


# Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

MJC

# RULE REVIEW CHECKLIST

File No. 1577 Docket No. 05-0009-0110

DATE RECEIVED 3-17-89 ADOPTED W/O HEARING X

REVIEW DATE 3-27-89 EMERGENCY RULE _____

DUE DATE 3-31-89 REVISOR APPROVED _____

APPROVED 3-28-89 mjc REVISOR DISAPPROVED _____

DISAPPROVED _____ FILED W/SEC. OF STATE _____

WITHDRAWN _____ RETURNED TO AGENCY _____

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✓ Rule as adopted (4 copies)

_____ ~~Notice to Solicit Outside Information/Opinion (if applicable)~~
- _____ ~~Date published in State Register~~
- _____ ~~Comments~~

_____ ~~Petition for Adoption of a Rule (if applicable)~~

_____ ~~Board's Authorizing Resolution~~
- _____ ~~Date adopted~~

✓ Proposed Rule
- yes Revisor's Certificate

✓ Notice of Intent to Adopt Rule
- 46.023 & 60A.082 Statutory Authority
- yes Small Business Statement
- no Expenditure of public money statement
- yes Signature

✓ Statement of Need and Reasonableness (if applicable)
- yes Small Business Statement
- n/a Fees - § 16A.128

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
- 11/8/88 Date (30)/25 days before adoption
- yes Notice attached
- yes Copy of rule or summary attached

✓ Publication in State Register
- 11/14/88 Date (30)/25 days before adoption

_____ 180-day deadline from:
- N/A Effective date of law requiring rule (14.12) (both rules)
- 12/29/88 end of comment period (§ 14.26) (rules without hearing)
- _____ ~~effective date of statutory authority (§ 14.29) (emergency rules)~~

_____ ~~Resolution Adopting~~
- _____ ~~Date adopted~~

✓ Findings of Fact, Conclusions & Order Adopting
- 3/15/89 Date

✓ Written requests, submissions or comments (2)

✓ Declaration of attorney
- P. Birk Name of SAAG representing agency

✓ Order for Notice to adopt Rule ~~Notice of Submission to Atty. Gen. (if applicable)~~

_____ ~~Aff. of Mailing Notice to Atty. Gen. (if applicable)~~

SF-00006-05 (4/86)

STATE OF MINNESOTA

# Office Memorandum

DEPARTMENT : ATTORNEY GENERAL

DATE : March 29, 1989

TO : PEGGY J. BIRK
Special Assistant Attorney General

FROM : MARTY CASSERLY
Special Assistant Attorney General

PHONE : 6-6839

SUBJECT : In the Matter of the Adopted Permanent Rules Relating to Group Insurance Replacement

The above-referenced rule has been approved as to its legality by the Attorney General on March 28, 1989.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies with the Secretary of State who will forward one copy to the Revisor of Statutes. The fourth is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submission or comments received by the agency and any extra copies of documents which the agency submitted to the Attorney General.

In order for a permanent rule without a hearing to become effective, your agency must publish a notice of adoption in the State Register in accoradance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

If you have any questions in this regard, please contact me.

MJC:klk
Enclosures

cc: Maryanne Hruby
Executive Director
Legislative Commission to Review
Administrative Rules

William Brown
Chief Administrative Law Judge
Office of Administrative Hearings

Department of Commerce

Adopted Permanent Rules Relating to Group Insurance Replacement

Rules as Adopted

2755.0400 LIABILITY OF PRIOR CARRIER.

The prior carrier remains liable to the extent of its accrued liability and any contractual liability for extension of benefits at the time of replacement. "Accrued liability" includes, but is not limited to, responsibility for covered inpatient expenses, subject to applicable deductibles, copayments, and limitations, incurred by a covered individual who is an inpatient on the date of replacement. The responsibility on the part of the prior carrier continues until the covered individual is discharged from the ~~hospital~~ inpatient facility or contract maximums have been reached, whichever first occurs.



Approved by Revisor

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

MAR 2 9 1989

Joan Anderson Growe

Secretary of State

2:27 PM

APPROVED AS TO FORM AND LEGALITY

March 28 1989

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

BY M J Cassedy

SPECIAL ASSISTANT ATTORNEY GENERAL

Department of Commerce

Proposed Permanent Rules Relating to Group Insurance Replacement

Rules as Proposed

2755.0400 LIABILITY OF PRIOR CARRIER.

The prior carrier remains liable to the extent of its accrued liability and any contractual liability for extension of benefits at the time of replacement. "Accrued liability" includes, but is not limited to, responsibility for covered inpatient ~~hospital~~ expenses, subject to applicable deductibles, copayments, and limitations, incurred by a covered individual who is ~~confined in a hospital~~ an inpatient on the date of replacement. The responsibility on the part of the prior carrier continues until the covered individual is discharged from the hospital or contract maximums have been reached, whichever first occurs.



Approved by Revisor

# Office of the Revisor of Statutes

## Administrative Rules

**TITLE:** Proposed Permanent Rules Relating to Group Insurance Replacement

**AGENCY:** Department of Commerce

**MINNESOTA RULES:** Chapter 2755

The attached rules are approved for publication in the State Register

Paul M. Marinac
Assistant Deputy Revisor

State of Minnesota
Department of Commerce

In the Matter of the Proposed Adoption of Rules Relating to
Group Insurance Replacement

Notice of Intent to Adopt Rules Without a Public Hearing

Notice is hereby given that the Department of Commerce intends to adopt the above-entitled rules without a public hearing following the procedures set forth in the Administrative Procedures Act for adopted rules without a public hearing in Minnesota Statutes, section 14.22-14.28. Authority for the adoption of these rules is contained in Minnesota Statutes, Section 45.023 and 60A.082.

All persons have 30 days to submit comments in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Department and do not result in a substantial change.

Any person may make a written request for a public hearing within the 30 day comment period. If 25 or more persons submit a written request for a public hearing within the 30 day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the Department will proceed pursuant to Minnesota Statutes, sections 14.13 to 14.20.

Persons who wish to submit comments or a written request for a public hearing should submit them to:

John Gross
Senior Policy Analyst
Department of Commerce
500 Metro Square Building
St. Paul, MN 55101
(612) 296-6929

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rules has been prepared and is available upon request from John Gross.

Pursuant to Minnesota Statutes Section 14.115, subdivision 2, the impact on small business has been considered in the promulgation of the rules. Anyone wishing to present evidence or argument as to the rules' effect on small business may do so. The Department's position regarding the impact of the rules on small business is set forth in the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to John Gross.

Michael A. Hatch
Commissioner of Commerce

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the Proposed Adoption of Rule Change Relating to Group Health Insurance Coverage Replacement

STATEMENT OF NEED AND REASONABLENESS

## Statement of Authority

Minnesota Statutes Section 60A.082, (commonly known as group insurance coverage replacement) prohibits denial of benefits to a person insured within a group solely because of a change in the insurer providing coverage. This same section requires the Commissioner of Commerce to promulgate rules to carry out the section. Minnesota Rules Chapter 2755 were so promulgated.

The Commissioner finds the proposed rule change to be necessary and appropriate in the public interest and consistent with the purposes fairly intended by the policies and provisions of Minnesota Statutes Chapters 45, 60A, 62C, 62D, and 72A.

## History

The Department has received reports from consumers and insurance agents regarding insurers construing Chapter 2755.0400 of the rules more narrowly than the statute. The proposed rule change clarifying the inclusion of non-hospital benefits was developed through discussions with interested parties and responds to the concerns raised to the extent compatible with the legislative intent of Minnesota Statute Section 60A.082.

## Facts Establishing Need and Reasonableness

### Rule Part 2755.0400

The proposed rule change is intended to provide a method of assuring clear understanding of the requirements of Minnesota Statute Section 60A.082 regarding inpatient expenses. Facts brought to the Department indicate the prior carrier's liability " . . . for covered inpatient hospital expenses . . . incurred by a covered individual who is confined in a hospital on the date of replacement." (emphasis added) is being construed to limit liability to hospital-based inpatient services only. No such limitation to hospital services is stated or implied in the Minnesota Statute Section 60A.082.

Numerous inpatient services are provided outside of hospitals and are covered by group health insurance contracts subject to Minnesota Statute Section 60A.082 and Rule 2755.0400. Mental health clinics, substance abuse treatment centers, and other non-hospital inpatient facilities are important providers and their services should not be left in doubt by the change of insurance carrier.

The proposed rule change addresses these needs by deleting specific reference to hospitals in describing minimum responsibility for inpatient expenses in the wording of Minnesota Rules Chapter 2755.0400. This proposed change preserves the coverage for hospital inpatient services while clearly providing continued coverage for non-hospital inpatient services. Since non-hospital inpatient facilities operate under a broad variety of names, an attempt to list all types might lead to inappropriate limitation of coverages in unspecified facilities.

## Small Business Considerations

Minnesota Statutes Section 14.115 requires that the impact on small businesses be considered in the development of proposed rules. Specifically, the statute, at subdivision 2, requires the agency to consider less stringent compliance standards and reporting requirements for small businesses. The statute also requires that the rule incorporate methods designed to reduce the impact on small businesses if those methods are feasible and consistent with the statutory objectives associated with the rules.

In drafting the proposed rule change, the Department considered whether the provisions of the rule might be modified to accommodate the interests of small businesses. Consideration was given to possible ways in which the requirements might be relaxed for small businesses or amended to reduce any burden on small businesses. The Department concludes the proposed rule change will ease the compliance with Minnesota Statutes Section 60A.082 by clearly including payment to non-hospital inpatient facilities (typically smaller businesses than hospitals). The Commissioner concludes that compliance would not unduly burden small business.

Each of the methods described at Minnesota Statutes Section 14.115, subdivision 2(a) - 3 was considered in proposing the rule. The provisions contained in the proposed rule are believed to be necessary to achieve the legislative purposes.

In the Matter of the Proposed Rules
Relating to Group Insurance Replacement

STATE OF MINNESOTA)
)ss
COUNTY OF RAMSEY )

AFFIDAVIT OF
MAILING

Amy McGinley being first duly sworn, deposes and says:

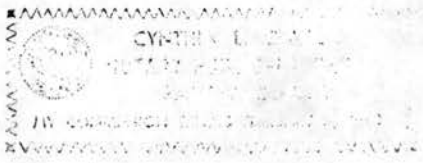
I hereby certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minnesota Statutes, section 14.14., subd. 1a, that their names be placed on file with and maintained by the Department of Commerce for the purpose of receiving notice of the proposed adoption of rules is accurate and complete as of 2:00 p.m., this 8th day of November 1988.

That on the 8th day of November, at the City of St. Paul, County of Ramsey, State of Minnesota, the attached Notice of Intent to Adopt Rules Without a Public Hearing was served by depositing in the State of Minnesota Central Mail System for United States mailing at said City of St. Paul, a copy properly prepared with first-class postage prepaid, on all persons and associations who have requested that their names be placed on file with the Minnesota Department of Commerce for the purpose of receiving notice of the proposed adoption of rules by the department.

Amy McGinley
Amy McGinley

Subscribed and sworn to before me
this 8th day of November 1988.

Cynthia Clarson
Notary Public



STATE OF MINNESOTA

DEPARTMENT OF COMMERCE
500 METRO SQUARE BUILDING
ST. PAUL, MN 55101

ATTENTION:

RULE RELATED MATERIAL

FIRST CLASS MAIL

State of Minnesota
Department of Commerce

In the Matter of the Proposed Adoption of Rules Relating to
Group Insurance Replacement

Notice of Intent to Adopt Rules Without a Public Hearing

Notice is hereby given that the Department of Commerce intends to adopt the above-entitled rules without a public hearing following the procedures set forth in the Administrative Procedures Act for adopted rules without a public hearing in Minnesota Statutes, section 14.22-14.28. Authority for the adoption of these rules is contained in Minnesota Statutes, Section 45.023 and 60A.082.

All persons have 30 days to submit comments in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Department and do not result in a substantial change.

Any person may make a written request for a public hearing within the 30 day comment period. If 25 or more persons submit a written request for a public hearing within the 30 day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the Department will proceed pursuant to Minnesota Statutes, sections 14.13 to 14.20.

Persons who wish to submit comments or a written request for a public hearing should submit them to:

John Gross
Senior Policy Analyst
Department of Commerce
500 Metro Square Building
St. Paul, MN 55101
(612) 296-6929

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rules has been prepared and is available upon request from John Gross.

Pursuant to Minnesota Statutes Section 14.115, subdivision 2, the impact on small business has been considered in the promulgation of the rules. Anyone wishing to present evidence or argument as to the rules' effect on small business may do so. The Department's position regarding the impact of the rules on small business is set forth in the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to John Gross.

Michael A. Hatch
Commissioner of Commerce

Department of Commerce

Proposed Permanent Rules Relating to Group Insurance Replacement

Rules as Proposed

**2755.0400 LIABILITY OF PRIOR CARRIER.**

The prior carrier remains liable to the extent of its accrued liability and any contractual liability for extension of benefits at the time of replacement. "Accrued liability" includes, but is not limited to, responsibility for covered inpatient ~~hospital~~ expenses, subject to applicable deductibles, copayments, and limitations, incurred by a covered individual who is ~~confined in a hospital~~ an inpatient on the date of replacement. The responsibility on the part of the prior carrier continues until the covered individual is discharged from the hospital or contract maximums have been reached, whichever first occurs.

7075.1005; .1010; .1020; .1030; .1040; .1050; .1060; .1070; .1080; .1090; (proposed) ..... 1176

**Psychology Board**

7200.0100; .0400; .0500; .0600; .0800; .0900; .1000; .1100; .1200; .1300; .1410; .1450; .1600; .1700; .1800; .2000; .2600; .3000; .3200; .3500; .3510; .3605; .3610; .3620; .3700; .3900; .4600; .4700; .4810; .4900; .5000; .5100; .5200; .5300; .5400; .5600; .5700; .6000 (proposed) ..... 876

7200.1400; .3600; .3800; .4800; 5200 s.6 (proposed repealer) . 876

**Public Safety Department**

7406.0100; .0300; .0500; .0700 (proposed) ..... 977

7410.2500; .2600; .2610; .2800 (adopted) ..... 980

7520.1000; .1100 (proposed) ..... 1044

**Public Utilities Commission**

7817.0100; .0200; .0300; .0400; .0600.; .0900 (proposed) ..... 1185

7840.1150 (proposed) ..... 930

**Reinvest in Minnesota (RIM) Reserve Program**

8400.3000-.3930 (adopted) ..... 1056

**Transportation Department**

8800.2800 (adopted) ..... 1154

**Unlicensed Mental Health Service Providers Board**

9000.0050-.0200 (proposed emergency) ..... 1102

**Human Services Department**

REVISOR INSTRUCTIONS ..... 911

9500.1090; .1095; .1100; .1130 (proposed) ..... 859

9500.1100 s .21a (proposed repealer) ..... 859

9500.1206; .1232; .1257; .1262; .1266 (proposed) ..... 1028

9505.0275; .1693; .1696; .1699; .1701; .1703; .1706; .1709; .1712; .1715; .1718; .1724; .1727; .1730; .1733; .1736; .1739; .1742; .1745; .1748 (adopted) ..... 1150

9505.1500-.1690 (repealed) ..... 1150

9505.0500; .0510; .0520; .0521; .0522; .0530; .0540 (proposed) ..... 864

9505.5000; .5005; .5010; .5015; .5035; .5040; .5050; .5055; .5060; .5065; .5070; .5075; .5080; .5090; .5096; .5100; .5105 (proposed) ..... 855

9505.5095 (proposed repealer) ..... 855

9525.0215-.0355 (proposed) ..... 836

9525.0210; .0220; .0230; .0240; .0250; .0260; .0270; .0280; .0290; .0300; .0310; .0320; .0330; .0340; .0350; .0360; .0370; .0380; .0390; .0400; .0410; .0420; .0430 (proposed repealer) ..... 836

9525.2000-.2140 (proposed) ..... 824

9575.0620 (adopted) ..... 1057

9575.1500 (proposed) ..... 1031

**Workers' Compensation Court of Appeals**

9800.0100; .0300; .0400; .0500; .0510; .0900; .1000; .1100; .1400; .1500; .1600; .1710; .1720; .1800 (adopted) ..... 981

9800.0500 s.2; .0600; .0900 s.4; .1300 (repealed) ..... 981

# Proposed Rules

**Pursuant to Minn. Stat. §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register.* The notice must advise the public:**

1. **that they have 30 days in which to submit comment on the proposed rules;**
2. **that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;**
3. **of the manner in which persons shall request a hearing on the proposed rules; and**
4. **that the rule may be modified if the modifications are supported by the data and views submitted.**

**If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.**

**Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.**

# Department of Commerce

## Proposed Permanent Rules Relating to Group Insurance Replacement

### Notice of Intent to Adopt Rules Without a Public Hearing

Notice is hereby given that the Department of Commerce intends to adopt the above-entitled rules without a public hearing following the procedures set forth in the Administrative Procedures Act for adopted rules without a public hearing in *Minnesota*

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

*Statutes*, section 14.22-14.28. Authority for the adoption of these rules is contained in *Minnesota Statutes*. Section 45.023 and 60A.082.

All persons have 30 days to submit comments in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Department and do not result in a substantial change.

Any person may make a written request for a public hearing within the 30 day comment period. If 25 or more persons submit a written request for a public hearing within the 30 day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the Department will proceed pursuant to *Minnesota Statutes*, sections 14.13 to 14.20.

Persons who wish to submit comments or a written request for a public hearing should submit them to:

John Gross
Senior Policy Analyst
Department of Commerce
500 Metro Square Building
St. Paul, MN 55101
(612) 296-6929

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rules has been prepared and is available upon request from John Gross.

Pursuant to *Minnesota Statutes* Section 14.115, subdivision 2, the impact on small business has been considered in the promulgation of the rules. Anyone wishing to present evidence or argument as to the rules' effect on small business may do so. The Department's position regarding the impact of the rules on small business is set forth in the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to John Gross.

Michael A. Hatch
Commissioner of Commerce

### Rules as Proposed

**2755.0400 LIABILITY OF PRIOR CARRIER.**

The prior carrier remains liable to the extent of its accrued liability and any contractual liability for extension of benefits at the time of replacement. "Accrued liability" includes, but is not limited to, responsibility for covered inpatient ~~hospital~~ expenses, subject to applicable deductibles, copayments, and limitations, incurred by a covered individual who is ~~confined in a hospital~~ an inpatient on the date of replacement. The responsibility on the part of the prior carrier continues until the covered individual is discharged from the hospital or contract maximums have been reached, whichever first occurs.

# Pollution Control Agency

## Proposed Permanent Rules Relating to the Corrective Action Grants Program under the Independent State Grants Program for Wastewater Treatment

### Notice of Intent to Adopt Rules Without a Public Hearing

Notice is hereby given that the Minnesota Pollution Control Agency (Agency) intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes*, §§ 14.22 to 14.28. The Agency's authority to adopt the rule is set forth in *Minnesota Statutes*, § 116.181 Subd. 5 (Supp. 1987).

All persons have until 4:30 p.m. on December 14, 1988, to submit comments in support of or in opposition to the proposed rules or any part or subpart of the rules. Comment is encouraged. Each comment should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed.

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the matter of the Proposed Adoption of the Rules relating to Group Insurance Replacement

FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

Notice of the Department of Commerce's intent to adopt the above-entitled rule was published in the State Register on November 14, 1988 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 on November 8, 1988. The statement of need and reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking mailing list and published in the State Register and was available to the public.

All persons were given the opportunity to submit comments on the rule for 30 days after notice of proposed rulemaking. No requests for a public hearing on the rule were received by the agency.

Based on the comments and evidence in the record before the agency, I find the following:

The word "hospital" in the last sentence of the rules as published was changed to "inpatient facility" in order to be conistent with language used in the rest of the rule. The change is insubstantial and it does not alter the substance of the proposed rules.

The above-captioned rule is needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rule identified as Proposed Rules Relating to Group Insurance Replacement are adopted this 15th day of March, 1989, pursuant to authority vested in Minnesota Statutes, section 60A.082, subd. 1 and section 45.023.

MICHAEL A. HATCH
Commissioner of Commerce

Insurance Federation of Minnesota
1310 Pioneer Building
336 N. Robert Street
St. Paul, MN 55101
(612) 292-1099

State of Minnesota
DEC 9 1988
Department of Commerce

December 9, 1988

Mr. John Gross
Senior Policy Analyst
Department of Commerce
500 Metro Square Building
St. Paul, MN 55101

RE: Proposed Permanent Rules Relating to Group Insurance Replacement; 13 S.R. 1176

Dear John:

This letter is to follow up our December 8, 1988 telephone conversation regarding the proposed changes to the rules relating to group insurance replacement.

As we discussed, we do not substantively object to the proposed changes but would like the language clarified.

We would suggest instead of the first deletion, the following phrase:

> "inpatient expenses incurred in a hospital or any other inpatient facility covered under the policy..."

The second deletion can remain as proposed.

The word "hospital" in the last line should, however, be changed to the phrase:
"hospital or other inpatient facility covered under the policy"

Given the shortness of time to comment on the record, I would appreciate your response to these proposals by December 12, 1988.

Sincerely,

Bob Johnson

Robert D. Johnson

RDJ:ckl

MedCenters
[illegible] ORANGE AVENUE SOUTH • MINNEAPOLIS, MINNESOTA 55435 • [illegible]

December 1, 1988

STATE OF MINN[illegible]
DEPARTMENT OF COM[illegible]

Mr. John Gross
Senior Policy Analyst
Department of Commerce
500 Metro Square Building
St. Paul, MN 55101

Re: Proposed Rules
2755.0400 Liability of Prior Carrier

Dear Mr. Gross:

We have reviewed the proposed rules relating to group insurance replacement and suggest that the revisions indicated below be considered. These suggestions are the result of situations we have encountered in the past where it is not clear what services are the prior carrier's responsibility and when "discharge" occurs (i.e. a transfer from one institution to another or from one level of service to another should not be considered a "discharge").

The underlined sections are what we suggest adding to the proposed rule:

> The prior carrier remains liable to the extent of its accrued liability and any contractual liability for extension of benefits at the time of replacement. "Accrued liability" includes, but is not limited to, responsibility for covered inpatient expenses, subject to applicable deductibles, copayments, and limitations, incurred by a covered individual who is an inpatient on the date of replacement. The responsibility on the part of the prior carrier continues for services related to the condition for which confinement is required until the covered individual is discharged from the institution or institutions ~~hospital~~ or contract maximums have been reached, whichever first occurs.

We appreciate your consideration of these revisions. Please contact me at 897-2552 if you would like to discuss this further.

Sincerely yours,

Nancy Stork

Nancy Stork
Regulatory Compliance Manager

NS:sj

STATE OF MINNESOTA

DEPARTMENT OF COMMERCE

In the Matter of the Adoption of Rule Change Relating to Group Health Insurance Coverage Replacement.

**DECLARATION OF COUNSEL**

I, Peggy J. Birk, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rule, and the supporting rulemaking record, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules, chapter 2010 have been followed. Any exceptions are listed below. For Attorney General bill purposes, the four-digit docket client code is 0110.

Dated: March 17, 1989.

Peggy J. Birk

PEGGY J. BIRK
Special Assistant
Attorney General

.bl1

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

| | |
|---|---|
| In the Matter of the Proposed Rules Relating to Group Insurance Replacement | ORDER FOR NOTICE OF INTENT TO ADOPT RULES WITHOUT PUBLIC HEARING |

IT IS ORDERED this 31st day of October 1988 that Notice of Intent to Adopt Rules Without Public Hearing in the above-entitled matter be given to all persons who have registered their names with the Department of Commerce for that purpose and that said Notice be published in the State Register.

MICHAEL A. HATCH
Commissioner of Commerce

SF-00006-05 (4/86)

STATE OF MINNESOTA

# Office Memorandum

DEPARTMENT : **ATTORNEY GENERAL - Bremer Tower**

DATE : March 16, 1989

TO : **RITA DESMOND**
Administration and Finance Division
515 DOT

FROM : **PEGGY J. BIRK** PJB
Special Assistant
Attorney General

PHONE : 296-9416

SUBJECT : **Group Insurance Replacement Rule Review**

Read 3/17/89 RDesmond

Enclosed please find the documents necessary for review of a rule adopted w/o a public hearing by the Department of Commerce, the documents include the following:

1. Copy of the Proposed Rules with Revisor's Certificate (2010.0300 D)

2. Notice of Intent to Adopt Rule Without Public Hearing (2010.0300 E)

3. Statement of Need and Reasonableness (2010.0300 F)

4. Affidavit of Mailing Notice of Intent to Adopt Rule Without Public Hearing (2010.0300 G)

5. Copy of Notice of Intent to Adopt Rule Without Public Hearing and Rules as published in the State Register (2010.0300 H)

6. Four copies of Rule as adopted (2010.0300 I)

7. Findings of Fact, Conclusion & Order Adopting Rule (2010.0300 K)

8. Written Comments, Submission & Requests on Rule (2010.0300 L)

9. Declaration of Attorney General (2010.0300 M)

PJB:ew.bk9
Enclosure

cc: Heidi Amlquist Strommen