

Subject Nonprofit health maintenance organizations

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## Overview

Health maintenance organizations were required to be operated as nonprofit corporations under chapter 317A (the Minnesota Nonprofit Corporation Act) from 1973 until this requirement was removed in 2017. This bill reinstates this requirement.

## Summary

Section	Description
1	<b>Health maintenance organization.</b> Requires health maintenance organizations to operate as nonprofit corporations organized under chapter 317A.
2	<b>Certificate of authority.</b> Makes conforming changes.
3	<b>Authority granted.</b> Makes conforming changes.
4	<b>Governing body composition; enrollee advisory board.</b> Makes conforming changes.
5	<b>Net earnings.</b> Requires a nonprofit health maintenance organization to use their net earnings to provide comprehensive health care. Prohibits an organization from paying net earnings as a dividend or rebate to a person for any reason other than providing comprehensive health care. An exception to this is that the organization can make certain payments to health care providers. Requires the commissioner of health to revoke an organization's certificate of authority if it violates this subdivision.
6	<b>Unreasonable expenses.</b> Makes conforming changes.

Section	Description
7	<b>Health maintenance organization.</b> Makes conforming changes.
8	<b>Effective date.</b> Makes sections 1 to 4 and 7 effective on the commissioner of commerce determining that those sections will not result in decreased health maintenance contract or provider options or increased premiums for small businesses, seniors, or individual market enrollees.



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