

# House Research Act Summary

**CHAPTER:** 20

**SESSION:** 2003 Regular Session

**TOPIC:** Purchasing Alliance Stop-Loss Fund

**Date:** July 10, 2003

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## Overview

Modifies the criteria a health care purchasing alliance must meet to qualify for stop-loss coverage, allows the commissioner of human services to accept grants for the stop-loss fund, clarifies payment procedures for stop-loss funds, and makes other changes.

### Section

- 1** **Definitions.** Amends § 256.956, subd. 1. Modifies the definition of qualifying purchasing alliance by removing the restriction on operation in Duluth. Requires the commissioner of health to approve membership criteria used by a qualifying purchasing alliance, if this is needed to receive grants from other public or private entities. Strikes language requiring a qualifying purchasing alliance to end enrollment by December 31, 2003. Also allows the commissioner to waive the requirement that a qualifying purchasing alliance be operating before May 1, 2001, if this inhibits obtaining grants. Also modifies the definition of qualifying employer, to refer to the number of employees at the time of initial membership.
- 2** **Creation of account.** Amends § 256.956, subd. 2. Allows the commissioner of human services to accept grants from public or private entities for the stop-loss fund. Requires any money received to be deposited and distributed in accordance with state law governing the stop-loss fund.
- 3** **Reimbursement.** Amends § 256.956, subd. 3. Reduces reimbursement from the stop-loss fund by the amount of any third-party recoveries, and requires health plan companies to reimburse the fund for any third-party recoveries received after a claim has been reimbursed. States that enrollee claims are eligible for reimbursement for a two-year period from the date of enrollment. Within this period, provides that claims are reimburseable only for the calendar year in which the claim was incurred (current law allows reimbursement only in the

**Section**

calendar year in which the claim was paid).

- 4** **Request process.** Amends § 256.956, subd. 4. Eliminates the requirement that requests for payment be submitted beginning April 1, 2002.
- 5** **Distribution.** Amends § 256.956, subd. 5. Requires stop-loss funds to be distributed before June 30 of the year following the calendar year in which claims are reported, rather than on an annual basis. Allows any excess funds to be carried over into the next biennium.
- 6** **Sunset.** Amends § 256.956, subd. 9. Modifies the January 1, 2005 sunset for the stop-loss fund, by allowing the fund to sunset when all funds deposited have been distributed, if this is later.