

## SENATE COMMERCE COMMITTEE

Monday, April 3, 2006

12:30 p.m., Room 15, State Capitol

Present: Senator Linda Scheid, chair, Senator Dan Sparks, vice-chair, Senator Ellen Anderson, Senator William Belanger, Senator Michael Jungbauer, Senator Sheila Kiscaden, Senator Cal Larson, Senator Brian LeClair, Senator Becky Lourey, Senator James Metzen, Senator Geoff Michel, Senator Sandra Pappas, Senator Larry Pogemiller, Senator Ann Rest, Senator Mady Reiter, Senator Dallas Sams

None Absent

Senator Metzen called the meeting to order at 1:53 p.m.

**S.F. 3573** (Senator Sparks): Permitting reductions in premiums on small employer health insurance in greater Minnesota.

Senator Sparks explained S.F. 3573.

A quorum was present at 1:54 p.m.

Senator Sparks moved the A-2 delete everything amendment.

**MOTION ADOPTED.**

Senator Sparks moved that S.F. 3573 be amended as follows:

Page 2, line 28, change "2008" to "2007"

Page 3, line 16, change "2008" to "2007"

**MOTION ADOPTED.**

Committee discussion followed.

Phil Stalboerger, representing Blue Cross/ Blue Shield of Minnesota, responded to committee inquiries regarding S.F. 3573.

Senator Pogemiller moved that S.F. 3573, as amended, be referred, without recommendation, to the Committee on Finance.

Committee discussion followed.

Senator Pogemiller **WITHDREW** his motion.

Senator Pogemiller moved that S.F. 3573, as amended, be referred, without recommendation, to the Committee on Health and Family Security.

Committee discussion followed.

Senator Lourey requested a roll call.

Senator Pogemiller **WITHDREW** his motion.

Senator Kiscaden moved that S.F. 3573 be tabled. After the voice vote, Senator Kiscaden called for a division.

By show of hands, the Kiscaden **MOTION FAILED**, on a 5 to 7 vote.

Senator Anderson moved that S.F. 3573, as amended, be referred, without recommendation, to the Committee on Health and Family Security.

**MOTION ADOPTED.**

**S.F. 3480** (Scheid): Commerce Department insurance proposals.

Patrick Nelson, deputy commissioner, commerce department, explained S.F. 3480.

John Gross, health policy manager, commerce department, spoke in support of S.F. 3480.

Committee discussion followed.

Senator Scheid moved to amend S.F. 3480 as follows:

Page 1, line 14, delete Section 1

Page 2, line 11, delete Section 2

Page 3, line 19, delete Section 4

**MOTION ADOPTED.**

Senator Scheid explained the A-3 amendment, relating to the Minnesota uniform health care card.

Senator Pogemiller moved the A-3 amendment. **MOTION ADOPTED.**

Senator Pogemiller moved the A-4 amendment, which extended the effective date for prompt billing by health plans to the next contract period.

**MOTION ADOPTED.**

Senator LeClair moved the A-5 amendment, as offered by the commerce department and related to Medicare supplemental plans. **MOTION ADOPTED.**

Committee discussion followed.

John Gross, health policy manager, commerce department, explained the A-8 amendment, which relates to eligibility criteria for Minnesota Comprehensive Health Association (MCHA) membership.

Senator Pappas moved the A-8 amendment. **MOTION ADOPTED.**

Senator Scheid explained the A-9 amendment, which requires MCHA to enter into five year contracts with writing carriers.

Committee discussion followed.

Senator Scheid moved the A-9 amendment. **MOTION ADOPTED.**

Patrick Nelson, deputy commissioner, commerce department, explained the A-6 amendment, which corrects errors and omissions and clarifies the department's intent in submitting S.F. 3480 for legislative corrective action.

Senator Belanger moved the A-6 amendment. **MOTION ADOPTED.**

Committee discussion followed.

Doug Franzen, representing the Property Casualty Association of America, explained the A-10 amendment, which requires the Commerce Commission to open rates and forms to public inspection within ten days of their effective date.

Senator Lourey moved the A-10 amendment. **MOTION ADOPTED.**

Senator Reiter moved the A-12 amendment, which amends the script used by insurance claims call centers.

Committee discussion followed.

Senator Anderson moved that the A-12 amendment be amended as follows:  
Page 3, line 5, after "the" insert "legal". **MOTION ADOPTED.**

Senator Reiter moved the A-12 amendment, as amended. **MOTION ADOPTED.**

Peter Thrane, representing the Minnesota Self Insurers Association, explained the A-11 amendment, which eliminates claims data reporting for companies who self insure for workers compensation coverage.

Senator Michel moved the A-11 amendment. **MOTION ADOPTED.**

Senator Sparks explained the A-13 amendment, which contains language related to rental vehicle insurance liability coverage adopted by the Commerce Committee on March 27, 2006 (S.F. 1674).

Senator Sparks moved the A-13 amendment. **MOTION ADOPTED.**

Phil Stalboerger, representing Blue Cross/ Blue Shield of Minnesota, spoke to the committee regarding Section 9 of S.F. 3480, which would require health plans to notify employees of their COBRA rights if their employer had not.

Committee discussion followed.

John Gross, health policy manager, commerce department, responded to committee inquires regarding Section 9.

Senator Lourey moved that S.F. 3480 be amended as follows:  
page 6, line 10, delete Section 9.  
**MOTION ADOPTED.**

Senator Scheid moved that S.F. 3480, as amended, be recommended to pass.  
**MOTION ADOPTED.**

The meeting adjourned at 2:57 p.m. The proceedings were taped and the materials distributed are attached to these minutes.

Respectfully submitted,

  
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SENATOR LINDA SCHEID, CHAIR

  
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Tangee Harrison  
Committee Legislative Assistant

SENATE COMMERCE COMMITTEE

Monday, April 3

Room 15 Capitol

12:00pm

1. **SF 3573 (Sparks)** permitting reductions in premiums on small employer health insurance in greater Minnesota
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Phil Stalboerger, representing Blue Cross/Blue Shield  
Bob Johnson, Insurance Federation MN

2. **SF 3480 (Scheid)** commerce department insurance proposals

Patrick Nelson, deputy commissioner, commerce department

## 06 date heard

<b>Date Scheduled</b>	<b>SF</b>	<b>Senate Author</b>	<b>Summary</b>
4/3/2006	3480	Scheid	commerce department insurance bill
4/3/2006	3573	Sparks	permitting reductions in premiums on small employer health insurance in greater Minnesota