

# HOUSE RESEARCH

## Bill Summary

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**Authors:** Haas and others

**Subject:** Health savings accounts and health insurance changes

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

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### Overview

This bill involves a variety of to accommodate health savings accounts (HSAs) and make other health insurance changes.

### Section

#### Article 1

### Overview

This article has health insurance changes.

- 1 1 Approval.** Makes file and use apply to health insurance policy forms and available to all types of health insurers for both forms and rates. Under current law, it is available only for rates and only for for-profit indemnity insurers.
- 2 Portability and conversion of coverage.** Changes the initial premium rate for conversion health insurance coverage, which one can get after continuation expires. Makes it equal to the person's continuation premium, rather than 100 percent of the MCHA rate.
- 3 Short-term coverage.** Exempts short-term coverage from the loss ratio requirement.
- 4 Effective date.** Provides effective dates.

## Article 2

### Overview

This article makes changes to accommodate health savings accounts (HSAs).

- 1 1 **Limited trusteeship.** Lets financial institutions be custodians of HSAs, regardless of whether they have trust powers.
- 2 2 **Retirement, health savings, and medical savings accounts.** Lets state banks do same as above.
- 3 3 **Deductibles.** Changes maximum permitted HMO deductibles to match HSA maximums. Provides for automatic inflation adjustments.
- 4 4 **Annual out-of-pocket maximums.** Changes annual maximum out-of-pocket limits to match those for HSAs. Provides for automatic inflation adjustments.
- 5 5 **Minimum benefits of comprehensive health insurance plan.** Lets MCHA offer up to two plans that qualify for use with HSAs.
- 6 6 **Exceptions.** Permits insurers to offer individual coverage for use with an HAS to persons eligible for small employer group coverage.
- 7 7 **Agent's licensure.** Permits agents to be involved in what is permitted in the preceding section.
- 8 8 **Health plan for use with health savings account.** A failsafe provision, providing that if any state law turns out to make it impossible to use HSAs, that law is waived.
- 9 9 **Effective date.** Makes all of this article retroactive to January 1, 2004, when HSAs were first effective under federal tax law.