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BILL SUMMARY

S.F. No. 4390 – Supplemental health insurance product establishment to cover short-term home health and nursing care

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Section Summaries

Section 1 (amends Minn. Stat. § 62A.135, subd. 1; Definitions) This section specifies that the new short-term home health and nursing care insurance product created in this bill constitutes a fixed indemnity policy for purposes of section 62A.135 (which section governs fixed indemnity policies).

Section 2 (amends Minn. Stat. § 62A.46, subd. 2; Long-term care policy) This section specifies that short-term home health and nursing care insurance is not a long-term care policy for purposes of sections 62A.46 to 62A.56 (which sections govern long-term care policies).

Section 3 (adds Minn. Stat. § 62A.70; Short-Term Home Health and Nursing Care Insurance) This section creates the new statutory framework governing short-term home health and nursing care insurance.

Subd. 1. Definitions. This subdivision defines key terms for the new coverage. Notably:

- "Short-term home health and nursing care insurance" means an individual or group policy, certificate, subscriber contract, or other evidence of coverage that provides benefits for short-term home health services or short-term nursing care services. Short-term home health and nursing care insurance does not include: (1) a long-term care policy, as defined in section 62A.46, subdivision 2; (2) long-term care insurance, as defined in section 62S.01, subdivision 18; (3) Medicare supplement policies, as defined in section 62A.3099, subdivision 18; or (4) major medical, disability income, or hospital confinement indemnity policies.

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- "Short-term home health services" means one or more of the following services to care for and treat an insured that are provided by a home health agency in a noninstitutional setting pursuant to a written diagnosis or assessment and plan of care: (1) nursing and related personal care services under the direction of a registered nurse, including the services of a home health aide; (2) physical therapy; (3) speech therapy; (4) respiratory therapy; (5) occupational therapy; (6) nutritional services provided by a licensed dietitian; (7) homemaker services, meal preparation, and similar nonmedical services; (8) medical social services; and (9) other similar medical services and health-related support services.
- "Short-term nursing care services" means services to care for and treat an insured that are provided by a nursing facility pursuant to a written diagnosis or assessment and plan of care.

Subd. 2. Short-term home health and nursing care insurance approval. This subdivision authorizes only qualified insurers (which are defined as entities licensed under chapter 62A or 62C) to offer, issue, or renew this coverage. It also requires the coverage to be approved by the commissioner of commerce before being offered.

Subd. 3. Policy requirements. This subdivision sets minimum requirements for the new product. These requirements include the following:

- Coverage must be provided upon cognitive impairment or an inability to perform at least two activities of daily living without substantial assistance;
- Coverage may not exceed 360 days;
- Policies must include a free-look period of at least 30 days;
- Policies must not be canceled because of deterioration in health status or use of benefits; and
- Policies may be nonrenewed only for specified reasons such as nonpayment of premium, fraud or misrepresentation, termination of the insurer's authority to transact business, or exhaustion of the maximum benefit period.

Subd. 4. Required disclosures. This subdivision requires written disclosures before the coverage may be offered or issued. The disclosures must state in bold text that the policy is supplemental health insurance, is not long-term care insurance, and is not a policy under the Minnesota partnership for long-term care program. The disclosures must also clearly explain the free-look period and the policy's renewability and continuity provisions.

Section 4 (amends Minn. Stat. § 72A.13, subd. 1; Penalties) This section includes the new section 62A.70 in a subdivision concerning penalties the commissioner of commerce may impose for violations. The result is that the commissioner may impose fines of not more than $200 per offense, and may impair the license of companies, that violate the new section 62A.70.

Section 5 (amends Minn. Stat. § 256B.0913, subd. 4; Eligibility for funding for services for nonmedical assistance recipients) Existing law disqualifies an individual from eligibility for services under the state's alternative care program if the individual receives funding for long-term care services from "other health insurance or other third-party insurance such as long-

term care insurance." This section specifies that funding from short-term home health and nursing care insurance does not constitute health or other third-party insurance such that the funding would disqualify an individual from services under the alternative care program.