

HOUSE RESEARCH

Bill Summary

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Authors: Wilkin and others

Subject: Flexible health benefits for small employers

Analyst: Thomas R. Pender, 651-296-1885

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Overview

This bill would permit group health plans issued to small employers to exclude or modify benefits otherwise mandated by state law,

Section

1 Small employer flexible benefit plans. (a) Permits insurers to issue flexible health plans to small employers, if the following conditions are met:

- (1) the plan complies with chapter 62L (small employer insurance), except as permitted by this section;
- (2) the plan must include consumer cost-sharing, such as deductibles and co-pays;
- (3) the plan must not exclude less healthy persons from the group coverage and provide for them to be covered instead by the Minnesota Comprehensive Health Association (MCHA);
- (4) the plan need not comply with the usual loss ratio requirements;
- (5) the plan may exclude or modify coverage for otherwise mandated benefits, except for maternity and other coverages required under federal law;
- (6) the plan must be approved by the commissioner of commerce, who must not disapprove

Section

a plan because it omits a mandate as permitted under this bill;

(7) prior to sale of the plan, the employer must be given a list of the mandates that are modified or excluded in the plan. The list must say whether the mandate is excluded or just modified. If a mandate is modified, the list must describe the modification. The list may also list mandated coverages that are included, and say that they are included.

(b) Provides that the definitions used in chapter 62L apply to this section, unless modified by this section.

(c) Provides that it is legal under Minnesota law for an employer to provide to its employees a plan permitted by this section.

2 **Effective date.** Makes the bill effective immediately.