

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 294  
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**Subject:** Health plan policies for stop loss coverage

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### Overview

This bill alters the circumstances when an insurance policy or coverage offered by an insurance company or health carrier under an employer-sponsored plan must be regulated as a health plan. The bill also changes the claim settlement period for contracts providing stop loss coverage.

#### Section

- 1** **Health plan policies issued as stop loss coverage.** Amends § 60A.235, subdivision 3. (a) Alters circumstances when an insurance policy or coverage must be issued as a health plan. Removes or alters existing circumstances and provides two circumstances when the policy or coverage must be a health plan: (1) if the policy or coverage has a specific attachment point for claims incurred per individual that is less than the greater of \$6,500 or twice the individual maximum out-of-pocket expense in the plan; or (2) if the policy or coverage has an aggregate attachment point that is lower than 110 percent of expected claims (under current law, this only apply for groups of 51 or more).
- (b) Makes consistent changes.
- (c) Removes this paragraph. Under current law, this paragraph allowed the commissioner of commerce to adjust the dollar amounts in paragraph (a) with certain requirements.
- Effective date.** States this section is effective August 1, 2015, and applies to coverage offered, sold, issued, or renewed on or after that date.

**Section**

- 2**      **Stop loss regulation; small employer coverage.** Amends § 62A.236. Requires a stop loss coverage contract to include a claim settlement period no less favorable to the small employer or plan than (1) claims incurred during the contract period and (2) paid by the plan during the contract period or within one month after expiration of the contract period.