

62E.13 ADMINISTRATION OF PLAN.

Subdivision 1. **Submission of plans of coverage.** Any member of the association may submit to the commissioner the policies of accident and health insurance or the health maintenance organization contracts which are being proposed to serve in the comprehensive health insurance plan. The time and manner of the submission shall be prescribed by rule of the commissioner.

Subd. 2. **Selection of writing carrier.** The association may select policies and contracts, or parts thereof, submitted by a member or members of the association, or by the association or others, to develop specifications for bids from any entity which wishes to be selected as a writing carrier to administer the state plan. The selection of the writing carrier shall be based upon criteria established by the board of directors of the association and approved by the commissioner. The criteria shall outline specific qualifications that an entity must satisfy in order to be selected and, at a minimum, shall include the entity's proven ability to handle large group accident and health insurance cases, efficient claim paying capacity, and the estimate of total charges for administering the plan. The association may select separate writing carriers for the two types of qualified plans and the \$2,000, \$5,000, and \$10,000 deductible plans, the Medicare supplement plans, and the health maintenance organization contract.

Subd. 3. **Duties of writing carrier.** The writing carrier shall perform all administrative and claims payment functions required by this section. The writing carrier shall provide these services for a period of five years, unless a request to terminate is approved by the commissioner. The commissioner shall approve or deny a request to terminate within 90 days of its receipt. A failure to make a final decision on a request to terminate within the specified period shall be deemed to be an approval. Six months prior to the expiration of each five-year period, the association shall invite submissions of policy forms from members of the association, including the writing carrier. The association shall follow the provisions of subdivision 2 in selecting a writing carrier for the subsequent five-year period.

Subd. 3a. **Extension of writing carrier contract.** Subject to the approval of the commissioner, and subject to the consent of the writing carrier, the association may extend the effective writing carrier contract for a period not to exceed three years, if the association and the commissioner determine that it would be in the best interest of the association's enrollees and contributing members. This subdivision applies notwithstanding anything to the contrary in subdivisions 2 and 3.

Subd. 4. **Policy or certificate of coverage to enrollees.** The writing carrier shall provide to all eligible persons enrolled in the plan an individual policy or certificate, setting forth a statement as to the insurance protection to which they are entitled, with whom claims are to be filed and to

whom benefits are payable. The policy or certificate shall indicate that coverage was obtained through the association.

Subd. 5. **Monthly report on operation of state plan.** The writing carrier shall submit to the association and the commissioner on a monthly basis a report on the operation of the state plan. Specific information to be contained in this report shall be determined by the association prior to the effective date of the state plan.

Subd. 6. **Claims payments.** All claims shall be paid by the writing carrier pursuant to the provisions of sections 62E.01 to 62E.19, and shall indicate that the claim was paid by the state plan. Each claim payment shall include information specifying the procedure to be followed in the event of a dispute over the amount of payment.

Subd. 7. **Reimbursement of writing carriers expenses.** The writing carrier shall be reimbursed from the state plan premiums received for its direct and indirect expenses. Direct and indirect expenses shall include, but need not be limited to, a pro rata reimbursement for that portion of the writing carrier's administrative, printing, claims administration, management and building overhead expenses which are assignable to the maintenance and administration of the state plan. The association shall approve cost accounting methods to substantiate the writing carrier's cost reports consistent with generally accepted accounting principles. Direct and indirect expenses shall not include costs directly related to the original submission of policy forms prior to selection as the writing carrier.

Subd. 8. **Writing carrier as agent.** The writing carrier shall at all times when carrying out its duties under sections 62E.01 to 62E.19 be considered an agent of the association and the commissioner with civil liability subject to the provisions of section 3.751.

Subd. 9. [Repealed, 1987 c 268 art 2 s 38]

Subd. 10. **Premiums not subject to tax.** Premiums received by the writing carrier for the comprehensive health insurance plan are exempt from the taxes imposed under chapter 297I.

Subd. 11. **Classification of PPO agreement data.** If the writing carrier uses its own provider agreements for the association's preferred provider network in lieu of agreements exclusively between the association and the providers, then the terms and conditions of those agreements are nonpublic data as defined in section 13.02, subdivision 9.

History: 1976 c 296 art 1 s 13; 1977 c 409 s 18,19; 1979 c 272 s 9; 1986 c 444; 1987 c 384 art 2 s 1; 1988 c 719 art 2 s 3; 1991 c 165 s 7; 1997 c 225 art 6 s 3; 1999 c 177 s 47,48; 2000 c 394 art 2 s 15; 2000 c 398 s 6; 2003 c 109 s 5,6; 2005 c 132 s 14; 2006 c 255 s 19