

**File Number:** H.F. 3198

**Date:** March 28, 2018

**Version:** Third engrossment

**Authors:** Haley and others

**Subject:** Report by OLA on geographic rating areas for individual and small group health insurance rates

**Analyst:** Larie Ann Pampuch (larie.pampuch@house.mn)

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd/](http://www.house.mn/hrd/).

### Overview

This bill requests a report from the Office of the Legislative Auditor (“OLA”) on the geographic rating areas, and possible recommendations to change the differences in rates between the geographic rating areas, for individual and small group health insurance.

#### Section

**1 Study and report on disparities between geographic rating areas in individual and small group health insurance rates.**

**Subd. 1. Study and recommendations.** (a) Requests a study from the OLA to examine the differences between the geographic rating areas for individual and small group health insurance. The report should examine the factors that cause higher rates in certain geographic areas, the impact referral centers have on rates in southeastern Minnesota, and the extent that those located in a geographic area with higher rates have obtained health insurance from a lower-cost area. The report should also develop at least three options to redraw the geographic boundaries. All of the options must be designed with the purpose of eliminating differences in rating areas, providing stability to the market, and compliance with federal law.

(b) Requires health insurance companies, health systems, and the commissioner of health to cooperate with requests for information from the OLA.

**Section**

(c) Permits the OLA to recommend one or more proposals for redrawing the geographic boundaries, if the proposals will eliminate differences in rating areas and provide stability to the market.

**Subd. 2. Contract.** Allows the OLA to contract with another entity for technical assistance with the study and creation of recommendations.

**Subd. 3. Report.** Requests that the OLA complete the study and recommendations by January 1, 2019, and submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care and health insurance.

**2 Appropriation; study and report on disparities between geographic rating areas in individual and small group market health insurance rates.** Appropriates funds from the general fund to the OLA for the report in section 1.