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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **182**

January 17, 2007

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The bill was read for the first time and referred to the Committee on Health and Human Services

1.1 A bill for an act
1.2 relating to insurance; providing more affordable conversion health coverage as
1.3 a bridge to Medicare for persons 60 to 65 years of age; amending Minnesota
1.4 Statutes 2006, section 62A.65, subdivision 5.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 62A.65, subdivision 5, is amended to read:

1.7 Subd. 5. **Portability and conversion of coverage.** (a) No individual health plan
1.8 may be offered, sold, issued, or with respect to children age 18 or under renewed, to a
1.9 Minnesota resident that contains a preexisting condition limitation, preexisting condition
1.10 exclusion, or exclusionary rider, unless the limitation or exclusion is permitted under this
1.11 subdivision and under chapter 62L, provided that, except for children age 18 or under,
1.12 underwriting restrictions may be retained on individual contracts that are issued without
1.13 evidence of insurability as a replacement for prior individual coverage that was sold
1.14 before May 17, 1993. The individual may be subjected to an 18-month preexisting
1.15 condition limitation, unless the individual has maintained continuous coverage as defined
1.16 in section 62L.02. The individual must not be subjected to an exclusionary rider. An
1.17 individual who has maintained continuous coverage may be subjected to a onetime
1.18 preexisting condition limitation of up to 12 months, with credit for time covered under
1.19 qualifying coverage as defined in section 62L.02, at the time that the individual first is
1.20 covered under an individual health plan by any health carrier. Credit must be given for
1.21 all qualifying coverage with respect to all preexisting conditions, regardless of whether
1.22 the conditions were preexisting with respect to any previous qualifying coverage. The
1.23 individual must not be subjected to an exclusionary rider. Thereafter, the individual must
1.24 not be subject to any preexisting condition limitation, preexisting condition exclusion,

2.1 or exclusionary rider under an individual health plan by any health carrier, except an
2.2 unexpired portion of a limitation under prior coverage, so long as the individual maintains
2.3 continuous coverage as defined in section 62L.02.

2.4 (b) A health carrier must offer an individual health plan to any individual previously
2.5 covered under a group health plan issued by that health carrier, regardless of the size
2.6 of the group, so long as the individual maintained continuous coverage as defined in
2.7 section 62L.02. If the individual has available any continuation coverage provided under
2.8 sections 62A.146; 62A.148; 62A.17, subdivisions 1 and 2; 62A.20; 62A.21; 62C.142;
2.9 62D.101; or 62D.105, or continuation coverage provided under federal law, the health
2.10 carrier need not offer coverage under this paragraph until the individual has exhausted
2.11 the continuation coverage. The offer must not be subject to underwriting, except as
2.12 permitted under this paragraph. A health plan issued under this paragraph must be a
2.13 qualified plan as defined in section 62E.02 and must not contain any preexisting condition
2.14 limitation, preexisting condition exclusion, or exclusionary rider, except for any unexpired
2.15 limitation or exclusion under the previous coverage. The individual health plan must
2.16 cover pregnancy on the same basis as any other covered illness under the individual health
2.17 plan. The offer of coverage by the health carrier must inform the individual that the
2.18 coverage, including what is covered and the health care providers from whom covered
2.19 care may be obtained, may not be the same as the individual's coverage under the group
2.20 health plan. The offer of coverage by the health carrier must also inform the individual
2.21 that the individual, if a Minnesota resident, may be eligible to obtain coverage from (i)
2.22 other private sources of health coverage, or (ii) the Minnesota Comprehensive Health
2.23 Association, without a preexisting condition limitation, and must provide the telephone
2.24 number used by that association for enrollment purposes. The initial premium rate for
2.25 the individual health plan must comply with subdivision 3. The premium rate upon
2.26 renewal must comply with subdivision 2. In no event shall the premium rate exceed 100
2.27 percent of the premium charged for comparable individual coverage by the Minnesota
2.28 Comprehensive Health Association, or 90 percent of that amount if the insured is between
2.29 the ages of 60 and 65 years, and the premium rate must be less than ~~that amount~~ those
2.30 amounts if necessary to otherwise comply with this section. An individual health plan
2.31 offered under this paragraph to a person satisfies the health carrier's obligation to offer
2.32 conversion coverage under section 62E.16, with respect to that person. Coverage issued
2.33 under this paragraph must provide that it cannot be canceled or nonrenewed as a result of
2.34 the health carrier's subsequent decision to leave the individual, small employer, or other
2.35 group market. Section 72A.20, subdivision 28, applies to this paragraph.

3.1 Sec. 2. **EFFECTIVE DATE.**

3.2 Section 1 is effective August 1, 2007, and applies to conversion coverage issued
3.3 on or after that date.