

CHAPTER 62L

SMALL EMPLOYER INSURANCE REFORM

62L.056 Small employer flexible benefits plans.
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62L.056 SMALL EMPLOYER FLEXIBLE BENEFITS PLANS.

(a) Notwithstanding any provision of this chapter, chapter 363A, or any other law to the contrary, a health carrier may offer, sell, issue, and renew a health benefit plan that is a flexible benefits plan under this section to a small employer if the following requirements are satisfied:

(1) the health benefit plan must be offered in compliance with this chapter, except as otherwise permitted in this section;

(2) the health benefit plan to be offered must be designed to enable employers and covered persons to better manage costs and coverage options through the use of co-pays, deductibles, and other cost-sharing arrangements;

(3) the health benefit plan must be issued and administered in compliance with sections 62E.141; 62L.03, subdivision 6; and 62L.12, subdivisions 3 and 4, relating to prohibitions against enrolling in the Minnesota Comprehensive Health Association persons eligible for employer group coverage;

(4) the health benefit plan may modify or exclude any or all coverages of benefits that would otherwise be required by law, except for maternity benefits and other benefits required under federal law;

(5) each health benefit plan must be approved by the commissioner of commerce, but the commissioner may not disapprove a plan on the grounds of a modification or exclusion permitted under clause (4); and

(6) prior to sale of the health benefit plan, the small employer must be given a written list of the coverages otherwise required by law that are modified or excluded in the health benefit plan. The list must include a description of each coverage in the list and indicate whether the coverage is modified or excluded. If a coverage is modified, the list must describe the modification. The list may, but need not, also list any or all coverages otherwise required by law that are included in the health benefit plan and indicate that they are included. The insurer must require that a copy of this written list be provided, prior to the effective date of the health benefit plan, to each employee who is eligible for health coverage under the employer's plan.

(b) The definitions in section 62L.02 apply to this section as modified by this section.

(c) An employer may provide a health benefit plan permitted under this section to its employees, the employees' dependents, and other persons eligible for coverage under the employer's plan, notwithstanding chapter 363A or any other law to the contrary.

History: 2005 c 132 s 15

62L.08 RESTRICTIONS RELATING TO PREMIUM RATES.

[For text of subs 1 to 7, see M.S.2004]

Subd. 8. Filing requirement. A health carrier that offers, sells, issues, or renews a health benefit plan for small employers shall file with the commissioner the index rates and must demonstrate that all rates shall be within the rating restrictions defined in this chapter. Such demonstration must include the allowable range of rates from the index rates and a description of how the health carrier intends to use demographic factors including case characteristics in calculating the premium rates. The rates shall not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied

under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect, actuarially valid changes in risk associated with the enrollee population, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549.

[For text of subs 9 to 11, see M.S.2004]

History: 2005 c 77 s 3

62L.12 PROHIBITED PRACTICES.

[For text of subd 1, see M.S.2004]

Subd. 2. **Exceptions.** (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees as required.

(e) A health carrier may sell, issue, or renew individual health plans if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group health plan or due to the person's need for health care services not covered under the employer's group health plan.

(f) A health carrier may sell, issue, or renew an individual health plan, if the individual has elected to buy the individual health plan not as part of a general plan to substitute individual health plans for a group health plan nor as a result of any violation of subdivision 3 or 4.

(g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

(h) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.31 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by sections 1833, 1851 to 1859, 1860D, or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., as amended.

(i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.

(j) A health carrier may offer, issue, sell, or renew an individual health plan to persons eligible for an employer group health plan, if the individual health plan is a high deductible health plan for use in connection with an existing health savings account, in compliance with the Internal Revenue Code, section 223. In that situation, the same or a different health carrier may offer, issue, sell, or renew a group health plan to cover the other eligible employees in the group.

[For text of subs 3 to 5, see M.S.2004]

History: 2005 c 17 art 3 s 1

62L.17 PARTICIPATION IN REINSURANCE ASSOCIATION.

[For text of subs 1 and 2, see M.S.2004]

Subd. 2a. **Participation of new small employer health carriers.** A health carrier that enters the small employer market subsequent to February 1993, may elect to not

participate in the reinsurance association by filing an application within 60 days of entry into the small employer market or May 26, 1995, whichever is later. The commissioner shall make a determination and notify the health carrier no later than 60 days after receipt of the application. In determining whether to approve the application, the commissioner shall consider the standards defined in subdivision 2, except that the commissioner may also consider whether the health carrier has a guaranteeing organization as permitted under chapter 62N.

[For text of subs 3 to 7, see M.S.2004]

History: 2005 c 10 art 1 s 15