..... moves to amend H.F. No. 222 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 62A.65, subdivision 2, is amended to read:

Subd. 2. **Guaranteed issue and renewal.** No individual health plan may be offered, sold~~,~~ or issued~~, or renewed~~ to a Minnesota resident on or after January 1, 2012, unless ~~the health plan provides that the plan is~~ on a guaranteed issue basis. The health plan must be guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health carrier must not refuse to renew an individual health plan, except for nonpayment of premiums, fraud, or misrepresentation.

EFFECTIVE DATE. This section is effective January 1, 2012, and applies to coverage issued on or after that date.

Sec. 2. Minnesota Statutes 2010, section 62A.65, is amended by adding a subdivision to read:

Subd. 2a. **Ceding risk to MCHA.** (a) A health carrier that is a member of the Minnesota Comprehensive Health Association may cede risk to the association under section 62E.10, subdivision 7, with respect to any individual health plan, or with respect to any family member to be covered under a family health plan, issued by the carrier to an eligible person as defined in section 62E.02, subdivision 13. The risk must be ceded only at the time of issuance of the health plan. The association must accept risk ceded under this subdivision.

(b) The health carrier may charge a premium rate that is no higher than the premium rate for that health plan that the health carrier would otherwise apply to the individual under this section, including rating adjustments permitted under subdivision 3. A health

carrier may not charge a higher premium as a result of its decision to cede risk to the association.

(c) Risk ceded under paragraph (a) is subject to any preexisting condition limitation to which the individual is subject under subdivision 5, except to the extent the individual qualifies for a waiver of the preexisting condition limitation under section 62E.14, subdivision 3.

(d) A health carrier must not compensate a licensed insurance producer differently depending upon whether the health carrier cedes a risk under this subdivision and must not take adverse action against a sales representative for enrolling an individual who is high-risk or subject to a preexisting condition.

EFFECTIVE DATE. This section is effective January 1, 2012, and applies to coverage issued on or after that date.

Sec. 3. Minnesota Statutes 2010, section 62A.65, subdivision 5, is amended to read:

Subd. 5. **Portability and conversion of coverage.** (a) No individual health plan may be offered, sold, issued, or with respect to children age 18 or under renewed, to a Minnesota resident that contains a preexisting condition limitation, preexisting condition exclusion, or exclusionary rider, unless the limitation or exclusion is permitted under this subdivision and under chapter 62L, provided that, except for children age 18 or under, underwriting restrictions may be retained on individual contracts that are issued without evidence of insurability as a replacement for prior individual coverage that was sold before May 17, 1993. The individual may be subjected to an 18-month preexisting condition limitation, unless the individual has maintained continuous coverage as defined in section 62L.02. The individual must not be subjected to an exclusionary rider. An individual who has maintained continuous coverage may be subjected to a onetime preexisting condition limitation of up to 12 months, with credit for time covered under qualifying coverage as defined in section 62L.02, at the time that the individual first is covered under an individual health plan by any health carrier. Credit must be given for all qualifying coverage with respect to all preexisting conditions, regardless of whether the conditions were preexisting with respect to any previous qualifying coverage. The individual must not be subjected to an exclusionary rider. Thereafter, the individual must not be subject to any preexisting condition limitation, preexisting condition exclusion, or exclusionary rider under an individual health plan by any health carrier, except an unexpired portion of a limitation under prior coverage, so long as the individual maintains continuous coverage as defined in section 62L.02.

(b) A health carrier must offer an individual health plan to any individual previously covered under a group health plan issued by that health carrier, regardless of the size of the group, so long as the individual maintained continuous coverage as defined in section 62L.02. If the individual has available any continuation coverage provided under sections 62A.146; 62A.148; 62A.17, subdivisions 1 and 2; 62A.20; 62A.21; 62C.142; 62D.101; or 62D.105, or continuation coverage provided under federal law, the health carrier need not offer coverage under this paragraph until the individual has exhausted the continuation coverage. The offer must not be subject to underwriting, except as permitted under this paragraph. A health plan issued under this paragraph must be a qualified plan as defined in section 62E.02 and must not contain any preexisting condition limitation, preexisting condition exclusion, or exclusionary rider, except for any unexpired limitation or exclusion under the previous coverage. The individual health plan must cover pregnancy on the same basis as any other covered illness under the individual health plan. The offer of coverage by the health carrier must inform the individual that the coverage, including what is covered and the health care providers from whom covered care may be obtained, may not be the same as the individual's coverage under the group health plan. The offer of coverage by the health carrier must also inform the individual that the individual, if a Minnesota resident, may be eligible to obtain coverage from (i) other private sources of health coverage, or (ii) the Minnesota Comprehensive Health Association, without a preexisting condition limitation, and must provide the telephone number used by that association for enrollment purposes. The initial premium rate for the individual health plan must comply with subdivision 3. The premium rate upon renewal must comply with subdivision 2. In no event shall the premium rate exceed 100 percent of the premium charged for comparable individual coverage by the Minnesota Comprehensive Health Association, and the premium rate must be less than that amount if necessary to otherwise comply with this section. An individual health plan offered under this paragraph to a person satisfies the health carrier's obligation to offer conversion coverage under section 62E.16, with respect to that person. Coverage issued under this paragraph must provide that it cannot be canceled or nonrenewed as a result of the health carrier's subsequent decision to leave the individual, small employer, or other group market. Section 72A.20, subdivision 28, applies to this paragraph.

(c) An individual who was enrolled in the Minnesota Comprehensive Health Insurance Association or in other private sector health coverage as of December 31, 2011, applies for other private sector health coverage to begin after that date, and whose risk is ceded to the Minnesota Comprehensive Health Insurance Association by a private sector health carrier, shall be given credit for continuous coverage, as defined in section

62L.02, subdivision 9, provided previously by the association or by the previous source of private sector health coverage, against any new preexisting condition limitation that might otherwise be imposed under section 62E.14, subdivision 3, as a result of the ceding of risk to the association.

(d) Prior continuous health coverage under a public program that does not limit coverage for preexisting conditions is creditable coverage for purposes of this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2012, and applies to coverage issued on or after that date.

Sec. 4. Minnesota Statutes 2010, section 62A.65, subdivision 6, is amended to read:

Subd. 6. **Guaranteed issue not required.** Nothing in this section requires a health carrier to initially issue a health plan to a Minnesota resident, except as otherwise expressly provided in subdivision 1, 4, or 5.

Sec. 5. Minnesota Statutes 2010, section 62E.10, subdivision 7, is amended to read:

Subd. 7. **General powers.** The association may:

(a) Exercise the powers granted to insurers under the laws of this state;

(b) Sue or be sued;

(c) Enter into contracts with insurers, similar associations in other states or with other persons for the performance of administrative functions including the functions provided for in clauses (e) and (f);

(d) Establish administrative and accounting procedures for the operation of the association; and

(e) Provide for the reinsuring of risks incurred as a result of its members issuing ~~the~~ individual coverages that its members are required by ~~sections 62E.04 and 62E.16 by members of the association~~ law to issue. ~~Each member which elects to reinsure its required risks shall determine the categories of coverage it elects to reinsure in the association. The categories of coverage are:~~

~~(1) individual qualified plans, excluding group conversions;~~

~~(2) group conversions;~~

~~(3) group qualified plans with fewer than 50 employees or members; and~~

~~(4) major medical coverage.~~

~~A separate election may be made for each category of coverage. If a member elects to reinsure the risks of a category of coverage, it must reinsure the risk of the coverage of every life covered under every policy issued in that category.~~ A member electing to reinsure risks of ~~a category of coverage~~ health coverage issued shall enter into a contract

with the association establishing a reinsurance plan for the risks. This contract may include provision for ~~the~~ rules for ceding of risk, reinsurance thresholds, reinsurance premiums, disclosure of underwriting information, and pooling of members' risks reinsured through the association ~~and~~. It may provide for assessment of each member reinsuring risks for losses and operating and administrative expenses incurred, or estimated to be incurred in the operation of the reinsurance plan. The reinsurance plan must provide appropriate restrictions or prohibitions on a member's right to cede risk to the association after the member has issued coverage to an insured or after the member has granted an insured's request to change the insured's coverage provided by the member. This reinsurance plan shall be approved by the commissioner before it is effective. Members ~~electing to~~ shall administer the risks which are reinsured in the association by providing the same network access, disease management, customer service, and similar services that the member offers to its other insureds, and shall comply with the benefit determination guidelines, claim processing standards, premium collection, and accounting procedures established by the association. The fee charged by the association for the reinsurance of risks shall not be less than 110 percent of the total anticipated expenses incurred by the association for the reinsurance~~; and~~.

~~(f) Provide for the administration by the association of policies which are reinsured pursuant to clause (e). Each member electing to reinsure one or more categories of coverage in the association may elect to have the association administer the categories of coverage on the member's behalf. If a member elects to have the association administer the categories of coverage, it must do so for every life covered under every policy issued in that category. The fee for the administration shall not be less than 110 percent of the total anticipated expenses incurred by the association for the administration.~~

EFFECTIVE DATE. This section is effective January 1, 2012, and applies to coverage issued on or after that date.

Sec. 6. Minnesota Statutes 2010, section 62E.11, subdivision 1, is amended to read:

Subdivision 1. **Enrollment.** Upon certification as an eligible person in the manner provided by section 62E.14, an eligible person may enroll in the comprehensive health insurance plan by payment of the state plan premium to the writing carrier. Effective January 1, 2012, no further enrollment may be accepted into the comprehensive health insurance plan. Coverage provided by the association to persons enrolled in the comprehensive health insurance plan prior to January 1, 2012, shall continue.

EFFECTIVE DATE. This section is effective January 1, 2012, and applies to coverage issued on or after that date.

Sec. 7. Minnesota Statutes 2010, section 62E.14, subdivision 1, is amended to read:

Subdivision 1. **Application, contents.** Subject to section 62E.11, subdivision 1, the comprehensive health insurance plan shall be open for enrollment by eligible persons. An eligible person shall enroll by submission of an application to the writing carrier. The application must provide the following:

(a) name, address, age, list of residences for the immediately preceding six months and length of time at current residence of the applicant;

(b) name, address, and age of spouse and children if any, if they are to be insured;

(c) evidence of rejection, a requirement of restrictive riders, a rate up, or a preexisting conditions limitation on a qualified plan, the effect of which is to substantially reduce coverage from that received by a person considered a standard risk, by at least one association member within six months of the date of the application, or other eligibility requirements adopted by rule by the commissioner which are not inconsistent with this chapter and which evidence that a person is unable to obtain coverage substantially similar to that which may be obtained by a person who is considered a standard risk;

(d) if the applicant has been terminated from individual health coverage which does not provide replacement coverage, evidence that no replacement coverage that meets the requirements of section 62D.121 was offered, and evidence of termination of individual health coverage by an insurer, nonprofit health service plan corporation, or health maintenance organization, provided that the contract or policy has been terminated for reasons other than (1) failure to pay the charge for health care coverage; (2) failure to make co-payments required by the health care plan; (3) enrollee moving out of the area served; or (4) a materially false statement or misrepresentation by the enrollee in the application for the terminated contract or policy; and

(e) a designation of the coverage desired.

An eligible person may not purchase more than one policy from the state plan. Upon ceasing to be a resident of Minnesota a person is no longer eligible to purchase or renew coverage under the state plan, except as required by state or federal law with respect to renewal of Medicare supplement coverage.

EFFECTIVE DATE. This section is effective January 1, 2012, and applies to coverage issued on or after that date.

Sec. 8. Minnesota Statutes 2010, section 62E.14, subdivision 3, is amended to read:

Subd. 3. **Preexisting conditions.** No person who obtains coverage pursuant to this section shall be covered for any preexisting condition during the first six months of coverage under the state plan if the person was diagnosed or treated for that condition during the 90 days immediately preceding the date the application was received by the writing carrier, except as provided under subdivisions 3a, 4, 4a, 4b, 4c, 4d, 4e, 5, 6, and 7 and section 62E.18.

EFFECTIVE DATE. This section is effective January 1, 2012, and applies to coverage issued on or after that date."

Amend the title accordingly