and
21.29 magnitude of the interests involved.

21.30 (b) A board member, board staff member, or third-party contractor with a conflict of
21.31 interest with regard to any prescription drug product under review must recuse themselves
21.32 from any discussion, review, decision, or determination made by the board relating to the
21.33 prescription drug product.

41.16 of two, three, or four years, determined by lot by the secretary of state. Following the initial
41.17 appointments, the advisory council members shall serve four-year terms.

41.18 (b) Removal and vacancies of advisory council members shall be governed by section
41.19 15.059.

41.20 Subd. 4. **Compensation.** Advisory council members may be compensated according to
41.21 section 15.059.

41.22 Subd. 5. **Meetings.** Meetings of the advisory council are subject to chapter 13D. The
41.23 advisory council shall meet publicly at least every three months to advise the board on drug
41.24 cost issues related to the prescription drug product information submitted to the board under
41.25 section 62J.90.

41.26 Subd. 6. **Exemption.** Notwithstanding section 15.059, the advisory council shall not
41.27 expire.

41.28 Sec. 33. **[62J.89] CONFLICTS OF INTEREST.**

41.29 Subdivision 1. **Definition.** For purposes of this section, "conflict of interest" means a
41.30 financial or personal association that has the potential to bias or have the appearance of
42.1 biasing a person's decisions in matters related to the board, the advisory council, or in the
42.2 conduct of the board's or council's activities. A conflict of interest includes any instance in
42.3 which a person, a person's immediate family member, including a spouse, parent, child, or
42.4 other legal dependent, or an in-law of any of the preceding individuals, has received or
42.5 could receive a direct or indirect financial benefit of any amount deriving from the result
42.6 or findings of a decision or determination of the board. For purposes of this section, a
42.7 financial benefit includes honoraria, fees, stock, the value of the member's, immediate family
42.8 member's, or in-law's stock holdings, and any direct financial benefit deriving from the
42.9 finding of a review conducted under sections 62J.85 to 62J.95. Ownership of securities is
42.10 not a conflict of interest if the securities are: (1) part of a diversified mutual or exchange
42.11 traded fund; or (2) in a tax-deferred or tax-exempt retirement account that is administered
42.12 by an independent trustee.

42.13 Subd. 2. **General.** (a) Prior to the acceptance of an appointment or employment, or prior
42.14 to entering into a contractual agreement, a board or advisory council member, board staff
42.15 member, or third-party contractor must disclose to the appointing authority or the board
42.16 any conflicts of interest. The information disclosed must include the type, nature, and
42.17 magnitude of the interests involved.

42.18 (b) A board member, board staff member, or third-party contractor with a conflict of
42.19 interest with regard to any prescription drug product under review must recuse themselves
42.20 from any discussion, review, decision, or determination made by the board relating to the
42.21 prescription drug product.

22.1 (c) Any conflict of interest must be disclosed in advance of the first meeting after the
22.2 conflict is identified or within five days after the conflict is identified, whichever is earlier.

22.3 Subd. 3. **Prohibitions.** Board members, board staff, or third-party contractors are
22.4 prohibited from accepting gifts, bequeaths, or donations of services or property that raise
22.5 the specter of a conflict of interest or have the appearance of injecting bias into the activities
22.6 of the board.

22.7 Sec. 19. **[62J.90] PRESCRIPTION DRUG PRICE INFORMATION; DECISION**
22.8 **TO CONDUCT COST REVIEW.**

22.9 Subdivision 1. **Drug price information from the commissioner of health and other**
22.10 **sources.** (a) The commissioner of health shall provide to the board the information reported
22.11 to the commissioner by drug manufacturers under section 62J.84, subdivisions 3, 4, and 5.
22.12 The commissioner shall provide this information to the board within 30 days of the date the
22.13 information is received from drug manufacturers.

22.14 (b) The board may subscribe to one or more prescription drug pricing files, such as
22.15 Medispan or FirstDatabank, or as otherwise determined by the board.

22.16 Subd. 2. **Identification of certain prescription drug products.** (a) The board, in
22.17 consultation with the advisory council, shall identify selected prescription drug products
22.18 that have been on the market for at least seven years, are not designated by the United States
22.19 Food and Drug Administration under United States Code, title 21, section 360bb, as a drug
22.20 solely for the treatment of a rare disease or condition, and meet the following criteria:

22.21 (1) brand name drugs or biologics for which the WAC increases by \$3,000 during any
22.22 12-month period or course of treatment if less than 12 months, after adjusting for changes
22.23 in the consumer price index (CPI);

22.24 (2) brand name drugs or biologics with a WAC of \$60,000 or more per calendar year
22.25 or per course of treatment;

22.26 (3) biosimilar drugs that have a WAC that is not at least 20 percent lower than the
22.27 referenced brand name biologic at the time the biosimilar is introduced; and

22.28 (4) generic drugs for which:

22.29 (i) the price increase, adjusted for inflation using the Consumer Price Index, as defined
22.30 in section 62J.841, subdivision 2, exceeds:

22.31 (A) 15 percent of the wholesale acquisition cost over the immediately preceding calendar
22.32 year; or

23.1 (B) 40 percent of the wholesale acquisition cost over the immediately preceding three
23.2 calendar years; and

42.22 (c) Any conflict of interest must be disclosed in advance of the first meeting after the
42.23 conflict is identified or within five days after the conflict is identified, whichever is earlier.

42.24 Subd. 3. **Prohibitions.** Board members, board staff, or third-party contractors are
42.25 prohibited from accepting gifts, bequeaths, or donations of services or property that raise
42.26 the specter of a conflict of interest or have the appearance of injecting bias into the activities
42.27 of the board.

42.28 Sec. 34. **[62J.90] PRESCRIPTION DRUG PRICE INFORMATION; DECISION**
42.29 **TO CONDUCT COST REVIEW.**

42.30 Subdivision 1. **Drug price information from the commissioner of health and other**
42.31 **sources.** (a) The commissioner of health shall provide to the board the information reported
42.32 to the commissioner by drug manufacturers under section 62J.84, subdivisions 3, 4, and 5.
42.33 The commissioner shall provide this information to the board within 30 days of the date the
42.34 information is received from drug manufacturers.

43.1 (b) The board may subscribe to one or more prescription drug pricing files, such as
43.2 Medispan or FirstDatabank, or as otherwise determined by the board.

43.3 Subd. 2. **Identification of certain prescription drug products.** (a) The board, in
43.4 consultation with the advisory council, shall identify selected prescription drug products
43.5 based on the following criteria:

43.6 (1) brand name drugs or biologics for which the WAC increases by more than 15 percent
43.7 or by more than \$3,000 during any 12-month period or course of treatment if less than 12
43.8 months, after adjusting for changes in the consumer price index (CPI);

43.9 (2) brand name drugs or biologics with a WAC of \$60,000 or more per calendar year
43.10 or per course of treatment;

43.11 (3) biosimilar drugs that have a WAC that is not at least 20 percent lower than the
43.12 referenced brand name biologic at the time the biosimilar is introduced; and

43.13 (4) generic drugs for which the WAC:

23.3 (ii) the price increase, adjusted for inflation utilizing the Consumer Price Index, exceeds
23.4 \$30 for:

23.5 (A) a 30-day supply of the drug; or

23.6 (B) a course of treatment lasting less than 30 days.

23.7 The board is not required to identify all prescription drug products that meet the criteria in
23.8 this paragraph.

23.9 (b) The board, in consultation with the advisory council and the commissioner of health,
23.10 may identify prescription drug products not described in paragraph (a) that may impose
23.11 costs that create significant affordability challenges for the state health care system or for
23.12 patients, including but not limited to drugs to address public health emergencies.

23.13 (c) The board shall make available to the public the names and related price information
23.14 of the prescription drug products identified under this subdivision, with the exception of
23.15 information determined by the board to be proprietary under the standards developed by
23.16 the board under section 62J.91, subdivision 3, and information provided by the commissioner
23.17 of health classified as not public data under section 13.02, subdivision 8a, or as trade secret
23.18 information under section 13.37, subdivision 1, paragraph (b), or as trade secret information
23.19 under the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as
23.20 amended.

23.21 Subd. 3. **Determination to proceed with review.** (a) The board may initiate a cost
23.22 review of a prescription drug product identified by the board under this section.

23.23 (b) The board shall consider requests by the public for the board to proceed with a cost
23.24 review of any prescription drug product identified under this section.

23.25 (c) If there is no consensus among the members of the board on whether to initiate a
23.26 cost review of a prescription drug product, any member of the board may request a vote to
23.27 determine whether to review the cost of the prescription drug product.

23.28 Sec. 20. **[62J.91] PRESCRIPTION DRUG PRODUCT REVIEWS.**

23.29 Subdivision 1. **General.** Once a decision by the board has been made to proceed with
23.30 a cost review of a prescription drug product, the board shall conduct the review and make
23.31 a determination as to whether appropriate utilization of the prescription drug under review,
23.32 based on utilization that is consistent with the United States Food and Drug Administration

43.14 (i) is \$100 or more, after adjusting for changes in the CPI, for:

43.15 (A) a 30-day supply;

43.16 (B) a course of treatment lasting less than 30 days; or

43.17 (C) one unit of the drug, if the labeling approved by the Food and Drug Administration
43.18 does not recommend a finite dosage; and

43.19 (ii) increased by 200 percent or more during the immediate preceding 12-month period,
43.20 as determined by the difference between the resulting WAC and the average WAC reported
43.21 over the preceding 12 months, after adjusting for changes in the CPI.

43.22 The board is not required to identify all prescription drug products that meet the criteria in
43.23 this paragraph.

43.24 (b) The board, in consultation with the advisory council and the commissioner of health,
43.25 may identify prescription drug products not described in paragraph (a) that may impose
43.26 costs that create significant affordability challenges for the state health care system or for
43.27 patients, including but not limited to drugs to address public health emergencies.

43.28 (c) The board shall make available to the public the names and related price information
43.29 of the prescription drug products identified under this subdivision, with the exception of
43.30 information determined by the board to be proprietary under the standards developed by
43.31 the board under section 62J.91, subdivision 3, and information provided by the commissioner
43.32 of health classified as not public data under section 13.02, subdivision 8a, or as trade secret
44.1 information under section 13.37, subdivision 1, paragraph (b), or as trade secret information
44.2 under the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as
44.3 amended.

44.4 Subd. 3. **Determination to proceed with review.** (a) The board may initiate a cost
44.5 review of a prescription drug product identified by the board under this section.

44.6 (b) The board shall consider requests by the public for the board to proceed with a cost
44.7 review of any prescription drug product identified under this section.

44.8 (c) If there is no consensus among the members of the board on whether to initiate a
44.9 cost review of a prescription drug product, any member of the board may request a vote to
44.10 determine whether to review the cost of the prescription drug product.

44.11 Sec. 35. **[62J.91] PRESCRIPTION DRUG PRODUCT REVIEWS.**

44.12 Subdivision 1. **General.** Once a decision by the board has been made to proceed with
44.13 a cost review of a prescription drug product, the board shall conduct the review and make
44.14 a determination as to whether appropriate utilization of the prescription drug under review,
44.15 based on utilization that is consistent with the United States Food and Drug Administration

24.1 (FDA) label or standard medical practice, has led or will lead to affordability challenges
24.2 for the state health care system or for patients.

24.3 Subd. 2. **Review considerations.** In reviewing the cost of a prescription drug product,
24.4 the board may consider the following factors:

24.5 (1) the price at which the prescription drug product has been and will be sold in the state;

24.6 (2) manufacturer monetary price concessions, discounts, or rebates, and drug-specific
24.7 patient assistance;

24.8 (3) the price of therapeutic alternatives;

24.9 (4) the cost to group purchasers based on patient access consistent with the FDA-labeled
24.10 indications and standard medical practice;

24.11 (5) measures of patient access, including cost-sharing and other metrics;

24.12 (6) the extent to which the attorney general or a court has determined that a price increase
24.13 for a generic or off-patent prescription drug product was excessive under sections 62J.842
24.14 and 62J.844;

24.15 (7) any information a manufacturer chooses to provide; and

24.16 (8) any other factors as determined by the board.

24.17 Subd. 3. **Public data; proprietary information.** (a) Any submission made to the board
24.18 related to a drug cost review must be made available to the public with the exception of
24.19 information determined by the board to be proprietary and information provided by the
24.20 commissioner of health classified as not public data under section 13.02, subdivision 8a, or
24.21 as trade secret information under section 13.37, subdivision 1, paragraph (b), or as trade
24.22 secret information under the Defend Trade Secrets Act of 2016, United States Code, title
24.23 18, section 1836, as amended.

24.24 (b) The board shall establish the standards for the information to be considered proprietary
24.25 under paragraph (a) and section 62J.90, subdivision 2, including standards for heightened
24.26 consideration of proprietary information for submissions for a cost review of a drug that is
24.27 not yet approved by the FDA.

24.28 (c) Prior to the board establishing the standards under paragraph (b), the public shall be
24.29 provided notice and the opportunity to submit comments.

24.30 (d) The establishment of standards under this subdivision is exempt from the rulemaking
24.31 requirements under chapter 14, and section 14.386 does not apply.

25.1 Sec. 21. **[62J.92] DETERMINATIONS; COMPLIANCE; REMEDIES.**

25.2 Subdivision 1. **Upper payment limit.** (a) In the event the board finds that the spending
25.3 on a prescription drug product reviewed under section 62J.91 creates an affordability

44.16 (FDA) label or standard medical practice, has led or will lead to affordability challenges
44.17 for the state health care system or for patients.

44.18 Subd. 2. **Review considerations.** In reviewing the cost of a prescription drug product,
44.19 the board may consider the following factors:

44.20 (1) the price at which the prescription drug product has been and will be sold in the state;

44.21 (2) manufacturer monetary price concessions, discounts, or rebates, and drug-specific
44.22 patient assistance;

44.23 (3) the price of therapeutic alternatives;

44.24 (4) the cost to group purchasers based on patient access consistent with the FDA-labeled
44.25 indications and standard medical practice;

44.26 (5) measures of patient access, including cost-sharing and other metrics;

44.27 (6) the extent to which the attorney general or a court has determined that a price increase
44.28 for a generic or off-patent prescription drug product was excessive under sections 62J.842
44.29 and 62J.844;

44.30 (7) any information a manufacturer chooses to provide; and

44.31 (8) any other factors as determined by the board.

45.1 Subd. 3. **Public data; proprietary information.** (a) Any submission made to the board
45.2 related to a drug cost review must be made available to the public with the exception of
45.3 information determined by the board to be proprietary and information provided by the
45.4 commissioner of health classified as not public data under section 13.02, subdivision 8a, or
45.5 as trade secret information under section 13.37, subdivision 1, paragraph (b), or as trade
45.6 secret information under the Defend Trade Secrets Act of 2016, United States Code, title
45.7 18, section 1836, as amended.

45.8 (b) The board shall establish the standards for the information to be considered proprietary
45.9 under paragraph (a) and section 62J.90, subdivision 2, including standards for heightened
45.10 consideration of proprietary information for submissions for a cost review of a drug that is
45.11 not yet approved by the FDA.

45.12 (c) Prior to the board establishing the standards under paragraph (b), the public shall be
45.13 provided notice and the opportunity to submit comments.

45.14 (d) The establishment of standards under this subdivision is exempt from the rulemaking
45.15 requirements under chapter 14, and section 14.386 does not apply.

45.16 Sec. 36. **[62J.92] DETERMINATIONS; COMPLIANCE; REMEDIES.**

45.17 Subdivision 1. **Upper payment limit.** (a) In the event the board finds that the spending
45.18 on a prescription drug product reviewed under section 62J.91 creates an affordability

25.4 challenge for the state health care system or for patients, the board shall establish an upper
 25.5 payment limit after considering:

25.6 (1) extraordinary supply costs, if applicable;

25.7 (2) the range of prices at which the drug is sold in the United States according to one or
 25.8 more pricing files accessed under section 62J.90, subdivision 1, and the range at which
 25.9 pharmacies are reimbursed in Canada; and

25.10 (3) any other relevant pricing and administrative cost information for the drug.

25.11 (b) An upper payment limit applies to all purchases of, and payer reimbursements for,
 25.12 a prescription drug that is dispensed or administered to individuals in the state in person,
 25.13 by mail, or by other means, and for which an upper payment limit has been established.

25.14 Subd. 2. **Implementation and administration of the upper payment limit.** (a) An
 25.15 upper payment limit may take effect no sooner than 120 days following the date of its public
 25.16 release by the board.

25.17 (b) When setting an upper payment limit for a drug subject to the Medicare maximum
 25.18 fair price under United States Code, title 42, section 1191(c), the board shall set the upper
 25.19 payment limit at the Medicare maximum fair price.

25.20 (c) Pharmacy dispensing fees must not be counted toward or subject to any upper payment
 25.21 limit. State-licensed independent pharmacies must not be reimbursed by health carriers and
 25.22 pharmacy benefit managers at amounts that are less than the upper payment limit.

25.23 (d) Health plan companies and pharmacy benefit managers shall report annually to the
 25.24 board, in the form and manner specified by the board, on how cost savings resulting from
 25.25 the establishment of an upper payment limit have been used by the health plan company or
 25.26 pharmacy benefit manager to benefit enrollees, including but not limited to reducing enrollee
 25.27 cost-sharing.

25.28 Subd. 3. **Noncompliance.** (a) The board shall, and other persons may, notify the Office
 25.29 of the Attorney General of a potential failure by an entity subject to an upper payment limit
 25.30 to comply with that limit.

26.1 (b) If the Office of the Attorney General finds that an entity was noncompliant with the
 26.2 upper payment limit requirements, the attorney general may pursue remedies consistent
 26.3 with chapter 8 or appropriate criminal charges if there is evidence of intentional profiteering.

26.4 (c) An entity who obtains price concessions from a drug manufacturer that result in a
 26.5 lower net cost to the stakeholder than the upper payment limit established by the board is
 26.6 not considered noncompliant.

26.7 (d) The Office of the Attorney General may provide guidance to stakeholders concerning
 26.8 activities that could be considered noncompliant.

45.19 challenge for the state health care system or for patients, the board shall establish an upper
 45.20 payment limit after considering:

45.21 (1) extraordinary supply costs, if applicable;

45.22 (2) the range of prices at which the drug is sold in the United States according to one or
 45.23 more pricing files accessed under section 62J.90, subdivision 1, and the range at which
 45.24 pharmacies are reimbursed in Canada; and

45.25 (3) any other relevant pricing and administrative cost information for the drug.

45.26 (b) An upper payment limit applies to all purchases of, and payer reimbursements for,
 45.27 a prescription drug that is dispensed or administered to individuals in the state in person,
 45.28 by mail, or by other means, and for which an upper payment limit has been established.

45.29 Subd. 2. **Implementation and administration of the upper payment limit.** (a) An
 45.30 upper payment limit may take effect no sooner than 120 days following the date of its public
 45.31 release by the board.

46.1 (b) When setting an upper payment limit for a drug subject to the Medicare maximum
 46.2 fair price under United States Code, title 42, section 1191(c), the board shall set the upper
 46.3 payment limit at the Medicare maximum fair price.

46.4 (c) Pharmacy dispensing fees must not be counted toward or subject to any upper payment
 46.5 limit. State-licensed independent pharmacies must not be reimbursed by health carriers and
 46.6 pharmacy benefit managers at amounts that are less than the upper payment limit.

46.7 (d) Health plan companies and pharmacy benefit managers shall report annually to the
 46.8 board, in the form and manner specified by the board, on how cost savings resulting from
 46.9 the establishment of an upper payment limit have been used by the health plan company or
 46.10 pharmacy benefit manager to benefit enrollees, including but not limited to reducing enrollee
 46.11 cost-sharing.

46.12 Subd. 3. **Noncompliance.** (a) The board shall, and other persons may, notify the Office
 46.13 of the Attorney General of a potential failure by an entity subject to an upper payment limit
 46.14 to comply with that limit.

46.15 (b) If the Office of the Attorney General finds that an entity was noncompliant with the
 46.16 upper payment limit requirements, the attorney general may pursue remedies consistent
 46.17 with chapter 8 or appropriate criminal charges if there is evidence of intentional profiteering.

46.18 (c) An entity who obtains price concessions from a drug manufacturer that result in a
 46.19 lower net cost to the stakeholder than the upper payment limit established by the board is
 46.20 not considered noncompliant.

46.21 (d) The Office of the Attorney General may provide guidance to stakeholders concerning
 46.22 activities that could be considered noncompliant.

26.9 Subd. 4. **Appeals.** (a) Persons affected by a decision of the board may request an appeal
 26.10 of the board's decision within 30 days of the date of the decision. The board shall hear the
 26.11 appeal and render a decision within 60 days of the hearing.

26.12 (b) All appeal decisions are subject to judicial review in accordance with chapter 14.

26.13 Sec. 22. **[62J.93] REPORTS.**

26.14 Beginning March 1, 2024, and each March 1 thereafter, the board shall submit a report
 26.15 to the governor and legislature on general price trends for prescription drug products and
 26.16 the number of prescription drug products that were subject to the board's cost review and
 26.17 analysis, including the result of any analysis as well as the number and disposition of appeals
 26.18 and judicial reviews.

26.19 Sec. 23. **[62J.94] ERISA PLANS AND MEDICARE DRUG PLANS.**

26.20 (a) Nothing in sections 62J.85 to 62J.95 shall be construed to require ERISA plans or
 26.21 Medicare Part D plans to comply with decisions of the board. ERISA plans or Medicare
 26.22 Part D plans are free to choose to exceed the upper payment limit established by the board
 26.23 under section 62J.92.

26.24 (b) Providers who dispense and administer drugs in the state must bill all payers no more
 26.25 than the upper payment limit without regard to whether an ERISA plan or Medicare Part
 26.26 D plan chooses to reimburse the provider in an amount greater than the upper payment limit
 26.27 established by the board.

26.28 (c) For purposes of this section, an ERISA plan or group health plan is an employee
 26.29 welfare benefit plan established by or maintained by an employer or an employee
 26.30 organization, or both, that provides employer sponsored health coverage to employees and
 26.31 the employee's dependents and is subject to the Employee Retirement Income Security Act
 26.32 of 1974 (ERISA).

27.1 Sec. 24. **[62J.95] SEVERABILITY.**

27.2 If any provision of sections 62J.85 to 62J.94 or the application thereof to any person or
 27.3 circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity
 27.4 does not affect other provisions or any other application of sections 62J.85 to 62J.94 that
 27.5 can be given effect without the invalid provision or application.

27.6 Sec. 25. Minnesota Statutes 2022, section 62K.10, subdivision 4, is amended to read:

27.7 Subd. 4. **Network adequacy.** Each designated provider network must include a sufficient
 27.8 number and type of providers, including providers that specialize in mental health and
 27.9 substance use disorder services, to ensure that covered services are available to all enrollees
 27.10 without unreasonable delay. In determining network adequacy, the commissioner of health
 27.11 shall consider availability of services, including the following:

46.23 Subd. 4. **Appeals.** (a) Persons affected by a decision of the board may request an appeal
 46.24 of the board's decision within 30 days of the date of the decision. The board shall hear the
 46.25 appeal and render a decision within 60 days of the hearing.

46.26 (b) All appeal decisions are subject to judicial review in accordance with chapter 14.

46.27 Sec. 37. **[62J.93] REPORTS.**

46.28 Beginning March 1, 2024, and each March 1 thereafter, the board shall submit a report
 46.29 to the governor and legislature on general price trends for prescription drug products and
 46.30 the number of prescription drug products that were subject to the board's cost review and
 46.31 analysis, including the result of any analysis as well as the number and disposition of appeals
 46.32 and judicial reviews.

47.1 Sec. 38. **[62J.94] ERISA PLANS AND MEDICARE DRUG PLANS.**

47.2 (a) Nothing in sections 62J.85 to 62J.95 shall be construed to require ERISA plans or
 47.3 Medicare Part D plans to comply with decisions of the board. ERISA plans or Medicare
 47.4 Part D plans are free to choose to exceed the upper payment limit established by the board
 47.5 under section 62J.92.

47.6 (b) Providers who dispense and administer drugs in the state must bill all payers no more
 47.7 than the upper payment limit without regard to whether an ERISA plan or Medicare Part
 47.8 D plan chooses to reimburse the provider in an amount greater than the upper payment limit
 47.9 established by the board.

47.10 (c) For purposes of this section, an ERISA plan or group health plan is an employee
 47.11 welfare benefit plan established by or maintained by an employer or an employee
 47.12 organization, or both, that provides employer sponsored health coverage to employees and
 47.13 the employee's dependents and is subject to the Employee Retirement Income Security Act
 47.14 of 1974 (ERISA).

47.15 Sec. 39. **[62J.95] SEVERABILITY.**

47.16 If any provision of sections 62J.85 to 62J.94 or the application thereof to any person or
 47.17 circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity
 47.18 does not affect other provisions or any other application of sections 62J.85 to 62J.94 that
 47.19 can be given effect without the invalid provision or application.

47.20 Sec. 40. Minnesota Statutes 2022, section 62K.10, subdivision 4, is amended to read:

47.21 Subd. 4. **Network adequacy.** **(a)** Each designated provider network must include a
 47.22 sufficient number and type of providers, including providers that specialize in mental health
 47.23 and substance use disorder services, to ensure that covered services are available to all
 47.24 enrollees without unreasonable delay. In determining network adequacy, the commissioner
 47.25 of health shall consider availability of services, including the following:

27.12 (1) primary care physician services are available and accessible 24 hours per day, seven
27.13 days per week, within the network area;

27.14 (2) a sufficient number of primary care physicians have hospital admitting privileges at
27.15 one or more participating hospitals within the network area so that necessary admissions
27.16 are made on a timely basis consistent with generally accepted practice parameters;

27.17 (3) specialty physician service is available through the network or contract arrangement;

27.18 (4) mental health and substance use disorder treatment providers, including but not
27.19 limited to psychiatric residential treatment facilities, are available and accessible through
27.20 the network or contract arrangement;

27.21 (5) to the extent that primary care services are provided through primary care providers
27.22 other than physicians, and to the extent permitted under applicable scope of practice in state
27.23 law for a given provider, these services shall be available and accessible; and

27.24 (6) the network has available, either directly or through arrangements, appropriate and
27.25 sufficient personnel, physical resources, and equipment to meet the projected needs of
27.26 enrollees for covered health care services.

47.26 (1) primary care physician services are available and accessible 24 hours per day, seven
47.27 days per week, within the network area;

47.28 (2) a sufficient number of primary care physicians have hospital admitting privileges at
47.29 one or more participating hospitals within the network area so that necessary admissions
47.30 are made on a timely basis consistent with generally accepted practice parameters;

47.31 (3) specialty physician service is available through the network or contract arrangement;

48.1 (4) mental health and substance use disorder treatment providers, including but not
48.2 limited to psychiatric residential treatment facilities, are available and accessible through
48.3 the network or contract arrangement;

48.4 (5) to the extent that primary care services are provided through primary care providers
48.5 other than physicians, and to the extent permitted under applicable scope of practice in state
48.6 law for a given provider, these services shall be available and accessible; and

48.7 (6) the network has available, either directly or through arrangements, appropriate and
48.8 sufficient personnel, physical resources, and equipment to meet the projected needs of
48.9 enrollees for covered health care services.

48.10 (b) The commissioner must determine network sufficiency in a manner that is consistent
48.11 with the requirements of this section and may establish sufficiency by referencing any
48.12 reasonable criteria, which may include but is not limited to:

48.13 (1) provider-covered person ratios by specialty;

48.14 (2) primary care professional-covered person ratios;

48.15 (3) geographic accessibility of providers;

48.16 (4) geographic variation and population dispersion;

48.17 (5) waiting times for an appointment with participating providers;

48.18 (6) hours of operation;

48.19 (7) the ability of the network to meet the needs of covered persons, which may include:

48.20 (i) low-income persons;

48.21 (ii) children and adults with serious, chronic, or complex health conditions, physical
48.22 disabilities, or mental illness; or

48.23 (iii) persons with limited English proficiency and persons from underserved communities;

48.24 (8) other health care service delivery system options, including telemedicine or telehealth,
48.25 mobile clinics, centers of excellence, and other ways of delivering care; and

48.26 (9) the volume of technological and specialty care services available to serve the needs
48.27 of covered persons that need technologically advanced or specialty care services.

48.28 **EFFECTIVE DATE.** The amendment to paragraph (a) is effective July 1, 2023.
48.29 Paragraph (b) is effective January 1, 2025, and applies to health plans offered, issued, or
48.30 renewed on or after that date.

49.1 Sec. 41. Minnesota Statutes 2022, section 62Q.096, is amended to read:

49.2 **62Q.096 CREDENTIALING OF PROVIDERS.**

49.3 (a) If a health plan company has initially credentialed, as providers in its provider network,
49.4 individual providers employed by or under contract with an entity that:

49.5 (1) is authorized to bill under section 256B.0625, subdivision 5;

49.6 (2) is a mental health clinic certified under section 245I.20;

49.7 (3) is designated an essential community provider under section 62Q.19; and

49.8 (4) is under contract with the health plan company to provide mental health services,
49.9 the health plan company must continue to credential at least the same number of providers
49.10 from that entity, as long as those providers meet the health plan company's credentialing
49.11 standards.

49.12 (b) In order to ensure timely access by patients to mental health services, between July
49.13 1, 2023, and June 30, 2025, a health plan company must credential and enter into a contract
49.14 for mental health services with any provider of mental health services that:

49.15 (1) meets the health plan company's credential requirements. For purposes of credentialing
49.16 under this paragraph, a health plan company may waive credentialing requirements that are
49.17 not directly related to quality of care in order to ensure patient access to providers from
49.18 underserved communities or to providers in rural areas;

49.19 (2) seeks to receive a credential from the health plan company;

49.20 (3) agrees to the health plan company's contract terms. The contract shall include payment
49.21 rates that are usual and customary for the services provided;

49.22 (4) is accepting new patients; and

49.23 (5) is not already under a contract with the health plan company under a separate tax
49.24 identification number or, if already under a contract with the health plan company, has
49.25 provided notice to the health plan company of termination of the existing contract.

49.26 (c) A health plan company shall not refuse to credential these providers on the grounds
49.27 that their provider network has;

27.27 Sec. 26. Minnesota Statutes 2022, section 62Q.19, subdivision 1, is amended to read:

27.28 Subdivision 1. **Designation.** (a) The commissioner shall designate essential community

27.29 providers. The criteria for essential community provider designation shall be the following:

28.1 (1) a demonstrated ability to integrate applicable supportive and stabilizing services with

28.2 medical care for uninsured persons and high-risk and special needs populations, underserved,

28.3 and other special needs populations; and

28.4 (2) a commitment to serve low-income and underserved populations by meeting the

28.5 following requirements:

28.6 (i) has nonprofit status in accordance with chapter 317A;

28.7 (ii) has tax-exempt status in accordance with the Internal Revenue Service Code, section

28.8 501(c)(3);

28.9 (iii) charges for services on a sliding fee schedule based on current poverty income

28.10 guidelines; and

28.11 (iv) does not restrict access or services because of a client's financial limitation;

28.12 (3) status as a local government unit as defined in section 62D.02, subdivision 11, a

28.13 hospital district created or reorganized under sections 447.31 to 447.37, an Indian **tribal**

28.14 government, an Indian health service unit, or a community health board as defined in chapter

28.15 145A;

28.16 (4) a former state hospital that specializes in the treatment of cerebral palsy, spina bifida,

28.17 epilepsy, closed head injuries, specialized orthopedic problems, and other disabling

28.18 conditions;

28.19 (5) a sole community hospital. For these rural hospitals, the essential community provider

28.20 designation applies to all health services provided, including both inpatient and outpatient

28.21 services. For purposes of this section, "sole community hospital" means a rural hospital

28.22 that:

28.23 (i) is eligible to be classified as a sole community hospital according to Code of Federal

28.24 Regulations, title 42, section 412.92, or is located in a community with a population of less

28.25 than 5,000 and located more than 25 miles from a like hospital currently providing acute

28.26 short-term services;

28.27 (ii) has experienced net operating income losses in two of the previous three most recent

28.28 consecutive hospital fiscal years for which audited financial information is available; and

28.29 (iii) consists of 40 or fewer licensed beds;

49.28 (1) a sufficient number of providers of that type, including but not limited to the provider

49.29 types identified in paragraph (a); or

49.30 (2) a sufficient number of providers of mental health services in the aggregate.

50.1 Sec. 42. Minnesota Statutes 2022, section 62Q.19, subdivision 1, is amended to read:

50.2 Subdivision 1. **Designation.** (a) The commissioner shall designate essential community

50.3 providers. The criteria for essential community provider designation shall be the following:

50.4 (1) a demonstrated ability to integrate applicable supportive and stabilizing services with

50.5 medical care for uninsured persons and high-risk and special needs populations, underserved,

50.6 and other special needs populations; and

50.7 (2) a commitment to serve low-income and underserved populations by meeting the

50.8 following requirements:

50.9 (i) has nonprofit status in accordance with chapter 317A;

50.10 (ii) has tax-exempt status in accordance with the Internal Revenue Service Code, section

50.11 501(c)(3);

50.12 (iii) charges for services on a sliding fee schedule based on current poverty income

50.13 guidelines; and

50.14 (iv) does not restrict access or services because of a client's financial limitation;

50.15 (3) status as a local government unit as defined in section 62D.02, subdivision 11, a

50.16 hospital district created or reorganized under sections 447.31 to 447.37, an Indian **Tribal**

50.17 government, an Indian health service unit, or a community health board as defined in chapter

50.18 145A;

50.19 (4) a former state hospital that specializes in the treatment of cerebral palsy, spina bifida,

50.20 epilepsy, closed head injuries, specialized orthopedic problems, and other disabling

50.21 conditions;

50.22 (5) a sole community hospital. For these rural hospitals, the essential community provider

50.23 designation applies to all health services provided, including both inpatient and outpatient

50.24 services. For purposes of this section, "sole community hospital" means a rural hospital

50.25 that:

50.26 (i) is eligible to be classified as a sole community hospital according to Code of Federal

50.27 Regulations, title 42, section 412.92, or is located in a community with a population of less

50.28 than 5,000 and located more than 25 miles from a like hospital currently providing acute

50.29 short-term services;

50.30 (ii) has experienced net operating income losses in two of the previous three most recent

50.31 consecutive hospital fiscal years for which audited financial information is available; and

50.32 (iii) consists of 40 or fewer licensed beds;

28.30 (6) a birth center licensed under section 144.615; ~~or~~

28.31 (7) a hospital and affiliated specialty clinics that predominantly serve patients who are

28.32 under 21 years of age and meet the following criteria:

29.1 (i) provide intensive specialty pediatric services that are routinely provided in fewer

29.2 than five hospitals in the state; and

29.3 (ii) serve children from at least one-half of the counties in the state; ~~or~~

29.4 (8) a psychiatric residential treatment facility, as defined in section 256B.0625,

29.5 subdivision 45a, paragraph (b), that is certified and licensed by the commissioner of health.

29.6 (b) Prior to designation, the commissioner shall publish the names of all applicants in

29.7 the State Register. The public shall have 30 days from the date of publication to submit

29.8 written comments to the commissioner on the application. No designation shall be made

29.9 by the commissioner until the 30-day period has expired.

29.10 (c) The commissioner may designate an eligible provider as an essential community

29.11 provider for all the services offered by that provider or for specific services designated by

29.12 the commissioner.

29.13 (d) For the purpose of this subdivision, supportive and stabilizing services include at a

29.14 minimum, transportation, child care, cultural, and linguistic services where appropriate.

29.15 Sec. 27. Minnesota Statutes 2022, section 62Q.46, subdivision 1, is amended to read:

29.16 Subdivision 1. **Coverage for preventive items and services.** (a) "Preventive items and

29.17 services" has the meaning specified in the Affordable Care Act. Preventive items and services

29.18 includes:

29.19 (1) evidence-based items or services that have in effect a rating of A or B in the current

29.20 recommendations of the United States Preventive Services Task Force with respect to the

29.21 individual involved;

29.22 (2) immunizations for routine use in children, adolescents, and adults that have in effect

29.23 a recommendation from the Advisory Committee on Immunization Practices of the Centers

29.24 for Disease Control and Prevention with respect to the individual involved. For purposes

29.25 of this clause, a recommendation from the Advisory Committee on Immunization Practices

29.26 of the Centers for Disease Control and Prevention is considered in effect after the

29.27 recommendation has been adopted by the Director of the Centers for Disease Control and

29.28 Prevention, and a recommendation is considered to be for routine use if the recommendation

29.29 is listed on the Immunization Schedules of the Centers for Disease Control and Prevention;

51.1 (6) a birth center licensed under section 144.615; ~~or~~

51.2 (7) a hospital and affiliated specialty clinics that predominantly serve patients who are

51.3 under 21 years of age and meet the following criteria:

51.4 (i) provide intensive specialty pediatric services that are routinely provided in fewer

51.5 than five hospitals in the state; and

51.6 (ii) serve children from at least one-half of the counties in the state; ~~or~~

51.7 (8) a psychiatric residential treatment facility, as defined in section 256B.0625,

51.8 subdivision 45a, paragraph (b), that is certified by the commissioner of health and licensed

51.9 by the commissioner of human services.

51.10 (b) Prior to designation, the commissioner shall publish the names of all applicants in

51.11 the State Register. The public shall have 30 days from the date of publication to submit

51.12 written comments to the commissioner on the application. No designation shall be made

51.13 by the commissioner until the 30-day period has expired.

51.14 (c) The commissioner may designate an eligible provider as an essential community

51.15 provider for all the services offered by that provider or for specific services designated by

51.16 the commissioner.

51.17 (d) For the purpose of this subdivision, supportive and stabilizing services include at a

51.18 minimum, transportation, child care, cultural, and linguistic services where appropriate.

51.19 EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health

51.20 plans offered, issued, or renewed on or after that date.

51.21 Sec. 43. Minnesota Statutes 2022, section 62Q.46, subdivision 1, is amended to read:

51.22 Subdivision 1. **Coverage for preventive items and services.** (a) "Preventive items and

51.23 services" has the meaning specified in the Affordable Care Act. Preventive items and services

51.24 includes:

51.25 (1) evidence-based items or services that have in effect a rating of A or B in the current

51.26 recommendations of the United States Preventive Services Task Force with respect to the

51.27 individual involved;

51.28 (2) immunizations for routine use in children, adolescents, and adults that have in effect

51.29 a recommendation from the Advisory Committee on Immunization Practices of the Centers

51.30 for Disease Control and Prevention with respect to the individual involved. For purposes

51.31 of this clause, a recommendation from the Advisory Committee on Immunization Practices

51.32 of the Centers for Disease Control and Prevention is considered in effect after the

52.1 recommendation has been adopted by the Director of the Centers for Disease Control and

52.2 Prevention, and a recommendation is considered to be for routine use if the recommendation

52.3 is listed on the Immunization Schedules of the Centers for Disease Control and Prevention;

29.30 (3) with respect to infants, children, and adolescents, evidence-informed preventive care
 29.31 and screenings provided for in comprehensive guidelines supported by the Health Resources
 29.32 and Services Administration;

30.1 (4) with respect to women, additional preventive care and screenings that are not listed
 30.2 with a rating of A or B by the United States Preventive Services Task Force but that are
 30.3 provided for in comprehensive guidelines supported by the Health Resources and Services
 30.4 Administration;

30.5 (5) all contraceptive methods established in guidelines published by the United States
 30.6 Food and Drug Administration;

30.7 (6) screenings for human immunodeficiency virus for:

30.8 (i) all individuals at least 15 years of age but less than 65 years of age; and

30.9 (ii) all other individuals with increased risk of human immunodeficiency virus infection
 30.10 according to guidance from the Centers for Disease Control;

30.11 (7) all preexposure prophylaxis when used for the prevention or treatment of human
 30.12 immunodeficiency virus, including but not limited to all preexposure prophylaxis, as defined
 30.13 in any guidance by the United States Preventive Services Task Force or the Centers for
 30.14 Disease Control, including the June 11, 2019, Preexposure Prophylaxis for the Prevention
 30.15 of HIV Infection United States Preventive Services Task Force Recommendation Statement;
 30.16 and

30.17 (8) all postexposure prophylaxis when used for the prevention or treatment of human
 30.18 immunodeficiency virus, including but not limited to all postexposure prophylaxis as defined
 30.19 in any guidance by the United States Preventive Services Task Force or the Centers for
 30.20 Disease Control.

30.21 (b) A health plan company must provide coverage for preventive items and services at
 30.22 a participating provider without imposing cost-sharing requirements, including a deductible,
 30.23 coinsurance, or co-payment. Nothing in this section prohibits a health plan company that
 30.24 has a network of providers from excluding coverage or imposing cost-sharing requirements
 30.25 for preventive items or services that are delivered by an out-of-network provider.

30.26 (c) A health plan company is not required to provide coverage for any items or services
 30.27 specified in any recommendation or guideline described in paragraph (a) if the
 30.28 recommendation or guideline is no longer included as a preventive item or service as defined
 30.29 in paragraph (a). Annually, a health plan company must determine whether any additional
 30.30 items or services must be covered without cost-sharing requirements or whether any items
 30.31 or services are no longer required to be covered.

31.1 (d) Nothing in this section prevents a health plan company from using reasonable medical
 31.2 management techniques to determine the frequency, method, treatment, or setting for a
 31.3 preventive item or service to the extent not specified in the recommendation or guideline.

52.4 (3) with respect to infants, children, and adolescents, evidence-informed preventive care
 52.5 and screenings provided for in comprehensive guidelines supported by the Health Resources
 52.6 and Services Administration;

52.7 (4) with respect to women, additional preventive care and screenings that are not listed
 52.8 with a rating of A or B by the United States Preventive Services Task Force but that are
 52.9 provided for in comprehensive guidelines supported by the Health Resources and Services
 52.10 Administration;

52.11 (5) all contraceptive methods established in guidelines published by the United States
 52.12 Food and Drug Administration;

52.13 (6) screenings for human immunodeficiency virus for:

52.14 (i) all individuals at least 15 years of age but less than 65 years of age; and

52.15 (ii) all other individuals with increased risk of human immunodeficiency virus infection
 52.16 according to guidance from the Centers for Disease Control;

52.17 (7) all preexposure prophylaxis when used for the prevention or treatment of human
 52.18 immunodeficiency virus, including but not limited to all preexposure prophylaxis, as defined
 52.19 in any guidance by the United States Preventive Services Task Force or the Centers for
 52.20 Disease Control, including the June 11, 2019, Preexposure Prophylaxis for the Prevention
 52.21 of HIV Infection United States Preventive Services Task Force Recommendation Statement;
 52.22 and

52.23 (8) all postexposure prophylaxis when used for the prevention or treatment of human
 52.24 immunodeficiency virus, including but not limited to all postexposure prophylaxis, as defined
 52.25 in any guidance by the United States Preventive Services Task Force or the Centers for
 52.26 Disease Control.

52.27 (b) A health plan company must provide coverage for preventive items and services at
 52.28 a participating provider without imposing cost-sharing requirements, including a deductible,
 52.29 coinsurance, or co-payment. Nothing in this section prohibits a health plan company that
 52.30 has a network of providers from excluding coverage or imposing cost-sharing requirements
 52.31 for preventive items or services that are delivered by an out-of-network provider.

52.32 (c) A health plan company is not required to provide coverage for any items or services
 52.33 specified in any recommendation or guideline described in paragraph (a) if the
 53.1 recommendation or guideline is no longer included as a preventive item or service as defined
 53.2 in paragraph (a). Annually, a health plan company must determine whether any additional
 53.3 items or services must be covered without cost-sharing requirements or whether any items
 53.4 or services are no longer required to be covered.

53.5 (d) Nothing in this section prevents a health plan company from using reasonable medical
 53.6 management techniques to determine the frequency, method, treatment, or setting for a
 53.7 preventive item or service to the extent not specified in the recommendation or guideline.

31.4 (e) This section does not apply to grandfathered plans.

31.5 (f) This section does not apply to plans offered by the Minnesota Comprehensive Health

31.6 Association.

31.7 Sec. 28. Minnesota Statutes 2022, section 62Q.46, subdivision 3, is amended to read:

31.8 Subd. 3. **Additional services not prohibited.** Nothing in this section prohibits a health

31.9 plan company from providing coverage for preventive items and services in addition to

31.10 those specified ~~in the Affordable Care Act~~ under subdivision 1, paragraph (a), or from

31.11 denying coverage for preventive items and services that are not recommended as preventive

31.12 items and services specified under ~~the Affordable Care Act~~ subdivision 1, paragraph (a). A

31.13 health plan company may impose cost-sharing requirements for a treatment not described

31.14 ~~in the Affordable Care Act~~ under subdivision 1, paragraph (a), even if the treatment results

31.15 from a preventive item or service described ~~in the Affordable Care Act~~ under subdivision

31.16 1, paragraph (a).

31.17 Sec. 29. ~~[62Q.465]~~ **MENTAL HEALTH PARITY AND SUBSTANCE ABUSE**

31.18 **ACCOUNTABILITY OFFICE.**

31.19 (a) The Mental Health Parity and Substance Abuse Accountability Office is established

31.20 within the Department of Commerce to create and execute effective strategies for

31.21 implementing the requirements under:

31.22 (1) section 62Q.47;

31.23 (2) the federal Mental Health Parity Act of 1996, Public Law 104-204;

31.24 (3) the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction

31.25 Equity Act of 2008, Public Law 110-343, division C, sections 511 and 512;

31.26 (4) the Affordable Care Act, as defined under section 62A.011, subdivision 1a; and

31.27 (5) amendments made to, and federal guidance or regulations issued or adopted under,

31.28 the acts listed under clauses (2) to (4).

31.29 (b) The office may oversee compliance reviews, conduct and lead stakeholder

31.30 engagement, review consumer and provider complaints, and serve as a resource for ensuring

31.31 health plan compliance with mental health and substance abuse requirements.

32.1 Sec. 30. Minnesota Statutes 2022, section 62Q.47, is amended to read:

32.2 **62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY**

32.3 **SERVICES.**

32.4 (a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism,

32.5 mental health, or chemical dependency services, must comply with the requirements of this

32.6 section.

53.8 (e) This section does not apply to grandfathered plans.

53.9 (f) This section does not apply to plans offered by the Minnesota Comprehensive Health

53.10 Association.

53.11 Sec. 44. Minnesota Statutes 2022, section 62Q.46, subdivision 3, is amended to read:

53.12 Subd. 3. **Additional services not prohibited.** Nothing in this section prohibits a health

53.13 plan company from providing coverage for preventive items and services in addition to

53.14 those specified ~~in the Affordable Care Act~~ under subdivision 1, paragraph (a), or from

53.15 denying coverage for preventive items and services that are not recommended as preventive

53.16 items and services specified under ~~the Affordable Care Act~~ subdivision 1, paragraph (a). A

53.17 health plan company may impose cost-sharing requirements for a treatment not described

53.18 ~~in the Affordable Care Act~~ under subdivision 1, paragraph (a), even if the treatment results

53.19 from a preventive item or service described ~~in the Affordable Care Act~~ under subdivision

53.20 1, paragraph (a).

53.21 Sec. 45. ~~[62Q.465]~~ **MENTAL HEALTH PARITY AND SUBSTANCE ABUSE**

53.22 **ACCOUNTABILITY OFFICE.**

53.23 (a) The Mental Health Parity and Substance Abuse Accountability Office is established

53.24 within the Department of Commerce to create and execute effective strategies for

53.25 implementing the requirements under:

53.26 (1) section 62Q.47;

53.27 (2) the federal Mental Health Parity Act of 1996, Public Law 104-204;

53.28 (3) the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction

53.29 Equity Act of 2008, Public Law 110-343, division C, sections 511 and 512;

53.30 (4) the Affordable Care Act, as defined under section 62A.011, subdivision 1a; and

54.1 (5) amendments made to, and federal guidance or regulations issued or adopted under,

54.2 the acts listed under clauses (2) to (4).

54.3 (b) The office may oversee compliance reviews, conduct and lead stakeholder

54.4 engagement, review consumer and provider complaints, and serve as a resource for ensuring

54.5 health plan compliance with mental health and substance abuse requirements.

54.6 Sec. 46. Minnesota Statutes 2022, section 62Q.47, is amended to read:

54.7 **62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY**

54.8 **SERVICES.**

54.9 (a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism,

54.10 mental health, or chemical dependency services, must comply with the requirements of this

54.11 section.

32.7 (b) Cost-sharing requirements and benefit or service limitations for outpatient mental
 32.8 health and outpatient chemical dependency and alcoholism services, except for persons
 32.9 placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to
 32.10 9530.6655, must not place a greater financial burden on the insured or enrollee, or be more
 32.11 restrictive than those requirements and limitations for outpatient medical services.

32.12 (c) Cost-sharing requirements and benefit or service limitations for inpatient hospital
 32.13 mental health services, psychiatric residential treatment facility services, and inpatient
 32.14 hospital and residential chemical dependency and alcoholism services, except for persons
 32.15 placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to
 32.16 9530.6655, must not place a greater financial burden on the insured or enrollee, or be more
 32.17 restrictive than those requirements and limitations for inpatient hospital medical services.

32.18 (d) A health plan company must not impose an NQTL with respect to mental health and
 32.19 substance use disorders in any classification of benefits unless, under the terms of the health
 32.20 plan as written and in operation, any processes, strategies, evidentiary standards, or other
 32.21 factors used in applying the NQTL to mental health and substance use disorders in the
 32.22 classification are comparable to, and are applied no more stringently than, the processes,
 32.23 strategies, evidentiary standards, or other factors used in applying the NQTL with respect
 32.24 to medical and surgical benefits in the same classification.

32.25 (e) All health plans must meet the requirements of the federal Mental Health Parity Act
 32.26 of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health Parity and
 32.27 Addiction Equity Act of 2008; the Affordable Care Act; and any amendments to, and federal
 32.28 guidance or regulations issued under, those acts.

32.29 (f) The commissioner may require information from health plan companies to confirm
 32.30 that mental health parity is being implemented by the health plan company. Information
 32.31 required may include comparisons between mental health and substance use disorder
 32.32 treatment and other medical conditions, including a comparison of prior authorization
 32.33 requirements, drug formulary design, claim denials, rehabilitation services, and other
 32.34 information the commissioner deems appropriate.

33.1 (g) Regardless of the health care provider's professional license, if the service provided
 33.2 is consistent with the provider's scope of practice and the health plan company's credentialing
 33.3 and contracting provisions, mental health therapy visits and medication maintenance visits
 33.4 shall be considered primary care visits for the purpose of applying any enrollee cost-sharing
 33.5 requirements imposed under the enrollee's health plan.

33.6 (h) All health plan companies offering health plans that provide coverage for alcoholism,
 33.7 mental health, or chemical dependency benefits shall provide reimbursement for the benefits
 33.8 delivered through the psychiatric Collaborative Care Model, which must include the following
 33.9 Current Procedural Terminology or Healthcare Common Procedure Coding System billing
 33.10 codes:

54.12 (b) Cost-sharing requirements and benefit or service limitations for outpatient mental
 54.13 health and outpatient chemical dependency and alcoholism services, except for persons
 54.14 placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to
 54.15 9530.6655, must not place a greater financial burden on the insured or enrollee, or be more
 54.16 restrictive than those requirements and limitations for outpatient medical services.

54.17 (c) Cost-sharing requirements and benefit or service limitations for inpatient hospital
 54.18 mental health services, psychiatric residential treatment facility services, and inpatient
 54.19 hospital and residential chemical dependency and alcoholism services, except for persons
 54.20 placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to
 54.21 9530.6655, must not place a greater financial burden on the insured or enrollee, or be more
 54.22 restrictive than those requirements and limitations for inpatient hospital medical services.

54.23 (d) A health plan company must not impose an NQTL with respect to mental health and
 54.24 substance use disorders in any classification of benefits unless, under the terms of the health
 54.25 plan as written and in operation, any processes, strategies, evidentiary standards, or other
 54.26 factors used in applying the NQTL to mental health and substance use disorders in the
 54.27 classification are comparable to, and are applied no more stringently than, the processes,
 54.28 strategies, evidentiary standards, or other factors used in applying the NQTL with respect
 54.29 to medical and surgical benefits in the same classification.

54.30 (e) All health plans must meet the requirements of the federal Mental Health Parity Act
 54.31 of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health Parity and
 54.32 Addiction Equity Act of 2008; the Affordable Care Act; and any amendments to, and federal
 54.33 guidance or regulations issued under, those acts.

55.1 (f) The commissioner may require information from health plan companies to confirm
 55.2 that mental health parity is being implemented by the health plan company. Information
 55.3 required may include comparisons between mental health and substance use disorder
 55.4 treatment and other medical conditions, including a comparison of prior authorization
 55.5 requirements, drug formulary design, claim denials, rehabilitation services, and other
 55.6 information the commissioner deems appropriate.

55.7 (g) Regardless of the health care provider's professional license, if the service provided
 55.8 is consistent with the provider's scope of practice and the health plan company's credentialing
 55.9 and contracting provisions, mental health therapy visits and medication maintenance visits
 55.10 shall be considered primary care visits for the purpose of applying any enrollee cost-sharing
 55.11 requirements imposed under the enrollee's health plan.

55.12 (h) All health plan companies offering health plans that provide coverage for alcoholism,
 55.13 mental health, or chemical dependency benefits shall provide reimbursement for the benefits
 55.14 delivered through the psychiatric Collaborative Care Model, which must include the following
 55.15 Current Procedural Terminology or Healthcare Common Procedure Coding System billing
 55.16 codes:

33.11 (1) 99492;
33.12 (2) 99493;
33.13 (3) 99494;
33.14 (4) G2214; and
33.15 (5) G0512.
33.16 This paragraph does not apply to: (i) managed care plans or county-based purchasing plans
33.17 when the plan provides coverage to public health care program enrollees under chapter
33.18 256B or 256L; or (ii) health care coverage offered by the state employee group insurance
33.19 program.
33.20 (i) The commissioner of commerce shall update the list of codes in paragraph (h) if any
33.21 alterations or additions to the billing codes for the psychiatric Collaborative Care Model
33.22 are made.
33.23 (j) "Psychiatric Collaborative Care Model" means the evidence-based, integrated
33.24 behavioral health service delivery method described at Federal Register, volume 81, page
33.25 80230, which includes a formal collaborative arrangement among a primary care team
33.26 consisting of a primary care provider, a care manager, and a psychiatric consultant, and
33.27 includes but is not limited to the following elements:
33.28 (1) care directed by the primary care team;
33.29 (2) structured care management;
33.30 (3) regular assessments of clinical status using validated tools; and
33.31 (4) modification of treatment as appropriate.
34.1 ~~(k)~~ (k) By June 1 of each year, beginning June 1, 2021, the commissioner of commerce,
34.2 in consultation with the commissioner of health, shall submit a report on compliance and
34.3 oversight to the chairs and ranking minority members of the legislative committees with
34.4 jurisdiction over health and commerce. The report must:
34.5 (1) describe the commissioner's process for reviewing health plan company compliance
34.6 with United States Code, title 42, section 18031(j), any federal regulations or guidance
34.7 relating to compliance and oversight, and compliance with this section and section 62Q.53;
34.8 (2) identify any enforcement actions taken by either commissioner during the preceding
34.9 12-month period regarding compliance with parity for mental health and substance use
34.10 disorders benefits under state and federal law, summarizing the results of any market conduct
34.11 examinations. The summary must include: (i) the number of formal enforcement actions
34.12 taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the
34.13 subject matter of each enforcement action, including quantitative and nonquantitative
34.14 treatment limitations;

55.17 (1) 99492;
55.18 (2) 99493;
55.19 (3) 99494;
55.20 (4) G2214; and
55.21 (5) G0512.
55.22 This paragraph does not apply to managed care plans or county-based purchasing plans
55.23 when the plan provides coverage to public health care program enrollees under chapter
55.24 256B or 256L.
55.25 (i) The commissioner of commerce shall update the list of codes in paragraph (h) if any
55.26 alterations or additions to the billing codes for the psychiatric Collaborative Care Model
55.27 are made.
55.28 (j) "Psychiatric Collaborative Care Model" means the evidence-based, integrated
55.29 behavioral health service delivery method described at Federal Register, volume 81, page
55.30 80230, which includes a formal collaborative arrangement among a primary care team
55.31 consisting of a primary care provider, a care manager, and a psychiatric consultant, and
55.32 includes but is not limited to the following elements:
56.1 (1) care directed by the primary care team;
56.2 (2) structured care management;
56.3 (3) regular assessments of clinical status using validated tools; and
56.4 (4) modification of treatment as appropriate.
56.5 ~~(k)~~ (k) By June 1 of each year, beginning June 1, 2021, the commissioner of commerce,
56.6 in consultation with the commissioner of health, shall submit a report on compliance and
56.7 oversight to the chairs and ranking minority members of the legislative committees with
56.8 jurisdiction over health and commerce. The report must:
56.9 (1) describe the commissioner's process for reviewing health plan company compliance
56.10 with United States Code, title 42, section 18031(j), any federal regulations or guidance
56.11 relating to compliance and oversight, and compliance with this section and section 62Q.53;
56.12 (2) identify any enforcement actions taken by either commissioner during the preceding
56.13 12-month period regarding compliance with parity for mental health and substance use
56.14 disorders benefits under state and federal law, summarizing the results of any market conduct
56.15 examinations. The summary must include: (i) the number of formal enforcement actions
56.16 taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the
56.17 subject matter of each enforcement action, including quantitative and nonquantitative
56.18 treatment limitations;

34.15 (3) detail any corrective action taken by either commissioner to ensure health plan
34.16 company compliance with this section, section 62Q.53, and United States Code, title 42,
34.17 section 18031(j); and

34.18 (4) describe the information provided by either commissioner to the public about
34.19 alcoholism, mental health, or chemical dependency parity protections under state and federal
34.20 law.

34.21 The report must be written in nontechnical, readily understandable language and must be
34.22 made available to the public by, among other means as the commissioners find appropriate,
34.23 posting the report on department websites. Individually identifiable information must be
34.24 excluded from the report, consistent with state and federal privacy protections.

34.25 **Sec. 31. [62Q.481] COST-SHARING FOR PRESCRIPTION DRUGS AND RELATED**
34.26 **MEDICAL SUPPLIES TO TREAT CHRONIC DISEASE.**

34.27 Subdivision 1. **Cost-sharing limits.** (a) A health plan must limit the amount of any
34.28 enrollee cost-sharing for prescription drugs prescribed to treat a chronic disease to no more
34.29 than: (1) \$25 per one-month supply for each prescription drug, regardless of the amount or
34.30 type of medication required to fill the prescription; and (2) \$50 per month in total for all
34.31 related medical supplies. The cost-sharing limit for related medical supplies does not increase
34.32 with the number of chronic diseases for which an enrollee is treated. Coverage under this
34.33 section shall not be subject to any deductible.

35.1 (b) If application of this section before an enrollee has met the enrollee's plan deductible
35.2 results in: (1) health savings account ineligibility under United States Code, title 26, section
35.3 223; or (2) catastrophic health plan ineligibility under United States Code, title 42, section
35.4 18022(e), this section applies to the specific prescription drug or related medical supply
35.5 only after the enrollee has met the enrollee's plan deductible.

35.6 Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions apply.

35.7 (b) "Chronic disease" means diabetes, asthma, and allergies requiring the use of
35.8 epinephrine auto-injectors.

35.9 (c) "Cost-sharing" means co-payments and coinsurance.

35.10 (d) "Related medical supplies" means syringes, insulin pens, insulin pumps, test strips,
35.11 glucometers, continuous glucose monitors, epinephrine auto-injectors, asthma inhalers, and
35.12 other medical supply items necessary to effectively and appropriately treat a chronic disease
35.13 or administer a prescription drug prescribed to treat a chronic disease.

35.14 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to health
35.15 plans offered, issued, or renewed on or after that date.

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56.19 (3) detail any corrective action taken by either commissioner to ensure health plan
56.20 company compliance with this section, section 62Q.53, and United States Code, title 42,
56.21 section 18031(j); and

56.22 (4) describe the information provided by either commissioner to the public about
56.23 alcoholism, mental health, or chemical dependency parity protections under state and federal
56.24 law.

56.25 The report must be written in nontechnical, readily understandable language and must be
56.26 made available to the public by, among other means as the commissioners find appropriate,
56.27 posting the report on department websites. Individually identifiable information must be
56.28 excluded from the report, consistent with state and federal privacy protections.

56.29 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
56.30 plans offered, issued, or renewed on or after that date.

57.1 **Sec. 47. [62Q.481] COST-SHARING FOR PRESCRIPTION DRUGS AND RELATED**
57.2 **MEDICAL SUPPLIES TO TREAT CHRONIC DISEASE.**

57.3 Subdivision 1. **Cost-sharing limits.** (a) A health plan must limit the amount of any
57.4 enrollee cost-sharing for prescription drugs prescribed to treat a chronic disease to no more
57.5 than: (1) \$25 per one-month supply for each prescription drug, regardless of the amount or
57.6 type of medication required to fill the prescription; and (2) \$50 per month in total for all
57.7 related medical supplies. The cost-sharing limit for related medical supplies does not increase
57.8 with the number of chronic diseases for which an enrollee is treated. Coverage under this
57.9 section shall not be subject to any deductible.

57.10 (b) If application of this section before an enrollee has met the enrollee's plan deductible
57.11 results in: (1) health savings account ineligibility under United States Code, title 26, section
57.12 223; or (2) catastrophic health plan ineligibility under United States Code, title 42, section
57.13 18022(e), this section applies to the specific prescription drug or related medical supply
57.14 only after the enrollee has met the enrollee's plan deductible.

57.15 Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions apply.

57.16 (b) "Chronic disease" means diabetes, asthma, and allergies requiring the use of
57.17 epinephrine auto-injectors.

57.18 (c) "Cost-sharing" means co-payments and coinsurance.

57.19 (d) "Related medical supplies" means syringes, insulin pens, insulin pumps, test strips,
57.20 glucometers, continuous glucose monitors, epinephrine auto-injectors, asthma inhalers, and
57.21 other medical supply items necessary to effectively and appropriately treat a chronic disease
57.22 or administer a prescription drug prescribed to treat a chronic disease.

57.23 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
57.24 plans offered, issued, or renewed on or after that date.

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11.25 Sec. 12. Minnesota Statutes 2022, section 62Q.735, subdivision 1, is amended to read:

11.26 Subdivision 1. **Contract disclosure.** (a) Before requiring a health care provider to sign

11.27 a contract, a health plan company shall give to the provider a complete copy of the proposed

11.28 contract, including:

11.29 (1) all attachments and exhibits;

11.30 (2) operating manuals;

11.31 (3) a general description of the health plan company's health service coding guidelines

11.32 and requirement for procedures and diagnoses with modifiers, and multiple procedures; and

12.1 (4) all guidelines and treatment parameters incorporated or referenced in the contract.

12.2 (b) The health plan company shall make available to the provider the fee schedule or a

12.3 method or process that allows the provider to determine the fee schedule for each health

12.4 care service to be provided under the contract.

12.5 (c) ~~Notwithstanding paragraph (b), a health plan company that is a dental plan~~

12.6 ~~organization, as defined in section 62Q.76, shall disclose information related to the individual~~

12.7 ~~contracted provider's expected reimbursement from the dental plan organization. Nothing~~

12.8 ~~in this section requires a dental plan organization to disclose the plan's aggregate maximum~~

12.9 ~~allowable fee table used to determine other providers' fees. The contracted provider must~~

12.10 ~~not release this information in any way that would violate any state or federal antitrust law.~~

12.11 Sec. 13. Minnesota Statutes 2022, section 62Q.735, subdivision 5, is amended to read:

12.12 Subd. 5. **Fee schedules.** ~~(a)~~ A health plan company shall provide, upon request, any

12.13 additional fees or fee schedules relevant to the particular provider's practice beyond those

12.14 provided with the renewal documents for the next contract year to all participating providers,

12.15 excluding claims paid under the pharmacy benefit. Health plan companies may fulfill the

12.16 requirements of this section by making the full fee schedules available through a secure

12.17 web portal for contracted providers.

12.18 ~~(b) A dental organization may satisfy paragraph (a) by complying with section 62Q.735,~~

12.19 ~~subdivision 1, paragraph (c).~~

12.20 Sec. 14. Minnesota Statutes 2022, section 62Q.76, is amended by adding a subdivision to

12.21 read:

12.22 Subd. 9. **Third party.** "Third party" means a person or entity that enters into a contract

12.23 with a dental organization or with another third party to gain access to the dental care services

12.24 or contractual discounts under a dental provider contract. Third party does not include an

12.25 enrollee of a dental organization or an employer or other group for whom the dental

12.26 organization provides administrative services.

57.25 Sec. 48. Minnesota Statutes 2022, section 62Q.735, subdivision 1, is amended to read:

57.26 Subdivision 1. **Contract disclosure.** (a) Before requiring a health care provider to sign

57.27 a contract, a health plan company shall give to the provider a complete copy of the proposed

57.28 contract, including:

57.29 (1) all attachments and exhibits;

57.30 (2) operating manuals;

57.31 (3) a general description of the health plan company's health service coding guidelines

57.32 and requirement for procedures and diagnoses with modifiers, and multiple procedures; and

58.1 (4) all guidelines and treatment parameters incorporated or referenced in the contract.

58.2 (b) The health plan company shall make available to the provider the fee schedule or a

58.3 method or process that allows the provider to determine the fee schedule for each health

58.4 care service to be provided under the contract.

58.5 (c) ~~Notwithstanding paragraph (b), a health plan company that is a dental plan~~

58.6 ~~organization, as defined in section 62Q.76, shall disclose information related to the individual~~

58.7 ~~contracted provider's expected reimbursement from the dental plan organization. Nothing~~

58.8 ~~in this section requires a dental plan organization to disclose the plan's aggregate maximum~~

58.9 ~~allowable fee table used to determine other providers' fees. The contracted provider must~~

58.10 ~~not release this information in any way that would violate any state or federal antitrust law.~~

58.11 Sec. 49. Minnesota Statutes 2022, section 62Q.735, subdivision 5, is amended to read:

58.12 Subd. 5. **Fee schedules.** ~~(a)~~ A health plan company shall provide, upon request, any

58.13 additional fees or fee schedules relevant to the particular provider's practice beyond those

58.14 provided with the renewal documents for the next contract year to all participating providers,

58.15 excluding claims paid under the pharmacy benefit. Health plan companies may fulfill the

58.16 requirements of this section by making the full fee schedules available through a secure

58.17 web portal for contracted providers.

58.18 ~~(b) A dental organization may satisfy paragraph (a) by complying with section 62Q.735,~~

58.19 ~~subdivision 1, paragraph (c).~~

58.20 Sec. 50. Minnesota Statutes 2022, section 62Q.76, is amended by adding a subdivision to

58.21 read:

58.22 Subd. 9. **Third party.** "Third party" means a person or entity that enters into a contract

58.23 with a dental organization or with another third party to gain access to the dental care services

58.24 or contractual discounts under a dental provider contract. Third party does not include an

58.25 enrollee of a dental organization or an employer or other group for whom the dental

58.26 organization provides administrative services.

12.27 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to dental
12.28 plans and dental provider agreements offered, issued, or renewed on or after that date.

13.1 Sec. 15. Minnesota Statutes 2022, section 62Q.78, is amended by adding a subdivision to
13.2 read:

13.3 Subd. 7. **Method of payments.** A dental provider contract must include a method of
13.4 payment for dental care services in which no fees associated with the method of payment,
13.5 including credit card fees and fees related to payment in the form of digital or virtual
13.6 currency, are incurred by the dentist or dental clinic. Any fees that may be incurred from a
13.7 payment must be disclosed to a dentist prior to entering into or renewing a dental provider
13.8 contract. For purposes of this section, fees related to a provider's electronic claims processing
13.9 vendor, financial institution, or other vendor used by a provider to facilitate the submission
13.10 of claims are excluded.

13.11 Sec. 16. Minnesota Statutes 2022, section 62Q.78, is amended by adding a subdivision to
13.12 read:

13.13 Subd. 8. **Network leasing.** (a) A dental organization may grant a third party access to
13.14 a dental provider contract or a provider's dental care services or contractual discounts
13.15 provided pursuant to a dental provider contract if, at the time the dental provider contract
13.16 is entered into or renewed, the dental organization allows a dentist to choose not to participate
13.17 in third-party access to the dental provider contract, without any penalty to the dentist. The
13.18 third-party access provision of the dental provider contract must be clearly identified. A
13.19 dental organization must not grant a third party access to the dental provider contract of any
13.20 dentist who does not participate in third-party access to the dental provider contract.

13.21 (b) Notwithstanding paragraph (a), if a dental organization exists solely for the purpose
13.22 of recruiting dentists for dental provider contracts that establish a network to be leased to
13.23 third parties, the dentist waives the right to choose whether to participate in third-party
13.24 access.

13.25 (c) A dental organization may grant a third party access to a dental provider contract,
13.26 or a dentist's dental care services or contractual discounts under a dental provider contract,
13.27 if the following requirements are met:

13.28 (1) the dental organization lists all third parties that may have access to the dental provider
13.29 contract on the dental organization's website, which must be updated at least once every 90
13.30 days;

13.31 (2) the dental provider contract states that the dental organization may enter into an
13.32 agreement with a third party that would allow the third party to obtain the dental
13.33 organization's rights and responsibilities as if the third party were the dental organization,
14.1 and the dentist chose to participate in third-party access at the time the dental provider
14.2 contract was entered into; and

58.27 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to dental
58.28 plans and dental provider agreements offered, issued, or renewed on or after that date.

59.1 Sec. 51. Minnesota Statutes 2022, section 62Q.78, is amended by adding a subdivision to
59.2 read:

59.3 Subd. 7. **Method of payments.** A dental provider contract must include a method of
59.4 payment for dental care services in which no fees associated with the method of payment,
59.5 including credit card fees and fees related to payment in the form of digital or virtual
59.6 currency, are incurred by the dentist or dental clinic. Any fees that may be incurred from a
59.7 payment must be disclosed to a dentist prior to entering into or renewing a dental provider
59.8 contract. For purposes of this section, fees related to a provider's electronic claims processing
59.9 vendor, financial institution, or other vendor used by a provider to facilitate the submission
59.10 of claims are excluded.

59.11 Sec. 52. Minnesota Statutes 2022, section 62Q.78, is amended by adding a subdivision to
59.12 read:

59.13 Subd. 8. **Network leasing.** (a) A dental organization may grant a third party access to
59.14 a dental provider contract or a provider's dental care services or contractual discounts
59.15 provided pursuant to a dental provider contract if, at the time the dental provider contract
59.16 is entered into or renewed, the dental organization allows a dentist to choose not to participate
59.17 in third-party access to the dental provider contract without any penalty to the dentist. The
59.18 third-party access provision of the dental provider contract must be clearly identified. A
59.19 dental organization must not grant a third party access to the dental provider contract of any
59.20 dentist who does not participate in third-party access to the dental provider contract.

59.21 (b) Notwithstanding paragraph (a), if a dental organization exists solely for the purpose
59.22 of recruiting dentists for dental provider contracts that establish a network to be leased to
59.23 third parties, the dentist waives the right to choose whether to participate in third-party
59.24 access.

59.25 (c) A dental organization may grant a third party access to a dental provider contract,
59.26 or a dentist's dental care services or contractual discounts under a dental provider contract,
59.27 if the following requirements are met:

59.28 (1) the dental organization lists all third parties that may have access to the dental provider
59.29 contract on the dental organization's website, which must be updated at least once every 90
59.30 days;

59.31 (2) the dental provider contract states that the dental organization may enter into an
59.32 agreement with a third party that would allow the third party to obtain the dental
59.33 organization's rights and responsibilities as if the third party were the dental organization,
60.1 and the dentist chose to participate in third-party access at the time the dental provider
60.2 contract was entered into; and

14.3 (3) the third party accessing the dental provider contract agrees to comply with all
14.4 applicable terms of the dental provider contract.

14.5 (d) A dentist is not bound by and is not required to perform dental care services under
14.6 a dental provider contract granted to a third party in violation of this section.

14.7 (e) This subdivision does not apply when:

14.8 (1) the dental provider contract is for dental services provided under a public health plan
14.9 program, including but not limited to medical assistance, MinnesotaCare, Medicare, or
14.10 Medicare Advantage; or

14.11 (2) access to a dental provider contract is granted to a dental organization, an entity
14.12 operating in accordance with the same brand licensee program as the dental organization
14.13 or other entity, or to an entity that is an affiliate of the dental organization, provided the
14.14 entity agrees to substantially similar terms and conditions as the originating dental provider
14.15 contract between the dental organization and the dentist or dental clinic. A list of the dental
14.16 organization's affiliates must be posted on the dental organization's website.

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35.16 Sec. 32. Minnesota Statutes 2022, section 62Q.81, subdivision 4, is amended to read:

35.17 Subd. 4. **Essential health benefits; definition.** For purposes of this section, "essential
35.18 health benefits" has the meaning given under section 1302(b) of the Affordable Care Act
35.19 and includes:

35.20 (1) ambulatory patient services;

35.21 (2) emergency services;

35.22 (3) hospitalization;

35.23 (4) laboratory services;

35.24 (5) maternity and newborn care;

35.25 (6) mental health and substance use disorder services, including behavioral health
35.26 treatment;

35.27 (7) pediatric services, including oral and vision care;

35.28 (8) prescription drugs;

35.29 (9) preventive and wellness services and chronic disease management;

35.30 (10) rehabilitative and habilitative services and devices; and

36.1 (11) additional essential health benefits included in the EHB-benchmark plan, as defined
36.2 under the Affordable Care Act, and preventive items and services, as defined under section
36.3 62Q.46, subdivision 1, paragraph (a).

60.3 (3) the third party accessing the dental provider contract agrees to comply with all
60.4 applicable terms of the dental provider contract.

60.5 (d) A dentist is not bound by and is not required to perform dental care services under
60.6 a dental provider contract granted to a third party in violation of this section.

60.7 (e) This subdivision does not apply when:

60.8 (1) the dental provider contract is for dental services provided under a public health plan
60.9 program, including but not limited to medical assistance, MinnesotaCare, Medicare, or
60.10 Medicare Advantage; or

60.11 (2) access to a dental provider contract is granted to a dental organization, an entity
60.12 operating in accordance with the same brand licensee program as the dental organization
60.13 or other entity, or to an entity that is an affiliate of the dental organization, provided the
60.14 entity agrees to substantially similar terms and conditions as the originating dental provider
60.15 contract between the dental organization and the dentist or dental clinic. A list of the dental
60.16 organization's affiliates must be posted on the dental organization's website.

60.17 Sec. 53. Minnesota Statutes 2022, section 62Q.81, subdivision 4, is amended to read:

60.18 Subd. 4. **Essential health benefits; definition.** For purposes of this section, "essential
60.19 health benefits" has the meaning given under section 1302(b) of the Affordable Care Act
60.20 and includes:

60.21 (1) ambulatory patient services;

60.22 (2) emergency services;

60.23 (3) hospitalization;

60.24 (4) laboratory services;

60.25 (5) maternity and newborn care;

60.26 (6) mental health and substance use disorder services, including behavioral health
60.27 treatment;

60.28 (7) pediatric services, including oral and vision care;

60.29 (8) prescription drugs;

60.30 (9) preventive and wellness services and chronic disease management;

61.1 (10) rehabilitative and habilitative services and devices; and

61.2 (11) additional essential health benefits included in the EHB-benchmark plan, as defined
61.3 under the Affordable Care Act, and preventive items and services, as defined under section
61.4 62Q.46, subdivision 1, paragraph (a).

36.4 Sec. 33. Minnesota Statutes 2022, section 62Q.81, is amended by adding a subdivision to
36.5 read:

36.6 Subd. 7. **Standard plans.** (a) A health plan company that offers individual health plans
36.7 must ensure that no less than one individual health plan at each level of coverage described
36.8 in subdivision 1, paragraph (b), clause (3), that the health plan company offers in each
36.9 geographic rating area the health plan company serves, conforms to the standard plan
36.10 parameters determined by the commissioner under paragraph (e).

36.11 (b) An individual health plan offered under this subdivision must be:

36.12 (1) clearly and appropriately labeled as standard plans to aid the purchaser in the selection
36.13 process;

36.14 (2) marketed as standard plans and in the same manner as other individual health plans
36.15 offered by the health plan company; and

36.16 (3) offered for purchase to any individual.

36.17 (c) This subdivision does not apply to catastrophic plans, grandfathered plans, small
36.18 group health plans, large group health plans, health savings accounts, qualified high
36.19 deductible health benefit plans, limited health benefit plans, or short-term limited-duration
36.20 health insurance policies.

36.21 (d) Health plan companies must meet the requirements in this subdivision separately for
36.22 plans offered through MNsure under chapter 62V and plans offered outside of MNsure.

36.23 (e) The commissioner of commerce, in consultation with the commissioner of health,
36.24 must annually determine standard plan parameters, including but not limited to cost-sharing
36.25 structure and covered benefits, that comprise a standard plan in Minnesota.

36.26 (f) Notwithstanding section 62A.65, subdivision 2, a health plan company may
36.27 discontinue offering a health plan under this subdivision if, three years after the date the
36.28 plan is initially offered, the plan has fewer than 75 enrollees enrolled in the plan. A health
36.29 plan company discontinuing a plan under this paragraph must only discontinue the health
36.30 plan that has fewer than 75 enrollees and:

37.1 (1) provide notice of the plan's discontinuation in writing, in a form prescribed by the
37.2 commissioner, to each individual enrolled in the plan at least 90 calendar days before the
37.3 date the coverage is discontinued;

37.4 (2) offer on a guaranteed issue basis to each individual enrolled the option to purchase
37.5 an individual health plan currently being offered by the health plan company for individuals
37.6 in that geographic rating area. An enrollee who does not select an option must be
37.7 automatically enrolled in the individual health plan closest in actuarial value to the enrollee's
37.8 current plan; and

61.5 Sec. 54. Minnesota Statutes 2022, section 62Q.81, is amended by adding a subdivision to
61.6 read:

61.7 Subd. 7. **Standard plans.** (a) A health plan company that offers individual health plans
61.8 must ensure that no less than one individual health plan at each level of coverage described
61.9 in subdivision 1, paragraph (b), clause (3), that the health plan company offers in each
61.10 geographic rating area the health plan company serves conforms to the standard plan
61.11 parameters determined by the commissioner under paragraph (e).

61.12 (b) An individual health plan offered under this subdivision must be:

61.13 (1) clearly and appropriately labeled as standard plans to aid the purchaser in the selection
61.14 process;

61.15 (2) marketed as standard plans and in the same manner as other individual health plans
61.16 offered by the health plan company; and

61.17 (3) offered for purchase to any individual.

61.18 (c) This subdivision does not apply to catastrophic plans, grandfathered plans, small
61.19 group health plans, large group health plans, health savings accounts, qualified high
61.20 deductible health benefit plans, limited health benefit plans, or short-term limited-duration
61.21 health insurance policies.

61.22 (d) Health plan companies must meet the requirements in this subdivision separately for
61.23 plans offered through MNsure under chapter 62V and plans offered outside of MNsure.

61.24 (e) The commissioner of commerce, in consultation with the commissioner of health,
61.25 must annually determine standard plan parameters, including but not limited to cost-sharing
61.26 structure and covered benefits, that comprise a standard plan in Minnesota.

61.27 (f) Notwithstanding section 62A.65, subdivision 2, a health plan company may
61.28 discontinue offering a health plan under this subdivision if, three years after the date the
61.29 plan is initially offered, the plan has fewer than 75 enrollees. A health plan company
61.30 discontinuing a health plan under this paragraph may discontinue a health plan that has
61.31 fewer than 75 enrollees if it:

62.1 (1) provides notice of the plan's discontinuation in writing, in a form prescribed by the
62.2 commissioner, to each enrollee of the plan at least 90 calendar days before the date the
62.3 coverage is discontinued;

62.4 (2) offers on a guaranteed issue basis to each enrollee the option to purchase an individual
62.5 health plan currently being offered by the health plan company for individuals in that
62.6 geographic rating area. An enrollee who does not select an option shall be automatically
62.7 enrolled in the individual health plan closest in actuarial value to the enrollee's current plan;
62.8 and

37.9 (3) act uniformly without regard to any health status-related factor of enrolled individuals
37.10 or dependents of enrolled individuals who may become eligible for coverage.

37.11 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to individual
37.12 health plans offered, issued, or renewed on or after that date.

37.13 Sec. 34. **[62W.15] CLINICIAN-ADMINISTERED DRUGS.**

37.14 Subdivision 1. **Definition.** (a) For purposes of this section, the following definition
37.15 applies.

37.16 (b) "Clinician-administered drug" means an outpatient prescription drug other than a
37.17 vaccine that:

37.18 (1) cannot reasonably be self-administered by the enrollee to whom the drug is prescribed
37.19 or by an individual assisting the enrollee with self-administration; and

37.20 (2) is typically administered:

37.21 (i) by a health care provider authorized to administer the drug, including when acting
37.22 under a physician's delegation and supervision; and

37.23 (ii) in a physician's office, hospital outpatient infusion center, or other clinical setting.

37.24 Subd. 2. **Safety and care requirements for clinician-administered drugs.** (a) A
37.25 specialty pharmacy that ships a clinician-administered drug to a health care provider or
37.26 pharmacy must:

37.27 (1) comply with all federal laws regulating the shipment of drugs, including but not
37.28 limited to the U.S. Pharmacopeia General Chapter 800;

37.29 (2) in response to questions from a health care provider or pharmacy, provide access to
37.30 a pharmacist or nurse employed by the specialty pharmacy 24 hours a day, 7 days a week;

38.1 (3) allow an enrollee and health care provider to request a refill of a clinician-administered
38.2 drug on behalf of an enrollee, in accordance with the pharmacy benefit manager or health
38.3 carrier's utilization review procedures; and

38.4 (4) adhere to the track and trace requirements, as defined by the federal Drug Supply
38.5 Chain Security Act, United States Code, title 21, section 360eee, et seq., for a
38.6 clinician-administered drug that needs to be compounded or manipulated.

38.7 (b) For any clinician-administered drug dispensed by a specialty pharmacy selected by
38.8 the pharmacy benefit manager or health carrier, the requesting health care provider or their
38.9 designee must provide the requested date, approximate time, and place of delivery of a

62.9 (3) acts uniformly without regard to any health status-related factor of an enrollee or an
62.10 enrollee's dependents who may become eligible for coverage.

62.11 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to individual
62.12 health plans offered, issued, or renewed on or after that date.

62.13 Sec. 55. **[62W.15] CLINICIAN-ADMINISTERED DRUGS.**

62.14 Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions
62.15 apply.

62.16 (b) "Affiliated pharmacy" means a pharmacy in which a pharmacy benefit manager or
62.17 health carrier has an ownership interest either directly or indirectly, or through an affiliate
62.18 or subsidiary.

62.19 (c) "Clinician-administered drug" means an outpatient prescription drug, other than a
62.20 vaccine, that:

62.21 (1) cannot reasonably be self-administered by the patient to whom the drug is prescribed
62.22 or by an individual assisting the patient with self-administration; and

62.23 (2) is typically administered:

62.24 (i) by a health care provider authorized to administer the drug, including when acting
62.25 under a physician's delegation and supervision; and

62.26 (ii) in a physician's office, hospital outpatient infusion center, or other clinical setting.

62.27 Subd. 2. **Safety and care requirements for clinician-administered drugs.** (a) A
62.28 specialty pharmacy that ships a clinician-administered drug to a health care provider or
62.29 pharmacy must:

62.30 (1) comply with all federal laws regulating the shipment of drugs, including but not
62.31 limited to the United States Pharmacopeia General Chapter 800;

63.1 (2) in response to questions from a health care provider or pharmacy, provide access to
63.2 a pharmacist or nurse employed by the specialty pharmacy 24 hours a day, seven days a
63.3 week;

63.4 (3) allow an enrollee and health care provider to request a refill of a clinician-administered
63.5 drug on behalf of an enrollee, in accordance with the pharmacy benefit manager or health
63.6 carrier's utilization review procedures; and

63.7 (4) adhere to the track and trace requirements, as defined in the Drug Supply Chain
63.8 Security Act, United States Code, title 21, section 360eee, et seq., for a clinician-administered
63.9 drug that needs to be compounded or manipulated.

63.10 (b) For any clinician-administered drug dispensed by a specialty pharmacy selected by
63.11 the pharmacy benefit manager or health carrier, the requesting health care provider or their
63.12 designee must provide the requested date, approximate time, and place of delivery of a

38.10 clinician-administered drug at least five business days before the date of delivery. The
38.11 specialty pharmacy must require a signature upon receipt of the shipment when shipped to
38.12 a health care provider.

38.13 (c) A pharmacy benefit manager or health carrier who requires dispensing of a
38.14 clinician-administered drug through a specialty pharmacy shall establish and disclose a
38.15 process ~~which~~ allows the health care provider or pharmacy to appeal and have exceptions
38.16 to the use of a specialty pharmacy when:

38.17 (1) a drug is not delivered as specified in paragraph (b); or

38.18 (2) an attending health care provider reasonably believes an enrollee may experience
38.19 immediate and irreparable harm without the immediate, onetime use of clinician-administered
38.20 drug that a health care provider or pharmacy has in stock.

38.21 (d) A pharmacy benefit manager or health carrier shall not require a specialty pharmacy
38.22 to dispense a clinician-administered drug directly to an enrollee with the intention that the
38.23 enrollee will transport the clinician-administered drug to a health care provider for
38.24 administration.

38.25 (e) A pharmacy benefit manager, health carrier, health care provider, or pharmacist shall
38.26 not require ~~and~~ may not deny the use of a home infusion or infusion site external to the
38.27 enrollee's provider office or clinic to dispense or administer a clinician-administered drug
38.28 when requested by an enrollee and such services are covered by the health plan and are
38.29 available and clinically appropriate as determined by the health care provider and delivered
38.30 in accordance with state law.

38.31 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to health
38.32 plans offered, issued, or renewed on or after that date.

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14.17 Sec. 17. **[65A.298] HOMEOWNER'S INSURANCE; FORTIFIED PROGRAM**
14.18 **STANDARDS.**

14.19 Subdivision 1. **Definitions.** (a) For purposes of this section the following term has the
14.20 meaning given.

14.21 (b) "Insurable property" means a residential property designated as meeting ~~the~~ Fortified
14.22 program standards as administered by the Insurance Institute for Business and Home Safety
14.23 (IBHS).

63.13 clinician-administered drug at least five business days before the date of delivery. The
63.14 specialty pharmacy must require a signature upon receipt of the shipment when shipped to
63.15 a health care provider.

63.16 (c) A pharmacy benefit manager or health carrier who requires dispensing of a
63.17 clinician-administered drug through a specialty pharmacy shall establish and disclose a
63.18 process ~~that~~ allows the health care provider or pharmacy to appeal and have exceptions to
63.19 the use of a specialty pharmacy when:

63.20 (1) a drug is not delivered as specified in paragraph (b); or

63.21 (2) an attending health care provider reasonably believes an enrollee may experience
63.22 immediate and irreparable harm without the immediate, onetime use of ~~a~~
63.23 clinician-administered drug that a health care provider or pharmacy has in stock.

63.24 (d) A pharmacy benefit manager or health carrier shall not require a specialty pharmacy
63.25 to dispense a clinician-administered drug directly to an enrollee with the intention that the
63.26 enrollee will transport the clinician-administered drug to a health care provider for
63.27 administration.

63.28 (e) A pharmacy benefit manager, health carrier, health care provider, or pharmacist shall
63.29 not require ~~or~~ may not deny the use of a home infusion or infusion site external to the
63.30 enrollee's provider office or clinic to dispense or administer a clinician-administered drug
63.31 when requested by an enrollee, and such services are covered by the health plan and are
63.32 available and clinically appropriate as determined by the health care provider and delivered
63.33 in accordance with state law.

64.1 Subd. 3. **Exclusions.** ~~This section does not apply to managed care plans or county-based~~
64.2 ~~purchasing plans when the plan provides coverage to public health care program enrollees~~
64.3 ~~under chapter 256B or 256L.~~

64.4 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to health
64.5 plans offered, issued, or renewed on or after that date.

64.6 Sec. 56. **[65A.298] HOMEOWNER'S INSURANCE; FORTIFIED PROGRAM**
64.7 **STANDARDS.**

64.8 Subdivision 1. **Definitions.** (a) For purposes of this section the following term has the
64.9 meaning given.

64.10 (b) "Insurable property" means a residential property designated as meeting Fortified
64.11 program standards ~~that include a hail supplement~~ as administered by the Insurance Institute
64.12 for Business and Home Safety (IBHS).

14.24 Subd. 2. **Fortified new property.** (a) An insurer shall provide a premium discount or
 14.25 an insurance rate reduction to an owner who builds or locates a new insurable property in
 14.26 Minnesota.

14.27 (b) An owner of insurable property claiming a premium discount or rate reduction under
 14.28 this subdivision must submit a certificate issued by IBHS showing proof of compliance
 14.29 with the Fortified program standards to the insurer prior to receiving the premium discount
 14.30 or rate reduction.

15.1 Subd. 3. **Fortified existing property.** (a) An insurer shall provide a premium discount
 15.2 or insurance rate reduction to an owner who retrofits an existing property to meet the
 15.3 requirements to be an insurable property in Minnesota.

15.4 (b) An owner of insurable property claiming a premium discount or rate reduction under
 15.5 this subdivision must submit a certificate issued by IBHS showing proof of compliance
 15.6 with the Fortified program standards to the insurer prior to receiving the premium discount
 15.7 or rate reduction.

15.8 Subd. 4. **Insurers.** (a) An insurer must submit to the commissioner actuarially justified
 15.9 rates and a rating plan for a person who builds or locates a new insurable property in
 15.10 Minnesota.

15.11 (b) An insurer must submit to the commissioner actuarially justified rates and a rating
 15.12 plan for a person who retrofits an existing property to meet the requirements to be an
 15.13 insurable property.

15.14 (c) An insurer may offer, in addition to the premium discount and insurance rate
 15.15 reductions required under subdivisions 2 and 3, more generous mitigation adjustments to
 15.16 an owner of insurable property.

15.17 (d) Any premium discount, rate reduction, or mitigation adjustment offered by an insurer
 15.18 under this section applies only to policies that include wind coverage and may be applied
 15.19 only to the portion of the premium for wind coverage, or for the total premium if the insurer
 15.20 does not separate the premium for wind coverage in its rate filing.

15.21 (e) A rate and rating plan submitted to the commissioner under this section shall not be
 15.22 used until the expiration of 60 days after it has been filed unless the commissioner approves
 15.23 it before that time. In evaluating insurer submissions under this section prior to approval
 15.24 for use, the commissioner must:

15.25 (1) evaluate evidence of cost savings directly attributed to the Fortified program standards
 15.26 administered by IBHS; and

15.27 (2) evaluate whether those cost savings are passed along in full to qualified policyholders.

64.13 Subd. 2. **Fortified new property.** (a) An insurer must provide a premium discount or
 64.14 an insurance rate reduction to an owner who builds or locates a new insurable property in
 64.15 Minnesota.

64.16 (b) An owner of insurable property claiming a premium discount or rate reduction under
 64.17 this subdivision must submit and maintain a certificate issued by IBHS showing proof of
 64.18 compliance with the Fortified program standards to the insurer prior to receiving the premium
 64.19 discount or rate reduction. At the time of policy renewal an insurer may require evidence
 64.20 that the issued certificate remains in good standing.

64.21 Subd. 3. **Fortified existing property.** (a) An insurer must provide a premium discount
 64.22 or insurance rate reduction to an owner who retrofits an existing property to meet the
 64.23 requirements to be an insurable property in Minnesota.

64.24 (b) An owner of insurable property claiming a premium discount or rate reduction under
 64.25 this subdivision must submit a certificate issued by IBHS showing proof of compliance
 64.26 with the Fortified program standards to the insurer prior to receiving the premium discount
 64.27 or rate reduction.

64.28 Subd. 4. **Insurers.** (a) A participating insurer must submit to the commissioner actuarially
 64.29 justified rates and a rating plan for a person who builds or locates a new insurable property
 64.30 in Minnesota.

65.1 (b) A participating insurer must submit to the commissioner actuarially justified rates
 65.2 and a rating plan for a person who retrofits an existing property to meet the requirements
 65.3 to be an insurable property.

65.4 (c) A participating insurer may offer, in addition to the premium discount and insurance
 65.5 rate reductions required under subdivisions 2 and 3, more generous mitigation adjustments
 65.6 to an owner of insurable property.

65.7 (d) Any premium discount, rate reduction, or mitigation adjustment offered by an insurer
 65.8 under this section applies only to policies that include wind coverage and may be applied
 65.9 to: (1) only the portion of the premium for wind coverage; or (2) the total premium, if the
 65.10 insurer does not separate the premium for wind coverage in the insurer's rate filing.

65.11 (e) A rate and rating plan submitted to the commissioner under this section must not be
 65.12 used until 60 days after the rate and rating plan has been filed with the commissioner, unless
 65.13 the commissioner approves the rate and rating plan before that time. A rating plan, rating
 65.14 classification, and territories applicable to insurance written by a participating insurer and
 65.15 any related statistics are subject to chapter 70A. When the commissioner is evaluating rate
 65.16 and rating plans submitted under this section, the commissioner must evaluate:

65.17 (i) evidence of cost savings directly attributable to the Fortified program standards as
 65.18 administered by IBHS; and

65.19 (ii) whether the cost savings are passed along in full to qualified policyholders.

15.28 (f) Insurers must resubmit rates and rating plans at least every five years following their
15.29 initial submissions under this section for review and approval by the commissioner.

15.30 (g) The commissioner shall annually publish the premium savings policyholders
15.31 experienced because of the program.

16.1 (h) Participating insurers shall provide to the commissioner any information requested
16.2 by the commissioner for the purposes of this paragraph.

16.3 Sec. 18. **[65A.299] STRENGTHEN MINNESOTA HOMES PROGRAM.**

16.4 Subdivision 1. **Short title.** This section may be cited as the "Strengthen Minnesota
16.5 Homes Act."

16.6 Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have
16.7 the meanings given.

16.8 (b) "Insurable property" has the meaning given in section 65A.298, subdivision **3.**

16.9 (c) "Program" means the Strengthen Minnesota Homes program established under this
16.10 section.

16.11 Subd. 3. **Program established; purpose, permitted activities.** The Strengthen Minnesota
16.12 Homes program is established within the Department of Commerce. The purpose of the
16.13 program is to provide grants to retrofit insurable property to resist loss due to common
16.14 perils, including but not limited to tornadoes or other catastrophic windstorm events.

16.15 Subd. 4. **Strengthen Minnesota homes account; appropriation.** (a) A strengthen
16.16 Minnesota homes account is created as a separate account in the special revenue fund of
16.17 the state treasury. The account consists of money provided by law and any other money
16.18 donated, allotted, transferred, or otherwise provided to the account. Earnings, including
16.19 interest, dividends, and any other earnings arising from assets of the account, must be
16.20 credited to the account. Money remaining in the account at the end of a fiscal year does not
16.21 cancel to the general fund and remains in the account until expended. The commissioner
16.22 must manage the account.

16.23 (b) Money in the account is appropriated to the commissioner to pay for (1) grants issued
16.24 under the program, and (2) the reasonable costs incurred by the commissioner to administer
16.25 the program.

16.26 Subd. 5. **Use of grants.** (a) A grant under this section must be used to retrofit an insurable
16.27 property.

16.28 (b) Grant money provided under this section must not be used for maintenance or repairs,
16.29 but may be used in conjunction with repairs or reconstruction necessitated by damage from
16.30 wind or hail.

65.20 (f) A participating insurer must resubmit a rate and rating plan at least once every five
65.21 years following the initial submission under this section.

65.22 (g) The commissioner may annually publish the premium savings that policyholders
65.23 experience pursuant to this section.

65.24 (h) An insurer must provide the commissioner with all requested information necessary
65.25 for the commissioner to meet the requirements of this subdivision.

65.26 Sec. 57. **[65A.299] STRENGTHEN MINNESOTA HOMES PROGRAM.**

65.27 Subdivision 1. **Short title.** This section may be cited as the "Strengthen Minnesota
65.28 Homes Act."

65.29 Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have
65.30 the meanings given.

65.31 (b) "Insurable property" has the meaning given in section 65A.298, subdivision **I.**

66.1 (c) "Program" means the Strengthen Minnesota Homes program established under this
66.2 section.

66.3 Subd. 3. **Program established; purpose, permitted activities.** The Strengthen Minnesota
66.4 Homes program is established within the Department of Commerce. The purpose of the
66.5 program is to provide grants to retrofit insurable property to resist loss due to common
66.6 perils, including but not limited to tornadoes or other catastrophic windstorm events.

66.7 Subd. 4. **Strengthen Minnesota homes account; appropriation.** (a) A strengthen
66.8 Minnesota homes account is created as a separate account in the special revenue fund of
66.9 the state treasury. The account consists of money provided by law and any other money
66.10 donated, allotted, transferred, or otherwise provided to the account. Earnings, including
66.11 interest, dividends, and any other earnings arising from assets of the account, must be
66.12 credited to the account. Money remaining in the account at the end of a fiscal year does not
66.13 cancel to the general fund and remains in the account until expended. The commissioner
66.14 must manage the account.

66.15 (b) Money in the account is appropriated to the commissioner to pay for (1) grants issued
66.16 under the program, and (2) the reasonable costs incurred by the commissioner to administer
66.17 the program.

66.18 Subd. 5. **Use of grants.** (a) A grant under this section must be used to retrofit an insurable
66.19 property.

66.20 (b) Grant money provided under this section must not be used for maintenance or repairs,
66.21 but may be used in conjunction with repairs or reconstruction necessitated by damage from
66.22 wind or hail.

17.1 (c) A project funded by a grant under this section must be completed within three months
 17.2 of the date the grant is approved. Failure to complete the project in a timely manner may
 17.3 result in forfeiture of the grant.

17.4 Subd. 6. **Applicant eligibility.** The commissioner must develop (1) administrative
 17.5 procedures to implement this section, and (2) criteria used to determine whether an applicant
 17.6 is eligible for a grant under this section.

17.7 Subd. 7. **Contractor eligibility; conflicts of interest.** (a) To be eligible to work as a
 17.8 contractor on a projected funded by a grant under this section, the contractor must meet all
 17.9 of the following program requirements and must maintain a current copy of all certificates,
 17.10 licenses, and proof of insurance coverage with the program office. The eligible contractor
 17.11 must:

17.12 (1) hold a valid residential building contractor and residential remodeler license issued
 17.13 by the commissioner of labor and industry;

17.14 (2) not be subject to disciplinary action by the commissioner of labor and industry;

17.15 (3) hold any other valid state or jurisdictional business license or work permits required
 17.16 by law;

17.17 (4) possess an in-force general liability policy with \$1,000,000 in liability coverage;

17.18 (5) possess an in-force workers compensation policy with \$1,000,000 in coverage;

17.19 (6) possess a certificate of compliance from the commissioner of revenue;

17.20 (7) successfully complete the Fortified Roof for High Wind and Hail training provided
 17.21 by the IBHS and maintain an active certification or IBHS's successor and provide a certificate
 17.22 of successful completion. The training may be offered as separate courses;

17.23 (8) agree to the terms and successfully register as a vendor with the commissioner of
 17.24 management and budget and receive direct deposit of payment for mitigation work performed
 17.25 under the program;

17.26 (9) maintain Internet access and keep a valid email address on file with the program and
 17.27 remain active in the commissioner of management and budget's vendor and supplier portal
 17.28 while working on the program;

17.29 (10) maintain an active email address for the communication with the program;

17.30 (11) successfully complete the program training; and

18.1 (12) agree to follow program procedures and rules established under this section and by
 18.2 the commissioner.

18.3 (b) An eligible contractor must not have a financial interest, other than payment on
 18.4 behalf of the homeowner, in any project for which the eligible contractor performs work
 18.5 toward a fortified designation under the program. An eligible contractor is prohibited from

66.23 (c) A project funded by a grant under this section must be completed within three months
 66.24 of the date the grant is approved. Failure to complete the project in a timely manner may
 66.25 result in forfeiture of the grant.

66.26 Subd. 6. **Applicant eligibility.** The commissioner must develop (1) administrative
 66.27 procedures to implement this section, and (2) criteria used to determine whether an applicant
 66.28 is eligible for a grant under this section.

66.29 Subd. 7. **Contractor eligibility; conflicts of interest.** (a) To be eligible to work as a
 66.30 contractor on a projected funded by a grant under this section, the contractor must meet all
 66.31 of the following program requirements and must maintain a current copy of all certificates,
 66.32 licenses, and proof of insurance coverage with the program office. The eligible contractor
 66.33 must:

67.1 (1) hold a valid residential building contractor and residential remodeler license issued
 67.2 by the commissioner of labor and industry;

67.3 (2) not be subject to disciplinary action by the commissioner of labor and industry;

67.4 (3) hold any other valid state or jurisdictional business license or work permits required
 67.5 by law;

67.6 (4) possess an in-force general liability policy with \$1,000,000 in liability coverage;

67.7 (5) possess an in-force workers compensation policy;

67.8 (6) possess a certificate of compliance from the commissioner of revenue;

67.9 (7) successfully complete the Fortified Roof for High Wind and Hail training provided
 67.10 by the IBHS and maintain an active certification. The training may be offered as separate
 67.11 courses;

67.12 (8) agree to the terms and successfully register as a vendor with the commissioner of
 67.13 management and budget and receive direct deposit of payment for mitigation work performed
 67.14 under the program;

67.15 (9) maintain Internet access and keep a valid email address on file with the program and
 67.16 remain active in the commissioner of management and budget's vendor and supplier portal
 67.17 while working on the program;

67.18 (10) maintain an active email address for the communication with the program;

67.19 (11) successfully complete the program training; and

67.20 (12) agree to follow program procedures and rules established under this section and by
 67.21 the commissioner.

67.22 (b) An eligible contractor must not have a financial interest, other than payment on
 67.23 behalf of the homeowner, in any project for which the eligible contractor performs work
 67.24 toward a fortified designation under the program. An eligible contractor is prohibited from

18.6 acting as the evaluator for a fortified designation on any project funded by the program. An
 18.7 eligible contractor must report to the commissioner regarding any potential conflict of
 18.8 interest before work commences on any job funded by the program.

18.9 Subd. 8. **Evaluator eligibility; conflicts of interest.** (a) To be eligible to work on the
 18.10 program as an evaluator, the evaluator must meet all program eligibility requirements and
 18.11 must submit to the commissioner and maintain a copy of all current certificates and licenses.
 18.12 The evaluator must:

18.13 (1) be in good standing with IBHS and maintain an active certification as a fortified
 18.14 home evaluator for hurricane and high wind and hail or a successor certification;

18.15 (2) possess a Minnesota business license and be registered with the secretary of state;
 18.16 and

18.17 (3) successfully complete the program training.

18.18 (b) Evaluators must not have a financial interest in any project that the evaluator inspects
 18.19 for designation purposes for the program. An evaluator must not be an eligible contractor
 18.20 or supplier of any material, product, or system installed in any home that the evaluator
 18.21 inspects for designation purposes for the program. An evaluator must not be a sales agent
 18.22 for any home being designated for the program. An evaluator must inform the commissioner
 18.23 of any potential conflict of interest impacting the evaluator's participation in the program.

18.24 Subd. 9. **Grant approval; allocation.** (a) The commissioner must review all applications
 18.25 for completeness and must perform appropriate audits to verify (1) the accuracy of the
 18.26 information on the application, and (2) that the applicant meets all eligibility rules. All
 18.27 verified applicants must be placed in the order the application was received. Grants must
 18.28 be awarded on a first-come, first-served basis, subject to availability of money for the
 18.29 program.

18.30 (b) When a grant is approved, an approval letter must be sent to the applicant.

18.31 (c) An eligible contractor is prohibited from beginning work until a grant is approved.

18.32 (d) In order to assure equitable distribution of grants in proportion to the income
 18.33 demographics in counties where the program is made available, grant applications must be
 19.1 accepted on a first-come, first-served basis. The commissioner may establish pilot projects
 19.2 as needed to establish a sustainable program distribution system in any geographic area
 19.3 within Minnesota.

19.4 Subd. 10. **Grant award process; release of grant money.** (a) After a grant application
 19.5 is approved, the eligible contractor selected by the homeowner may begin the mitigation
 19.6 work.

67.25 acting as the evaluator for a fortified designation on any project funded by the program. An
 67.26 eligible contractor must report to the commissioner regarding any potential conflict of
 67.27 interest before work commences on any job funded by the program.

67.28 Subd. 8. **Evaluator eligibility; conflicts of interest.** (a) To be eligible to work on the
 67.29 program as an evaluator, the evaluator must meet all program eligibility requirements and
 67.30 must submit to the commissioner and maintain a copy of all current certificates and licenses.
 67.31 The evaluator must:

68.1 (1) be in good standing with IBHS and maintain an active certification as a fortified
 68.2 home evaluator for high wind and hail or a successor certification;

68.3 (2) possess a Minnesota business license and be registered with the secretary of state;
 68.4 and

68.5 (3) successfully complete the program training.

68.6 (b) An evaluator must not have a financial interest in any project that the evaluator
 68.7 inspects for designation purposes for the program. An evaluator must not be an eligible
 68.8 contractor or supplier of any material, product, or system installed in any home that the
 68.9 evaluator inspects for designation purposes for the program. An evaluator must not be a
 68.10 sales agent for any home being designated for the program. An evaluator must inform the
 68.11 commissioner of any potential conflict of interest impacting the evaluator's participation in
 68.12 the program.

68.13 Subd. 9. **Grant approval; allocation.** (a) The commissioner must review all applications
 68.14 for completeness and must perform appropriate audits to verify (1) the accuracy of the
 68.15 information on the application, and (2) that the applicant meets all eligibility rules. All
 68.16 verified applicants must be placed in the order the application was received. Grants must
 68.17 be awarded on a first-come, first-served basis, subject to availability of money for the
 68.18 program.

68.19 (b) When a grant is approved, an approval letter must be sent to the applicant.

68.20 (c) An eligible contractor is prohibited from beginning work until a grant is approved.

68.21 (d) In order to assure equitable distribution of grants in proportion to the income
 68.22 demographics in counties where the program is made available, grant applications must be
 68.23 accepted on a first-come, first-served basis. The commissioner may establish pilot projects
 68.24 as needed to establish a sustainable program distribution system in any geographic area
 68.25 within Minnesota.

68.26 Subd. 10. **Grant award process; release of grant money.** (a) After a grant application
 68.27 is approved, the eligible contractor selected by the homeowner may begin the mitigation
 68.28 work.

19.7 (b) Once the mitigation work is completed, the eligible contractor must submit a copy
19.8 of the signed contract to the commissioner, along with an invoice seeking payment and an
19.9 affidavit stating the fortified standards were met by the work.

19.10 (c) The IBHS evaluator must conduct all required evaluations, including a required
19.11 interim inspection during construction and the final inspection, and must confirm that the
19.12 work was completed according to the mitigation specifications.

19.13 (d) Grant money must be released on behalf of an approved applicant only after a fortified
19.14 designation certificate has been issued for the home. The program or another designated
19.15 entity must, on behalf of the homeowner, directly pay the eligible contractor that performed
19.16 the mitigation work. The program or the program's designated entity must pay the eligible
19.17 contractor the costs covered by the grant. The homeowner must pay the eligible contractor
19.18 for the remaining cost after receiving an IBHS fortified certificate.

19.19 (e) The program must confirm that the homeowner's insurer provides the appropriate
19.20 premium credit.

19.21 (f) The program must conduct random reinspections to detect any fraud and must submit
19.22 any irregularities to the attorney general.

19.23 Subd. 11. **Limitations.** (a) This section does not create an entitlement for property
19.24 owners or obligate the state of Minnesota to pay for residential property in Minnesota to be
19.25 inspected or retrofitted. The program under this section is subject to legislative appropriations,
19.26 the receipt of federal grants or money, or the receipt of other sources of grants or money.
19.27 The department may obtain grants or other money from the federal government or other
19.28 funding sources to support and enhance program activities.

19.29 (b) All mitigation under this section is contingent upon securing all required local permits
19.30 and applicable inspections to comply with local building codes and applicable Fortified
19.31 program standards. A mitigation project receiving a grant under this section is subject to
19.32 random reinspection at a later date.

68.29 (b) Once the mitigation work is completed, the eligible contractor must submit a copy
68.30 of the signed contract to the commissioner, along with an invoice seeking payment and an
68.31 affidavit stating the fortified standards were met by the work.

69.1 (c) The IBHS evaluator must conduct all required evaluations, including a required
69.2 interim inspection during construction and the final inspection, and must confirm that the
69.3 work was completed according to the mitigation specifications.

69.4 (d) Grant money must be released on behalf of an approved applicant only after a fortified
69.5 designation certificate has been issued for the home. The program or another designated
69.6 entity must, on behalf of the homeowner, directly pay the eligible contractor that performed
69.7 the mitigation work. The program or the program's designated entity must pay the eligible
69.8 contractor the costs covered by the grant. The homeowner must pay the eligible contractor
69.9 for the remaining cost after receiving an IBHS fortified certificate.

69.10 (e) The program must confirm that the homeowner's insurer provides the appropriate
69.11 premium discount.

69.12 (f) The program must conduct random reinspections to detect any fraud and must submit
69.13 any irregularities to the attorney general.

69.14 Subd. 11. **Limitations.** (a) This section does not create an entitlement for property
69.15 owners or obligate the state of Minnesota to pay for residential property in Minnesota to be
69.16 inspected or retrofitted. The program under this section is subject to legislative appropriations,
69.17 the receipt of federal grants or money, or the receipt of other sources of grants or money.
69.18 The department may obtain grants or other money from the federal government or other
69.19 funding sources to support and enhance program activities.

69.20 (b) All mitigation under this section is contingent upon securing all required local permits
69.21 and applicable inspections to comply with local building codes and applicable Fortified
69.22 program standards. A mitigation project receiving a grant under this section is subject to
69.23 random reinspection at a later date.

69.24 Sec. 58. **[65A.303] HOMEOWNER'S LIABILITY INSURANCE; DOGS.**

69.25 Subdivision 1. **Discrimination prohibited.** An insurer writing homeowner's insurance
69.26 for property is prohibited from (1) refusing to issue or renew an insurance policy or contract,
69.27 or (2) canceling an insurance policy or contract based solely on the fact that the homeowner
69.28 harbors or owns one dog of a specific breed or mixture of breeds.

69.29 Subd. 2. **Exception.** (a) Subdivision 1 does not prohibit an insurer from (1) refusing to
69.30 issue or renew an insurance policy or contract, (2) canceling an insurance policy or contract,
69.31 or (3) imposing a reasonably increased premium or rate for an insurance policy or contract
69.32 based on a dog meeting the criteria of a dangerous dog or potentially dangerous dog under
70.1 section 347.50, or based on sound underwriting and actuarial principles that are reasonably
70.2 related to actual or anticipated loss experience.

20.1 Sec. 19. Minnesota Statutes 2022, section 65B.49, is amended by adding a subdivision to
20.2 read:

20.3 Subd. 10. **Time limitations.** (a) Unless expressly provided for in this chapter, a plan of
20.4 reparation security must conform to the six-year time limitation provided under section
20.5 541.05, subdivision 1, clause (1).

20.6 (b) The time limitation for commencing a cause of action relating to underinsured motorist
20.7 coverage under subdivision 3a is four years from the date of accrual.

20.8 **EFFECTIVE DATE.** This section is effective on August 1, 2023, and applies to contracts
20.9 issued or renewed on or after that date.

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39.1 Sec. 35. Minnesota Statutes 2022, section 151.071, subdivision 1, is amended to read:

39.2 Subdivision 1. **Forms of disciplinary action.** When the board finds that a licensee,
39.3 registrant, or applicant has engaged in conduct prohibited under subdivision 2, it may do
39.4 one or more of the following:

39.5 (1) deny the issuance of a license or registration;

39.6 (2) refuse to renew a license or registration;

39.7 (3) revoke the license or registration;

39.8 (4) suspend the license or registration;

39.9 (5) impose limitations, conditions, or both on the license or registration, including but
39.10 not limited to: the limitation of practice to designated settings; the limitation of the scope
39.11 of practice within designated settings; the imposition of retraining or rehabilitation
39.12 requirements; the requirement of practice under supervision; the requirement of participation
39.13 in a diversion program such as that established pursuant to section 214.31 or the conditioning
39.14 of continued practice on demonstration of knowledge or skills by appropriate examination
39.15 or other review of skill and competence;

39.16 (6) impose a civil penalty not exceeding \$10,000 for each separate violation, except that
39.17 a civil penalty not exceeding \$25,000 may be imposed for each separate violation of section
39.18 62J.842, the amount of the civil penalty to be fixed so as to deprive a licensee or registrant

70.3 (b) Subdivision 1 does not prohibit an insurer from (1) refusing to issue or renew an
70.4 insurance policy or contract, (2) canceling an insurance policy or contract, or (3) imposing
70.5 a reasonably increased premium or rate for an insurance policy or contract if the dog has a
70.6 history of causing bodily injury or if the dog owner has a history of owning other animals
70.7 who caused bodily injury.

70.8 **EFFECTIVE DATE.** This section is effective April 1, 2024, and applies to insurance
70.9 policies and contracts offered, issued, or sold after that date.

70.10 Sec. 59. Minnesota Statutes 2022, section 65B.49, is amended by adding a subdivision to
70.11 read:

70.12 Subd. 10. **Time limitations.** (a) Unless expressly provided for in this chapter, a plan of
70.13 reparation security must conform to the six-year time limitation provided under section
70.14 541.05, subdivision 1, clause (1).

70.15 (b) The time limitation for commencing a cause of action relating to underinsured motorist
70.16 coverage under subdivision 3a is four years from the date of accrual.

70.17 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to contracts
70.18 issued or renewed on or after that date.

70.19 Sec. 60. Minnesota Statutes 2022, section 151.071, subdivision 1, is amended to read:

70.20 Subdivision 1. **Forms of disciplinary action.** When the board finds that a licensee,
70.21 registrant, or applicant has engaged in conduct prohibited under subdivision 2, it may do
70.22 one or more of the following:

70.23 (1) deny the issuance of a license or registration;

70.24 (2) refuse to renew a license or registration;

70.25 (3) revoke the license or registration;

70.26 (4) suspend the license or registration;

70.27 (5) impose limitations, conditions, or both on the license or registration, including but
70.28 not limited to: the limitation of practice to designated settings; the limitation of the scope
70.29 of practice within designated settings; the imposition of retraining or rehabilitation
70.30 requirements; the requirement of practice under supervision; the requirement of participation
70.31 in a diversion program such as that established pursuant to section 214.31 or the conditioning
71.1 of continued practice on demonstration of knowledge or skills by appropriate examination
71.2 or other review of skill and competence;

71.3 (6) impose a civil penalty not exceeding \$10,000 for each separate violation, except that
71.4 a civil penalty not exceeding \$25,000 may be imposed for each separate violation of section
71.5 62J.842, the amount of the civil penalty to be fixed so as to deprive a licensee or registrant

39.19 of any economic advantage gained by reason of the violation, to discourage similar violations
39.20 by the licensee or registrant or any other licensee or registrant, or to reimburse the board
39.21 for the cost of the investigation and proceeding, including but not limited to, fees paid for
39.22 services provided by the Office of Administrative Hearings, legal and investigative services
39.23 provided by the Office of the Attorney General, court reporters, witnesses, reproduction of
39.24 records, board members' per diem compensation, board staff time, and travel costs and
39.25 expenses incurred by board staff and board members; and

39.26 (7) reprimand the licensee or registrant.

39.27 Sec. 36. Minnesota Statutes 2022, section 151.071, subdivision 2, is amended to read:

39.28 Subd. 2. **Grounds for disciplinary action.** The following conduct is prohibited and is
39.29 grounds for disciplinary action:

39.30 (1) failure to demonstrate the qualifications or satisfy the requirements for a license or
39.31 registration contained in this chapter or the rules of the board. The burden of proof is on
39.32 the applicant to demonstrate such qualifications or satisfaction of such requirements;

40.1 (2) obtaining a license by fraud or by misleading the board in any way during the
40.2 application process or obtaining a license by cheating, or attempting to subvert the licensing
40.3 examination process. Conduct that subverts or attempts to subvert the licensing examination
40.4 process includes, but is not limited to: (i) conduct that violates the security of the examination
40.5 materials, such as removing examination materials from the examination room or having
40.6 unauthorized possession of any portion of a future, current, or previously administered
40.7 licensing examination; (ii) conduct that violates the standard of test administration, such as
40.8 communicating with another examinee during administration of the examination, copying
40.9 another examinee's answers, permitting another examinee to copy one's answers, or
40.10 possessing unauthorized materials; or (iii) impersonating an examinee or permitting an
40.11 impersonator to take the examination on one's own behalf;

40.12 (3) for a pharmacist, pharmacy technician, pharmacist intern, applicant for a pharmacist
40.13 or pharmacy license, or applicant for a pharmacy technician or pharmacist intern registration,
40.14 conviction of a felony reasonably related to the practice of pharmacy. Conviction as used
40.15 in this subdivision includes a conviction of an offense that if committed in this state would
40.16 be deemed a felony without regard to its designation elsewhere, or a criminal proceeding
40.17 where a finding or verdict of guilt is made or returned but the adjudication of guilt is either
40.18 withheld or not entered thereon. The board may delay the issuance of a new license or
40.19 registration if the applicant has been charged with a felony until the matter has been
40.20 adjudicated;

40.21 (4) for a facility, other than a pharmacy, licensed or registered by the board, if an owner
40.22 or applicant is convicted of a felony reasonably related to the operation of the facility. The
40.23 board may delay the issuance of a new license or registration if the owner or applicant has
40.24 been charged with a felony until the matter has been adjudicated;

71.6 of any economic advantage gained by reason of the violation, to discourage similar violations
71.7 by the licensee or registrant or any other licensee or registrant, or to reimburse the board
71.8 for the cost of the investigation and proceeding, including but not limited to, fees paid for
71.9 services provided by the Office of Administrative Hearings, legal and investigative services
71.10 provided by the Office of the Attorney General, court reporters, witnesses, reproduction of
71.11 records, board members' per diem compensation, board staff time, and travel costs and
71.12 expenses incurred by board staff and board members; and

71.13 (7) reprimand the licensee or registrant.

71.14 Sec. 61. Minnesota Statutes 2022, section 151.071, subdivision 2, is amended to read:

71.15 Subd. 2. **Grounds for disciplinary action.** The following conduct is prohibited and is
71.16 grounds for disciplinary action:

71.17 (1) failure to demonstrate the qualifications or satisfy the requirements for a license or
71.18 registration contained in this chapter or the rules of the board. The burden of proof is on
71.19 the applicant to demonstrate such qualifications or satisfaction of such requirements;

71.20 (2) obtaining a license by fraud or by misleading the board in any way during the
71.21 application process or obtaining a license by cheating, or attempting to subvert the licensing
71.22 examination process. Conduct that subverts or attempts to subvert the licensing examination
71.23 process includes, but is not limited to: (i) conduct that violates the security of the examination
71.24 materials, such as removing examination materials from the examination room or having
71.25 unauthorized possession of any portion of a future, current, or previously administered
71.26 licensing examination; (ii) conduct that violates the standard of test administration, such as
71.27 communicating with another examinee during administration of the examination, copying
71.28 another examinee's answers, permitting another examinee to copy one's answers, or
71.29 possessing unauthorized materials; or (iii) impersonating an examinee or permitting an
71.30 impersonator to take the examination on one's own behalf;

71.31 (3) for a pharmacist, pharmacy technician, pharmacist intern, applicant for a pharmacist
71.32 or pharmacy license, or applicant for a pharmacy technician or pharmacist intern registration,
71.33 conviction of a felony reasonably related to the practice of pharmacy. Conviction as used
72.1 in this subdivision includes a conviction of an offense that if committed in this state would
72.2 be deemed a felony without regard to its designation elsewhere, or a criminal proceeding
72.3 where a finding or verdict of guilt is made or returned but the adjudication of guilt is either
72.4 withheld or not entered thereon. The board may delay the issuance of a new license or
72.5 registration if the applicant has been charged with a felony until the matter has been
72.6 adjudicated;

72.7 (4) for a facility, other than a pharmacy, licensed or registered by the board, if an owner
72.8 or applicant is convicted of a felony reasonably related to the operation of the facility. The
72.9 board may delay the issuance of a new license or registration if the owner or applicant has
72.10 been charged with a felony until the matter has been adjudicated;

40.25 (5) for a controlled substance researcher, conviction of a felony reasonably related to
 40.26 controlled substances or to the practice of the researcher's profession. The board may delay
 40.27 the issuance of a registration if the applicant has been charged with a felony until the matter
 40.28 has been adjudicated;

40.29 (6) disciplinary action taken by another state or by one of this state's health licensing
 40.30 agencies:

40.31 (i) revocation, suspension, restriction, limitation, or other disciplinary action against a
 40.32 license or registration in another state or jurisdiction, failure to report to the board that
 40.33 charges or allegations regarding the person's license or registration have been brought in
 40.34 another state or jurisdiction, or having been refused a license or registration by any other
 41.1 state or jurisdiction. The board may delay the issuance of a new license or registration if an
 41.2 investigation or disciplinary action is pending in another state or jurisdiction until the
 41.3 investigation or action has been dismissed or otherwise resolved; and

41.4 (ii) revocation, suspension, restriction, limitation, or other disciplinary action against a
 41.5 license or registration issued by another of this state's health licensing agencies, failure to
 41.6 report to the board that charges regarding the person's license or registration have been
 41.7 brought by another of this state's health licensing agencies, or having been refused a license
 41.8 or registration by another of this state's health licensing agencies. The board may delay the
 41.9 issuance of a new license or registration if a disciplinary action is pending before another
 41.10 of this state's health licensing agencies until the action has been dismissed or otherwise
 41.11 resolved;

41.12 (7) for a pharmacist, pharmacy, pharmacy technician, or pharmacist intern, violation of
 41.13 any order of the board, of any of the provisions of this chapter or any rules of the board or
 41.14 violation of any federal, state, or local law or rule reasonably pertaining to the practice of
 41.15 pharmacy;

41.16 (8) for a facility, other than a pharmacy, licensed by the board, violations of any order
 41.17 of the board, of any of the provisions of this chapter or the rules of the board or violation
 41.18 of any federal, state, or local law relating to the operation of the facility;

41.19 (9) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the
 41.20 public, or demonstrating a willful or careless disregard for the health, welfare, or safety of
 41.21 a patient; or pharmacy practice that is professionally incompetent, in that it may create
 41.22 unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of
 41.23 actual injury need not be established;

41.24 (10) aiding or abetting an unlicensed person in the practice of pharmacy, except that it
 41.25 is not a violation of this clause for a pharmacist to supervise a properly registered pharmacy
 41.26 technician or pharmacist intern if that person is performing duties allowed by this chapter
 41.27 or the rules of the board;

41.28 (11) for an individual licensed or registered by the board, adjudication as mentally ill
 41.29 or developmentally disabled, or as a chemically dependent person, a person dangerous to

72.11 (5) for a controlled substance researcher, conviction of a felony reasonably related to
 72.12 controlled substances or to the practice of the researcher's profession. The board may delay
 72.13 the issuance of a registration if the applicant has been charged with a felony until the matter
 72.14 has been adjudicated;

72.15 (6) disciplinary action taken by another state or by one of this state's health licensing
 72.16 agencies:

72.17 (i) revocation, suspension, restriction, limitation, or other disciplinary action against a
 72.18 license or registration in another state or jurisdiction, failure to report to the board that
 72.19 charges or allegations regarding the person's license or registration have been brought in
 72.20 another state or jurisdiction, or having been refused a license or registration by any other
 72.21 state or jurisdiction. The board may delay the issuance of a new license or registration if an
 72.22 investigation or disciplinary action is pending in another state or jurisdiction until the
 72.23 investigation or action has been dismissed or otherwise resolved; and

72.24 (ii) revocation, suspension, restriction, limitation, or other disciplinary action against a
 72.25 license or registration issued by another of this state's health licensing agencies, failure to
 72.26 report to the board that charges regarding the person's license or registration have been
 72.27 brought by another of this state's health licensing agencies, or having been refused a license
 72.28 or registration by another of this state's health licensing agencies. The board may delay the
 72.29 issuance of a new license or registration if a disciplinary action is pending before another
 72.30 of this state's health licensing agencies until the action has been dismissed or otherwise
 72.31 resolved;

72.32 (7) for a pharmacist, pharmacy, pharmacy technician, or pharmacist intern, violation of
 72.33 any order of the board, of any of the provisions of this chapter or any rules of the board or
 73.1 violation of any federal, state, or local law or rule reasonably pertaining to the practice of
 73.2 pharmacy;

73.3 (8) for a facility, other than a pharmacy, licensed by the board, violations of any order
 73.4 of the board, of any of the provisions of this chapter or the rules of the board or violation
 73.5 of any federal, state, or local law relating to the operation of the facility;

73.6 (9) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the
 73.7 public, or demonstrating a willful or careless disregard for the health, welfare, or safety of
 73.8 a patient; or pharmacy practice that is professionally incompetent, in that it may create
 73.9 unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of
 73.10 actual injury need not be established;

73.11 (10) aiding or abetting an unlicensed person in the practice of pharmacy, except that it
 73.12 is not a violation of this clause for a pharmacist to supervise a properly registered pharmacy
 73.13 technician or pharmacist intern if that person is performing duties allowed by this chapter
 73.14 or the rules of the board;

73.15 (11) for an individual licensed or registered by the board, adjudication as mentally ill
 73.16 or developmentally disabled, or as a chemically dependent person, a person dangerous to

41.30 the public, a sexually dangerous person, or a person who has a sexual psychopathic
41.31 personality, by a court of competent jurisdiction, within or without this state. Such
41.32 adjudication shall automatically suspend a license for the duration thereof unless the board
41.33 orders otherwise;

42.1 (12) for a pharmacist or pharmacy intern, engaging in unprofessional conduct as specified
42.2 in the board's rules. In the case of a pharmacy technician, engaging in conduct specified in
42.3 board rules that would be unprofessional if it were engaged in by a pharmacist or pharmacist
42.4 intern or performing duties specifically reserved for pharmacists under this chapter or the
42.5 rules of the board;

42.6 (13) for a pharmacy, operation of the pharmacy without a pharmacist present and on
42.7 duty except as allowed by a variance approved by the board;

42.8 (14) for a pharmacist, the inability to practice pharmacy with reasonable skill and safety
42.9 to patients by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type
42.10 of material or as a result of any mental or physical condition, including deterioration through
42.11 the aging process or loss of motor skills. In the case of registered pharmacy technicians,
42.12 pharmacist interns, or controlled substance researchers, the inability to carry out duties
42.13 allowed under this chapter or the rules of the board with reasonable skill and safety to
42.14 patients by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type
42.15 of material or as a result of any mental or physical condition, including deterioration through
42.16 the aging process or loss of motor skills;

42.17 (15) for a pharmacist, pharmacy, pharmacist intern, pharmacy technician, medical gas
42.18 dispenser, or controlled substance researcher, revealing a privileged communication from
42.19 or relating to a patient except when otherwise required or permitted by law;

42.20 (16) for a pharmacist or pharmacy, improper management of patient records, including
42.21 failure to maintain adequate patient records, to comply with a patient's request made pursuant
42.22 to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

42.23 (17) fee splitting, including without limitation:

42.24 (i) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate,
42.25 kickback, or other form of remuneration, directly or indirectly, for the referral of patients;

42.26 (ii) referring a patient to any health care provider as defined in sections 144.291 to
42.27 144.298 in which the licensee or registrant has a financial or economic interest as defined
42.28 in section 144.6521, subdivision 3, unless the licensee or registrant has disclosed the
42.29 licensee's or registrant's financial or economic interest in accordance with section 144.6521;
42.30 and

42.31 (iii) any arrangement through which a pharmacy, in which the prescribing practitioner
42.32 does not have a significant ownership interest, fills a prescription drug order and the
42.33 prescribing practitioner is involved in any manner, directly or indirectly, in setting the price
43.1 for the filled prescription that is charged to the patient, the patient's insurer or pharmacy

73.17 the public, a sexually dangerous person, or a person who has a sexual psychopathic
73.18 personality, by a court of competent jurisdiction, within or without this state. Such
73.19 adjudication shall automatically suspend a license for the duration thereof unless the board
73.20 orders otherwise;

73.21 (12) for a pharmacist or pharmacy intern, engaging in unprofessional conduct as specified
73.22 in the board's rules. In the case of a pharmacy technician, engaging in conduct specified in
73.23 board rules that would be unprofessional if it were engaged in by a pharmacist or pharmacist
73.24 intern or performing duties specifically reserved for pharmacists under this chapter or the
73.25 rules of the board;

73.26 (13) for a pharmacy, operation of the pharmacy without a pharmacist present and on
73.27 duty except as allowed by a variance approved by the board;

73.28 (14) for a pharmacist, the inability to practice pharmacy with reasonable skill and safety
73.29 to patients by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type
73.30 of material or as a result of any mental or physical condition, including deterioration through
73.31 the aging process or loss of motor skills. In the case of registered pharmacy technicians,
73.32 pharmacist interns, or controlled substance researchers, the inability to carry out duties
73.33 allowed under this chapter or the rules of the board with reasonable skill and safety to
73.34 patients by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type
74.1 of material or as a result of any mental or physical condition, including deterioration through
74.2 the aging process or loss of motor skills;

74.3 (15) for a pharmacist, pharmacy, pharmacist intern, pharmacy technician, medical gas
74.4 dispenser, or controlled substance researcher, revealing a privileged communication from
74.5 or relating to a patient except when otherwise required or permitted by law;

74.6 (16) for a pharmacist or pharmacy, improper management of patient records, including
74.7 failure to maintain adequate patient records, to comply with a patient's request made pursuant
74.8 to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

74.9 (17) fee splitting, including without limitation:

74.10 (i) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate,
74.11 kickback, or other form of remuneration, directly or indirectly, for the referral of patients;

74.12 (ii) referring a patient to any health care provider as defined in sections 144.291 to
74.13 144.298 in which the licensee or registrant has a financial or economic interest as defined
74.14 in section 144.6521, subdivision 3, unless the licensee or registrant has disclosed the
74.15 licensee's or registrant's financial or economic interest in accordance with section 144.6521;
74.16 and

74.17 (iii) any arrangement through which a pharmacy, in which the prescribing practitioner
74.18 does not have a significant ownership interest, fills a prescription drug order and the
74.19 prescribing practitioner is involved in any manner, directly or indirectly, in setting the price
74.20 for the filled prescription that is charged to the patient, the patient's insurer or pharmacy

43.2 benefit manager, or other person paying for the prescription or, in the case of veterinary
43.3 patients, the price for the filled prescription that is charged to the client or other person
43.4 paying for the prescription, except that a veterinarian and a pharmacy may enter into such
43.5 an arrangement provided that the client or other person paying for the prescription is notified,
43.6 in writing and with each prescription dispensed, about the arrangement, unless such
43.7 arrangement involves pharmacy services provided for livestock, poultry, and agricultural
43.8 production systems, in which case client notification would not be required;

43.9 (18) engaging in abusive or fraudulent billing practices, including violations of the
43.10 federal Medicare and Medicaid laws or state medical assistance laws or rules;

43.11 (19) engaging in conduct with a patient that is sexual or may reasonably be interpreted
43.12 by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning
43.13 to a patient;

43.14 (20) failure to make reports as required by section 151.072 or to cooperate with an
43.15 investigation of the board as required by section 151.074;

43.16 (21) knowingly providing false or misleading information that is directly related to the
43.17 care of a patient unless done for an accepted therapeutic purpose such as the dispensing and
43.18 administration of a placebo;

43.19 (22) aiding suicide or aiding attempted suicide in violation of section 609.215 as
43.20 established by any of the following:

43.21 (i) a copy of the record of criminal conviction or plea of guilty for a felony in violation
43.22 of section 609.215, subdivision 1 or 2;

43.23 (ii) a copy of the record of a judgment of contempt of court for violating an injunction
43.24 issued under section 609.215, subdivision 4;

43.25 (iii) a copy of the record of a judgment assessing damages under section 609.215,
43.26 subdivision 5; or

43.27 (iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2.
43.28 The board must investigate any complaint of a violation of section 609.215, subdivision 1
43.29 or 2;

43.30 (23) for a pharmacist, practice of pharmacy under a lapsed or nonrenewed license. For
43.31 a pharmacist intern, pharmacy technician, or controlled substance researcher, performing
43.32 duties permitted to such individuals by this chapter or the rules of the board under a lapsed
44.1 or nonrenewed registration. For a facility required to be licensed under this chapter, operation
44.2 of the facility under a lapsed or nonrenewed license or registration; ~~and~~

44.3 (24) for a pharmacist, pharmacist intern, or pharmacy technician, termination or discharge
44.4 from the health professionals services program for reasons other than the satisfactory
44.5 completion of the program; and

74.21 benefit manager, or other person paying for the prescription or, in the case of veterinary
74.22 patients, the price for the filled prescription that is charged to the client or other person
74.23 paying for the prescription, except that a veterinarian and a pharmacy may enter into such
74.24 an arrangement provided that the client or other person paying for the prescription is notified,
74.25 in writing and with each prescription dispensed, about the arrangement, unless such
74.26 arrangement involves pharmacy services provided for livestock, poultry, and agricultural
74.27 production systems, in which case client notification would not be required;

74.28 (18) engaging in abusive or fraudulent billing practices, including violations of the
74.29 federal Medicare and Medicaid laws or state medical assistance laws or rules;

74.30 (19) engaging in conduct with a patient that is sexual or may reasonably be interpreted
74.31 by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning
74.32 to a patient;

75.1 (20) failure to make reports as required by section 151.072 or to cooperate with an
75.2 investigation of the board as required by section 151.074;

75.3 (21) knowingly providing false or misleading information that is directly related to the
75.4 care of a patient unless done for an accepted therapeutic purpose such as the dispensing and
75.5 administration of a placebo;

75.6 (22) aiding suicide or aiding attempted suicide in violation of section 609.215 as
75.7 established by any of the following:

75.8 (i) a copy of the record of criminal conviction or plea of guilty for a felony in violation
75.9 of section 609.215, subdivision 1 or 2;

75.10 (ii) a copy of the record of a judgment of contempt of court for violating an injunction
75.11 issued under section 609.215, subdivision 4;

75.12 (iii) a copy of the record of a judgment assessing damages under section 609.215,
75.13 subdivision 5; or

75.14 (iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2.
75.15 The board must investigate any complaint of a violation of section 609.215, subdivision 1
75.16 or 2;

75.17 (23) for a pharmacist, practice of pharmacy under a lapsed or nonrenewed license. For
75.18 a pharmacist intern, pharmacy technician, or controlled substance researcher, performing
75.19 duties permitted to such individuals by this chapter or the rules of the board under a lapsed
75.20 or nonrenewed registration. For a facility required to be licensed under this chapter, operation
75.21 of the facility under a lapsed or nonrenewed license or registration; ~~and~~

75.22 (24) for a pharmacist, pharmacist intern, or pharmacy technician, termination or discharge
75.23 from the health professionals services program for reasons other than the satisfactory
75.24 completion of the program; and

44.6 (25) for a manufacturer, a violation of section 62J.842 or 62J.845.

44.7 Sec. 37. Minnesota Statutes 2022, section 256B.0631, subdivision 1, is amended to read:

44.8 Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical
44.9 assistance benefit plan shall include the following cost-sharing for all recipients, ~~effective~~
44.10 ~~for services provided on or after September 1, 2011:~~

44.11 (1) \$3 per nonpreventive visit, except as provided in paragraph (b). For purposes of this
44.12 subdivision, a visit means an episode of service which is required because of a recipient's
44.13 symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting
44.14 by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced
44.15 practice nurse, audiologist, optician, or optometrist;

44.16 (2) \$3.50 for nonemergency visits to a hospital-based emergency room, except that this
44.17 co-payment shall be increased to \$20 upon federal approval;

44.18 (3) \$3 per brand-name drug prescription, \$1 per generic drug prescription, and \$1 per
44.19 prescription for a brand-name multisource drug listed in preferred status on the preferred
44.20 drug list, subject to a \$12 per month maximum for prescription drug co-payments. No
44.21 co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness;

44.22 (4) a family deductible equal to \$2.75 per month per family and adjusted annually by
44.23 the percentage increase in the medical care component of the CPI-U for the period of
44.24 September to September of the preceding calendar year, rounded to the next higher five-cent
44.25 increment; ~~and~~

44.26 (5) total monthly cost-sharing must not exceed five percent of family income. For
44.27 purposes of this paragraph, family income is the total earned and unearned income of the
44.28 individual and the individual's spouse, if the spouse is enrolled in medical assistance and
44.29 also subject to the five percent limit on cost-sharing. This paragraph does not apply to
44.30 premiums charged to individuals described under section 256B.057, subdivision 9-; and

44.31 (6) cost-sharing for prescription drugs and related medical supplies to treat chronic
44.32 disease must comply with the requirements of section 62Q.481.

45.1 (b) Recipients of medical assistance are responsible for all co-payments and deductibles
45.2 in this subdivision.

45.3 (c) Notwithstanding paragraph (b), the commissioner, through the contracting process
45.4 under sections 256B.69 and 256B.692, may allow managed care plans and county-based
45.5 purchasing plans to waive the family deductible under paragraph (a), clause (4). The value
45.6 of the family deductible shall not be included in the capitation payment to managed care
45.7 plans and county-based purchasing plans. Managed care plans and county-based purchasing
45.8 plans shall certify annually to the commissioner the dollar value of the family deductible.

75.25 (25) for a manufacturer, a violation of section 62J.842 or 62J.845.

75.26 Sec. 62. Minnesota Statutes 2022, section 256B.0631, subdivision 1, is amended to read:

75.27 Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical
75.28 assistance benefit plan shall include the following cost-sharing for all recipients, ~~effective~~
75.29 ~~for services provided on or after September 1, 2011:~~

75.30 (1) \$3 per nonpreventive visit, except as provided in paragraph (b). For purposes of this
75.31 subdivision, a visit means an episode of service which is required because of a recipient's
75.32 symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting
76.1 by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced
76.2 practice nurse, audiologist, optician, or optometrist;

76.3 (2) \$3.50 for nonemergency visits to a hospital-based emergency room, except that this
76.4 co-payment shall be increased to \$20 upon federal approval;

76.5 (3) \$3 per brand-name drug prescription, \$1 per generic drug prescription, and \$1 per
76.6 prescription for a brand-name multisource drug listed in preferred status on the preferred
76.7 drug list, subject to a \$12 per month maximum for prescription drug co-payments. No
76.8 co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness;

76.9 (4) a family deductible equal to \$2.75 per month per family and adjusted annually by
76.10 the percentage increase in the medical care component of the CPI-U for the period of
76.11 September to September of the preceding calendar year, rounded to the next higher five-cent
76.12 increment; ~~and~~

76.13 (5) total monthly cost-sharing must not exceed five percent of family income. For
76.14 purposes of this paragraph, family income is the total earned and unearned income of the
76.15 individual and the individual's spouse, if the spouse is enrolled in medical assistance and
76.16 also subject to the five percent limit on cost-sharing. This paragraph does not apply to
76.17 premiums charged to individuals described under section 256B.057, subdivision 9-; and

76.18 (6) cost-sharing for prescription drugs and related medical supplies to treat chronic
76.19 disease must comply with the requirements of section 62Q.481.

76.20 (b) Recipients of medical assistance are responsible for all co-payments and deductibles
76.21 in this subdivision.

76.22 (c) Notwithstanding paragraph (b), the commissioner, through the contracting process
76.23 under sections 256B.69 and 256B.692, may allow managed care plans and county-based
76.24 purchasing plans to waive the family deductible under paragraph (a), clause (4). The value
76.25 of the family deductible shall not be included in the capitation payment to managed care
76.26 plans and county-based purchasing plans. Managed care plans and county-based purchasing
76.27 plans shall certify annually to the commissioner the dollar value of the family deductible.

45.9 (d) Notwithstanding paragraph (b), the commissioner may waive the collection of the
45.10 family deductible described under paragraph (a), clause (4), from individuals and allow
45.11 long-term care and waived service providers to assume responsibility for payment.

45.12 (e) Notwithstanding paragraph (b), the commissioner, through the contracting process
45.13 under section 256B.0756 shall allow the pilot program in Hennepin County to waive
45.14 co-payments. The value of the co-payments shall not be included in the capitation payment
45.15 amount to the integrated health care delivery networks under the pilot program.

45.16 **EFFECTIVE DATE.** This section is effective January 1, 2024.

76.28 (d) Notwithstanding paragraph (b), the commissioner may waive the collection of the
76.29 family deductible described under paragraph (a), clause (4), from individuals and allow
76.30 long-term care and waived service providers to assume responsibility for payment.

76.31 (e) Notwithstanding paragraph (b), the commissioner, through the contracting process
76.32 under section 256B.0756 shall allow the pilot program in Hennepin County to waive
77.1 co-payments. The value of the co-payments shall not be included in the capitation payment
77.2 amount to the integrated health care delivery networks under the pilot program.

77.3 **EFFECTIVE DATE.** This section is effective January 1, 2024.

77.4 Sec. 63. Minnesota Statutes 2022, section 256B.69, subdivision 5a, is amended to read:

77.5 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and
77.6 section 256L.12 shall be entered into or renewed on a calendar year basis. The commissioner
77.7 may issue separate contracts with requirements specific to services to medical assistance
77.8 recipients age 65 and older.

77.9 (b) A prepaid health plan providing covered health services for eligible persons pursuant
77.10 to chapters 256B and 256L is responsible for complying with the terms of its contract with
77.11 the commissioner. Requirements applicable to managed care programs under chapters 256B
77.12 and 256L established after the effective date of a contract with the commissioner take effect
77.13 when the contract is next issued or renewed.

77.14 (c) The commissioner shall withhold five percent of managed care plan payments under
77.15 this section and county-based purchasing plan payments under section 256B.692 for the
77.16 prepaid medical assistance program pending completion of performance targets. Each
77.17 performance target must be quantifiable, objective, measurable, and reasonably attainable,
77.18 except in the case of a performance target based on a federal or state law or rule. Criteria
77.19 for assessment of each performance target must be outlined in writing prior to the contract
77.20 effective date. Clinical or utilization performance targets and their related criteria must
77.21 consider evidence-based research and reasonable interventions when available or applicable
77.22 to the populations served, and must be developed with input from external clinical experts
77.23 and stakeholders, including managed care plans, county-based purchasing plans, and
77.24 providers. The managed care or county-based purchasing plan must demonstrate, to the
77.25 commissioner's satisfaction, that the data submitted regarding attainment of the performance
77.26 target is accurate. The commissioner shall periodically change the administrative measures
77.27 used as performance targets in order to improve plan performance across a broader range
77.28 of administrative services. The performance targets must include measurement of plan
77.29 efforts to contain spending on health care services and administrative activities. The
77.30 commissioner may adopt plan-specific performance targets that take into account factors
77.31 affecting only one plan, including characteristics of the plan's enrollee population. The
77.32 withheld funds must be returned no sooner than July of the following year if performance
77.33 targets in the contract are achieved. The commissioner may exclude special demonstration
77.34 projects under subdivision 23.

78.1 (d) The commissioner shall require that managed care plans:

78.2 (1) use the assessment and authorization processes, forms, timelines, standards,
78.3 documentation, and data reporting requirements, protocols, billing processes, and policies
78.4 consistent with medical assistance fee-for-service or the Department of Human Services
78.5 contract requirements for all personal care assistance services under section 256B.0659 and
78.6 community first services and supports under section 256B.85; and

78.7 (2) by January 30 of each year that follows a rate increase for any aspect of services
78.8 under section 256B.0659 or 256B.85, inform the commissioner and the chairs and ranking
78.9 minority members of the legislative committees with jurisdiction over rates determined
78.10 under section 256B.851 of the amount of the rate increase that is paid to each personal care
78.11 assistance provider agency with which the plan has a contract; and

78.12 (3) use a six-month timely filing standard and provide an exemption to the timely filing
78.13 timeliness for the resubmission of claims where there has been a denial, request for more
78.14 information, or system issue.

78.15 (e) Effective for services rendered on or after January 1, 2012, the commissioner shall
78.16 include as part of the performance targets described in paragraph (c) a reduction in the health
78.17 plan's emergency department utilization rate for medical assistance and MinnesotaCare
78.18 enrollees, as determined by the commissioner. For 2012, the reduction shall be based on
78.19 the health plan's utilization in 2009. To earn the return of the withhold each subsequent
78.20 year, the managed care plan or county-based purchasing plan must achieve a qualifying
78.21 reduction of no less than ten percent of the plan's emergency department utilization rate for
78.22 medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described
78.23 in subdivisions 23 and 28, compared to the previous measurement year until the final
78.24 performance target is reached. When measuring performance, the commissioner must
78.25 consider the difference in health risk in a managed care or county-based purchasing plan's
78.26 membership in the baseline year compared to the measurement year, and work with the
78.27 managed care or county-based purchasing plan to account for differences that they agree
78.28 are significant.

78.29 The withheld funds must be returned no sooner than July 1 and no later than July 31 of
78.30 the following calendar year if the managed care plan or county-based purchasing plan
78.31 demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate
78.32 was achieved. The commissioner shall structure the withhold so that the commissioner
78.33 returns a portion of the withheld funds in amounts commensurate with achieved reductions
78.34 in utilization less than the targeted amount.

79.1 The withhold described in this paragraph shall continue for each consecutive contract
79.2 period until the plan's emergency room utilization rate for state health care program enrollees
79.3 is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance
79.4 and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate with the
79.5 health plans in meeting this performance target and shall accept payment withholds that
79.6 may be returned to the hospitals if the performance target is achieved.

79.7 (f) Effective for services rendered on or after January 1, 2012, the commissioner shall
79.8 include as part of the performance targets described in paragraph (c) a reduction in the plan's
79.9 hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as
79.10 determined by the commissioner. To earn the return of the withhold each year, the managed
79.11 care plan or county-based purchasing plan must achieve a qualifying reduction of no less
79.12 than five percent of the plan's hospital admission rate for medical assistance and
79.13 MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and
79.14 28, compared to the previous calendar year until the final performance target is reached.
79.15 When measuring performance, the commissioner must consider the difference in health risk
79.16 in a managed care or county-based purchasing plan's membership in the baseline year
79.17 compared to the measurement year, and work with the managed care or county-based
79.18 purchasing plan to account for differences that they agree are significant.

79.19 The withheld funds must be returned no sooner than July 1 and no later than July 31 of
79.20 the following calendar year if the managed care plan or county-based purchasing plan
79.21 demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization
79.22 rate was achieved. The commissioner shall structure the withhold so that the commissioner
79.23 returns a portion of the withheld funds in amounts commensurate with achieved reductions
79.24 in utilization less than the targeted amount.

79.25 The withhold described in this paragraph shall continue until there is a 25 percent
79.26 reduction in the hospital admission rate compared to the hospital admission rates in calendar
79.27 year 2011, as determined by the commissioner. The hospital admissions in this performance
79.28 target do not include the admissions applicable to the subsequent hospital admission
79.29 performance target under paragraph (g). Hospitals shall cooperate with the plans in meeting
79.30 this performance target and shall accept payment withholds that may be returned to the
79.31 hospitals if the performance target is achieved.

79.32 (g) Effective for services rendered on or after January 1, 2012, the commissioner shall
79.33 include as part of the performance targets described in paragraph (c) a reduction in the plan's
79.34 hospitalization admission rates for subsequent hospitalizations within 30 days of a previous
79.35 hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare
80.1 enrollees, as determined by the commissioner. To earn the return of the withhold each year,
80.2 the managed care plan or county-based purchasing plan must achieve a qualifying reduction
80.3 of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees,
80.4 excluding enrollees in programs described in subdivisions 23 and 28, of no less than five
80.5 percent compared to the previous calendar year until the final performance target is reached.

80.6 The withheld funds must be returned no sooner than July 1 and no later than July 31 of
80.7 the following calendar year if the managed care plan or county-based purchasing plan
80.8 demonstrates to the satisfaction of the commissioner that a qualifying reduction in the
80.9 subsequent hospitalization rate was achieved. The commissioner shall structure the withhold
80.10 so that the commissioner returns a portion of the withheld funds in amounts commensurate
80.11 with achieved reductions in utilization less than the targeted amount.

80.12 The withhold described in this paragraph must continue for each consecutive contract
80.13 period until the plan's subsequent hospitalization rate for medical assistance and
80.14 MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and
80.15 28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year
80.16 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall
80.17 accept payment withholds that must be returned to the hospitals if the performance target
80.18 is achieved.

80.19 (h) Effective for services rendered on or after January 1, 2013, through December 31,
80.20 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under
80.21 this section and county-based purchasing plan payments under section 256B.692 for the
80.22 prepaid medical assistance program. The withheld funds must be returned no sooner than
80.23 July 1 and no later than July 31 of the following year. The commissioner may exclude
80.24 special demonstration projects under subdivision 23.

80.25 (i) Effective for services rendered on or after January 1, 2014, the commissioner shall
80.26 withhold three percent of managed care plan payments under this section and county-based
80.27 purchasing plan payments under section 256B.692 for the prepaid medical assistance
80.28 program. The withheld funds must be returned no sooner than July 1 and no later than July
80.29 31 of the following year. The commissioner may exclude special demonstration projects
80.30 under subdivision 23.

80.31 (j) A managed care plan or a county-based purchasing plan under section 256B.692 may
80.32 include as admitted assets under section 62D.044 any amount withheld under this section
80.33 that is reasonably expected to be returned.

81.1 (k) Contracts between the commissioner and a prepaid health plan are exempt from the
81.2 set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a), and
81.3 7.

81.4 (l) The return of the withhold under paragraphs (h) and (i) is not subject to the
81.5 requirements of paragraph (c).

81.6 (m) Managed care plans and county-based purchasing plans shall maintain current and
81.7 fully executed agreements for all subcontractors, including bargaining groups, for
81.8 administrative services that are expensed to the state's public health care programs.
81.9 Subcontractor agreements determined to be material, as defined by the commissioner after
81.10 taking into account state contracting and relevant statutory requirements, must be in the
81.11 form of a written instrument or electronic document containing the elements of offer,
81.12 acceptance, consideration, payment terms, scope, duration of the contract, and how the
81.13 subcontractor services relate to state public health care programs. Upon request, the
81.14 commissioner shall have access to all subcontractor documentation under this paragraph.
81.15 Nothing in this paragraph shall allow release of information that is nonpublic data pursuant
81.16 to section 13.02.

45.17 Sec. 38. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

45.18 Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to

45.19 children under the age of 21 and to American Indians as defined in Code of Federal

45.20 Regulations, title 42, section 600.5.

45.21 (b) The commissioner shall adjust co-payments, coinsurance, and deductibles for covered

45.22 services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent.

45.23 The cost-sharing changes described in this paragraph do not apply to eligible recipients or

45.24 services exempt from cost-sharing under state law. The cost-sharing changes described in

45.25 this paragraph shall not be implemented prior to January 1, 2016.

45.26 (c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements

45.27 for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations,

45.28 title 42, sections 600.510 and 600.520.

45.29 (d) Cost-sharing for prescription drugs and related medical supplies to treat chronic

45.30 disease must comply with the requirements of section 62Q.481.

45.31 **EFFECTIVE DATE.** This section is effective January 1, 2024.

S2219-2

54.15 Sec. 50. **AUTOMOTIVE SELF-INSURANCE; RULES AMENDMENT; EXPEDITED**

54.16 **RULEMAKING.**

54.17 Subdivision 1. **Self-insurance working capital condition.** The commissioner of

54.18 commerce must amend Minnesota Rules, part 2770.6500, subpart 2, item B, subitem (5),

54.19 to require the commissioner's grant of self-insurance authority to an applicant to be based

54.20 on the applicant's net working capital in lieu of the applicant's net funds flow.

54.21 Subd. 2. **Commissioner discretion to grant self-insurance authority.** The commissioner

54.22 of commerce must amend Minnesota Rules, part 2770.6500, subpart 2, item D, to,

54.23 notwithstanding any other provision of Minnesota Rules, part 2770.6500, permit the

54.24 commissioner to grant self-insurance authority to an applicant that is not a political

54.25 subdivision and that has not had positive net income or positive working capital in at least

54.26 three years of the last five-year period if the applicant's working capital, debt structure,

54.27 profitability, and overall financial integrity of the applicant and its parent company, if one

54.28 exists, demonstrate a continuing ability of the applicant to satisfy any financial obligations

54.29 that have been and might be incurred under the no-fault act.

54.30 Subd. 3. **Working capital.** The commissioner of commerce must define working capital

54.31 for the purposes of Minnesota Rules, part 2770.6500.

55.1 Subd. 4. **Commissioner discretion to revoke self-insurance authority.** The

55.2 commissioner of commerce must amend Minnesota Rules, part 2770.7300, to permit, in

55.3 lieu of require, the commissioner to revoke a self-insurer's authorization to self-insure based

81.17 Sec. 64. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

81.18 Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to

81.19 children under the age of 21 and to American Indians as defined in Code of Federal

81.20 Regulations, title 42, section 600.5.

81.21 (b) The commissioner shall adjust co-payments, coinsurance, and deductibles for covered

81.22 services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent.

81.23 The cost-sharing changes described in this paragraph do not apply to eligible recipients or

81.24 services exempt from cost-sharing under state law. The cost-sharing changes described in

81.25 this paragraph shall not be implemented prior to January 1, 2016.

81.26 (c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements

81.27 for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations,

81.28 title 42, sections 600.510 and 600.520.

81.29 (d) Cost-sharing for prescription drugs and related medical supplies to treat chronic

81.30 disease must comply with the requirements of section 62Q.481.

81.31 **EFFECTIVE DATE.** This section is effective January 1, 2024.

82.1 Sec. 65. **AUTOMOTIVE SELF-INSURANCE; RULES AMENDMENT; EXPEDITED**

82.2 **RULEMAKING.**

82.3 Subdivision 1. **Self-insurance working capital condition.** The commissioner of

82.4 commerce must amend Minnesota Rules, part 2770.6500, subpart 2, item B, subitem (5),

82.5 to require the commissioner's grant of self-insurance authority to an applicant to be based

82.6 on the applicant's net working capital in lieu of the applicant's net funds flow.

82.7 Subd. 2. **Commissioner discretion to grant self-insurance authority.** The commissioner

82.8 of commerce must amend Minnesota Rules, part 2770.6500, subpart 2, item D, to,

82.9 notwithstanding any other provision of Minnesota Rules, part 2770.6500, permit the

82.10 commissioner to grant self-insurance authority to an applicant that is not a political

82.11 subdivision and that has not had positive net income or positive working capital in at least

82.12 three years of the last five-year period if the applicant's working capital, debt structure,

82.13 profitability, and overall financial integrity of the applicant and its parent company, if one

82.14 exists, demonstrate a continuing ability of the applicant to satisfy any financial obligations

82.15 that have been and might be incurred under the no-fault act.

82.16 Subd. 3. **Working capital.** The commissioner of commerce must define working capital

82.17 for the purposes of Minnesota Rules, part 2770.6500.

82.18 Subd. 4. **Commissioner discretion to revoke self-insurance authority.** The

82.19 commissioner of commerce must amend Minnesota Rules, part 2770.7300, to permit, in

82.20 lieu of require, the commissioner to revoke a self-insurer's authorization to self-insure based

55.4 on the commissioner's determinations under Minnesota Rules, part 2770.7300, items A and
55.5 B.

55.6 Subd. 5. **Expedited rulemaking authorized.** The commissioner of commerce may use
55.7 the expedited rulemaking process under Minnesota Statutes, section 14.389, to amend rules
55.8 under this section.

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

S2744-3

46.1 Sec. 39. **EVALUATION OF EXISTING STATUTORY HEALTH BENEFIT**
46.2 **MANDATES.**

46.3 (a) The commissioner of commerce must evaluate existing Minnesota statutory provisions
46.4 that would constitute a state-required benefit included in Minnesota's EHB-benchmark plan,
46.5 as defined in Code of Federal Regulations, title 45, section 156.20, if the statutory provision
46.6 was offered as a legislative proposal on the date of enactment of this act.

46.7 (b) The commissioner must conduct the evaluation using the process established under
46.8 Minnesota Statutes, section 62J.26, subdivision 2.

46.9 (c) The commissioner may prioritize and determine the order in which statutory provisions
46.10 are evaluated under this section, provided that at least one statutory provision is evaluated
46.11 each year.

82.21 on the commissioner's determinations under Minnesota Rules, part 2770.7300, items A and
82.22 B.

82.23 Subd. 5. **Expedited rulemaking authorized.** The commissioner of commerce may use
82.24 the expedited rulemaking process under Minnesota Statutes, section 14.389, to amend rules
82.25 under this section.

82.26 Sec. 66. **EVALUATION OF EXISTING STATUTORY HEALTH BENEFIT**
82.27 **MANDATES.**

82.28 Subdivision 1. **Evaluation process and content.** Beginning August 1, 2023, and annually
82.29 thereafter for the next five calendar years, the commissioner of commerce shall conduct an
82.30 evaluation of the economic cost and health benefits of one state-required benefit included
82.31 in Minnesota's EHB-benchmark plan, as defined in Code of Federal Regulations, title 45,
82.32 section 156.20. The mandated benefit to be studied each year must be chosen from a list
82.33 developed by the chairs of the house of representatives and senate commerce committees,
83.1 in consultation with the ranking minority members of the house of representatives and senate
83.2 commerce committees. The chairs and ranking minority members of the house of
83.3 representatives and senate commerce committees must agree upon and inform the
83.4 commissioner of at least one mandate to be reviewed for the period between August 1, 2023,
83.5 and August 1, 2024. The commissioner shall consult with the commissioner of health and
83.6 clinical and actuarial experts to assist in the evaluation and synthesis of available evidence.
83.7 The commissioner may obtain public input as part of the evaluation. At a minimum, the
83.8 evaluation must consider the following:

83.9 (1) cost for services;

83.10 (2) the share of Minnesotans' health insurance premiums that are tied to each current
83.11 mandated benefit;

83.12 (3) utilization of services;

83.13 (4) contribution to individual and public health;

83.14 (5) extent to which the mandate conforms with existing standards of care in terms of
83.15 appropriateness or evidence-based medicine;

83.16 (6) the historical context in which the mandate was enacted, including how the mandate
83.17 interacts with other required benefits; and

83.18 (7) other relevant criteria of effectiveness and efficacy as determined by the commissioner
83.19 in consultation with the commissioner of health.

83.26 Minnesota Statutes 2022, section 62A.31, subdivisions 1b and 1i, are repealed.