

# HOUSE RESEARCH

## Bill Summary

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**Version:** First engrossment

**Authors:** Bradley and others

**Subject:** Multiple employer welfare arrangements

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### Overview

This bill involves multiple employer welfare arrangements (MEWA, pronounced "me-wah"). These are joint self-insured group health coverage pools used by some private employers. They are regulated under chapter 62H of Minnesota Statutes. Federal law does not prohibit states from regulating these self-insured pools.

#### Section

- 1 Authority to jointly self-insure.** Changes the 1,000 "lives" MEWA threshold to apply to enrollees, rather than employees. This permits dependents to count toward the threshold. Also eliminates a provision involving covering people in other states.
- 2 Required provisions.** Permits the Commissioner of Commerce to waive the solvency requirements for MEWAs if the commissioner determines that other arrangements are equivalent. Prohibits waiver of the requirement for excess stop-loss coverage.
- 3 Compliance with other laws.** Adds to the list of health insurance laws to which MEWAs are not subject. The additions are continuation coverage for survivors and disabled workers, and conversion coverage (the right to convert to an individual policy when continuation ends).
- 4 Repealer.** Repeals a section requiring MEWAs to pay a two percent revenue fee, as an equivalent of the two percent insurance premium tax. This is a technical correction, since the new chapter 297I, enacted a few years ago, consolidated all insurance related taxes, including this one, in that chapter. The section being repealed here is therefore no longer necessary.