

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-THIRD LEGISLATURE

FORTIETH DAY

St. Paul, Minnesota, Tuesday, April 22, 2003

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Michael D. Scott.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators answered to their names:

Anderson	Gaither	Langseth	Olson	Senjem
Bachmann	Hann	Larson	Ortman	Skoe
Bakk	Higgins	LeClair	Pappas	Skoglund
Belanger	Hottinger	Limmer	Pariseau	Solon
Berglin	Johnson, D.E.	Lourey	Pogemiller	Sparks
Betzold	Johnson, D.J.	Marko	Ranum	Stumpf
Chaudhary	Jungbauer	Marty	Reiter	Tomassoni
Cohen	Kelley	McGinn	Rest	Vickerman
Day	Kierlin	Metzen	Robling	Wergin
Dibble	Kiscaden	Michel	Rosen	Wiger
Dille	Kleis	Moua	Ruud	
Fischbach	Knutson	Murphy	Sams	
Foley	Koering	Neuville	Saxhaug	
Frederickson	Kubly	Nienow	Scheid	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 17, 2003

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

On behalf of the people of Minnesota, I am honored to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 1001, 790, 768 and 1095.

Sincerely,
Tim Pawlenty, Governor

REPORTS OF COMMITTEES

Senator Hottinger moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Anderson from the Committee on Commerce and Utilities, to which was referred

S.F. No. 1363: A bill for an act relating to insurance; regulating Medicare supplement insurance; conforming state law to the minimum federal standards; amending Minnesota Statutes 2002, sections 62A.31, subdivisions 1f, 1u; 62A.315; 62A.316.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

MEDICARE SUPPLEMENT COVERAGE

Section 1. Minnesota Statutes 2002, section 62A.31, subdivision 1f, is amended to read:

Subd. 1f. [SUSPENSION BASED ON ENTITLEMENT TO MEDICAL ASSISTANCE.] (a) The policy or certificate must provide that benefits and premiums under the policy or certificate shall be suspended for any period that may be provided by federal regulation at the request of the policyholder or certificate holder for the period, not to exceed 24 months, in which the policyholder or certificate holder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder or certificate holder notifies the issuer of the policy or certificate within 90 days after the date the individual becomes entitled to this assistance.

(b) If suspension occurs and if the policyholder or certificate holder loses entitlement to this medical assistance, the policy or certificate shall be automatically reinstated, effective as of the date of termination of this entitlement, if the policyholder or certificate holder provides notice of loss of the entitlement within 90 days after the date of the loss and pays the premium attributable to the period, effective as of the date of termination of entitlement.

(c) The policy must provide that upon reinstatement (1) there is no additional waiting period with respect to treatment of preexisting conditions, (2) coverage is provided which is substantially equivalent to coverage in effect before the date of the suspension, and (3) premiums are classified on terms that are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage not been suspended.

Sec. 2. Minnesota Statutes 2002, section 62A.31, subdivision 1u, is amended to read:

Subd. 1u. [GUARANTEED ISSUE FOR ELIGIBLE PERSONS.] (a)(1) Eligible persons are those individuals described in paragraph (b) who ~~apply to enroll under the Medicare supplement policy not later than 63 days after the date of the termination of enrollment described in paragraph (b),~~ seek to enroll under the policy during the period specified in paragraph (c), and who submit evidence of the date of termination or disenrollment with the application for a Medicare supplement policy.

(2) With respect to eligible persons, an issuer shall not: deny or condition the issuance or effectiveness of a Medicare supplement policy described in paragraph (c) that is offered and is available for issuance to new enrollees by the issuer; discriminate in the pricing of such a Medicare supplement policy because of health status, claims experience, receipt of health care, medical condition, or age; or impose an exclusion of benefits based upon a preexisting condition under such a Medicare supplement policy.

(b) An eligible person is an individual described in any of the following:

(1) the individual is enrolled under an employee welfare benefit plan that provides health benefits that supplement the benefits under Medicare; and the plan terminates, or the plan ceases to provide all such supplemental health benefits to the individual;

(2) the individual is enrolled with a Medicare+Choice organization under a Medicare+Choice plan under Medicare part C, and any of the following circumstances apply, or the individual is 65 years of age or older and is enrolled with a Program of All-Inclusive Care for the Elderly (PACE) provider under section 1894 of the federal Social Security Act, and there are circumstances similar to those described in this clause that would permit discontinuance of the individual's enrollment with the provider if the individual were enrolled in a Medicare+Choice plan:

(i) the organization's or plan's certification under Medicare part C has been terminated or the organization has terminated or otherwise discontinued providing the plan in the area in which the individual resides;

(ii) the individual is no longer eligible to elect the plan because of a change in the individual's place of residence or other change in circumstances specified by the secretary, but not including termination of the individual's enrollment on the basis described in section 1851(g)(3)(B) of the federal Social Security Act, United States Code, title 42, section 1395w-21(g)(3)(b) (where the individual has not paid premiums on a timely basis or has engaged in disruptive behavior as specified in standards under section 1856 of the federal Social Security Act, United States Code, title 42, section 1395w-26), or the plan is terminated for all individuals within a residence area;

(iii) the individual demonstrates, in accordance with guidelines established by the Secretary, that:

(A) the organization offering the plan substantially violated a material provision of the organization's contract in relation to the individual, including the failure to provide an enrollee on a timely basis medically necessary care for which benefits are available under the plan or the failure to provide such covered care in accordance with applicable quality standards; or

(B) the organization, or agent or other entity acting on the organization's behalf, materially misrepresented the plan's provisions in marketing the plan to the individual; or

(iv) the individual meets such other exceptional conditions as the secretary may provide;

(3)(i) the individual is enrolled with:

(A) an eligible organization under a contract under section 1876 of the federal Social Security Act, United States Code, title 42, section 1395mm (Medicare risk-of cost);

(B) a similar organization operating under demonstration project authority, effective for periods before April 1, 1999;

(C) an organization under an agreement under section 1833(a)(1)(A) of the federal Social Security Act, United States Code, title 42, section 1395l(a)(1)(A) (health care prepayment plan); or

(D) an organization under a Medicare Select policy under section 62A.318 or the similar law of another state; and

(ii) the enrollment ceases under the same circumstances that would permit discontinuance of an individual's election of coverage under clause (2);

(4) the individual is enrolled under a Medicare supplement policy, and the enrollment ceases because:

(i)(A) of the insolvency of the issuer or bankruptcy of the nonissuer organization; or

(B) of other involuntary termination of coverage or enrollment under the policy;

(ii) the issuer of the policy substantially violated a material provision of the policy; or

(iii) the issuer, or an agent or other entity acting on the issuer's behalf, materially misrepresented the policy's provisions in marketing the policy to the individual;

(5)(i) the individual was enrolled under a Medicare supplement policy and terminates that enrollment and subsequently enrolls, for the first time, with any Medicare+Choice organization under a Medicare+Choice plan under Medicare part C; any eligible organization under a contract under section 1876 of the federal Social Security Act, United States Code, title 42, section 1395mm (Medicare risk or cost); any similar organization operating under demonstration project authority; ~~an organization under an agreement under section 1833(a)(1)(A) of the federal Social Security Act, United States Code, title 42, section 1395l(a)(1)(A) (health care prepayment plan);~~ any PACE provider under section 1894 of the federal Social Security Act, or a Medicare Select policy under section 62A.318 or the similar law of another state; and

(ii) the subsequent enrollment under ~~paragraph (a) item (i)~~ is terminated by the enrollee during any period within the first 12 months of ~~such~~ the subsequent enrollment during which the enrollee is permitted to terminate the subsequent enrollment under section 1851(e) of the federal Social Security Act; or

(6) the individual, upon first enrolling for benefits under Medicare part B, enrolls in a Medicare+Choice plan under Medicare part C, or with a PACE provider under section 1894 of the federal Social Security Act, and disenrolls from the plan by not later than 12 months after the effective date of enrollment.

(c)(1) In the case of an individual described in paragraph (b), clause (1), the guaranteed issue period begins on the date the individual receives a notice of termination or cessation of all supplemental health benefits or, if a notice is not received, notice that a claim has been denied because of a termination or cessation, and ends 63 days after the date of the applicable notice.

(2) In the case of an individual described in paragraph (b), clause (2), (3), (5), or (6), whose enrollment is terminated involuntarily, the guaranteed issue period begins on the date that the individual receives a notice of termination and ends 63 days after the date the applicable coverage is terminated.

(3) In the case of an individual described in paragraph (b), clause (4), item (i), the guaranteed issue period begins on the earlier of: (i) the date that the individual receives a notice of termination, a notice of the issuer's bankruptcy or insolvency, or other such similar notice if any; and (ii) the date that the applicable coverage is terminated, and ends on the date that is 63 days after the date the coverage is terminated.

(4) In the case of an individual described in paragraph (b), clause (2), (4), (5), or (6), who disenrolls voluntarily, the guaranteed issue period begins on the date that is 60 days before the effective date of the disenrollment and ends on the date that is 63 days after the effective date.

(5) In the case of an individual described in paragraph (b) but not described in this paragraph, the guaranteed issue period begins on the effective date of disenrollment and ends on the date that is 63 days after the effective date.

(d)(1) In the case of an individual described in paragraph (b), clause (5), or deemed to be so described, pursuant to this paragraph, whose enrollment with an organization or provider described in paragraph (b), clause (5), item (i), is involuntarily terminated within the first 12 months of enrollment, and who, without an intervening enrollment, enrolls with another such organization or provider, the subsequent enrollment is deemed to be an initial enrollment described in paragraph (b), clause (5).

(2) In the case of an individual described in paragraph (b), clause (6), or deemed to be so described, pursuant to this paragraph, whose enrollment with a plan or in a program described in paragraph (b), clause (6), is involuntarily terminated within the first 12 months of enrollment, and who, without an intervening enrollment, enrolls in another such plan or program, the subsequent enrollment is deemed to be an initial enrollment described in paragraph (b), clause (6).

(3) For purposes of paragraph (b), clauses (5) and (6), no enrollment of an individual with an

organization or provider described in paragraph (b), clause (5), item (i), or with a plan or in a program described in paragraph (b), clause (6), may be deemed to be an initial enrollment under this paragraph after the two-year period beginning on the date on which the individual first enrolled with the organization, provider, plan, or program.

(e) The Medicare supplement policy to which eligible persons are entitled under:

(1) paragraph (b), clauses (1) to (4), is any Medicare supplement policy that has a benefit package consisting of the basic Medicare supplement plan described in section 62A.316, paragraph (a), plus any combination of the three optional riders described in section 62A.316, paragraph (b), clauses (1) to (3), offered by any issuer;

(2) paragraph (b), clause (5), is the same Medicare supplement policy in which the individual was most recently previously enrolled, if available from the same issuer, or, if not so available, any policy described in clause (1) offered by any issuer;

(3) paragraph (b), clause (6), shall include any Medicare supplement policy offered by any issuer.

(d) (f)(1) At the time of an event described in paragraph (b), because of which an individual loses coverage or benefits due to the termination of a contract or agreement, policy, or plan, the organization that terminates the contract or agreement, the issuer terminating the policy, or the administrator of the plan being terminated, respectively, shall notify the individual of the individual's rights under this subdivision, and of the obligations of issuers of Medicare supplement policies under paragraph (a). The notice must be communicated contemporaneously with the notification of termination.

(2) At the time of an event described in paragraph (b), because of which an individual ceases enrollment under a contract or agreement, policy, or plan, the organization that offers the contract or agreement, regardless of the basis for the cessation of enrollment, the issuer offering the policy, or the administrator of the plan, respectively, shall notify the individual of the individual's rights under this subdivision, and of the obligations of issuers of Medicare supplement policies under paragraph (a). The notice must be communicated within ten working days of the issuer receiving notification of disenrollment.

(e) (g) Reference in this subdivision to a situation in which, or to a basis upon which, an individual's coverage has been terminated does not provide authority under the laws of this state for the termination in that situation or upon that basis.

(f) (h) An individual's rights under this subdivision are in addition to, and do not modify or limit, the individual's rights under subdivision 1h.

Sec. 3. Minnesota Statutes 2002, section 62A.31, is amended by adding a subdivision to read:

Subd. 7. [MEDICARE PRESCRIPTION DRUG BENEFIT.] If Congress enacts legislation creating a prescription drug benefit in the Medicare program, nothing in this section or any other section shall prohibit an issuer of a Medicare supplement policy from offering this prescription drug benefit consistent with the applicable federal law or regulations. If an issuer offers the federal benefit, such an offer shall be deemed to meet the issuer's mandatory offer obligations under this section and may, at the discretion of the issuer, constitute replacement coverage as defined in subdivision 1i for any existing policy containing a prescription drug benefit.

Sec. 4. Minnesota Statutes 2002, section 62A.315, is amended to read:

62A.315 [EXTENDED BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]

The extended basic Medicare supplement plan must have a level of coverage so that it will be certified as a qualified plan pursuant to section 62E.07, and will provide:

(1) coverage for all of the Medicare part A inpatient hospital deductible and coinsurance amounts, and 100 percent of all Medicare part A eligible expenses for hospitalization not covered by Medicare;

(2) coverage for the daily copayment amount of Medicare part A eligible expenses for the calendar year incurred for skilled nursing facility care;

(3) coverage for the ~~copayment~~ coinsurance amount or in the case of hospital outpatient department services paid under a prospective payment system, the co-payment amount, of Medicare eligible expenses under Medicare part B regardless of hospital confinement, and the Medicare part B deductible amount;

(4) 80 percent of the usual and customary hospital and medical expenses and supplies described in section 62E.06, subdivision 1, not to exceed any charge limitation established by the Medicare program or state law, the usual and customary hospital and medical expenses and supplies, described in section 62E.06, subdivision 1, while in a foreign country, and prescription drug expenses, not covered by Medicare;

(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations;

(6) 100 percent of the cost of immunizations and routine screening procedures for cancer, including mammograms and pap smears;

(7) preventive medical care benefit: coverage for the following preventive health services:

(i) an annual clinical preventive medical history and physical examination that may include tests and services from clause (ii) and patient education to address preventive health care measures;

(ii) any one or a combination of the following preventive screening tests or preventive services, the frequency of which is considered medically appropriate:

(A) fecal occult blood test and/or digital rectal examination;

(B) dipstick urinalysis for hematuria, bacteriuria, and proteinuria;

(C) pure tone (air only) hearing screening test administered or ordered by a physician;

(D) serum cholesterol screening every five years;

(E) thyroid function test;

(F) diabetes screening;

(iii) any other tests or preventive measures determined appropriate by the attending physician.

Reimbursement shall be for the actual charges up to 100 percent of the Medicare-approved amount for each service as if Medicare were to cover the service as identified in American Medical Association current procedural terminology (AMA CPT) codes to a maximum of \$120 annually under this benefit. This benefit shall not include payment for any procedure covered by Medicare;

(8) at-home recovery benefit: coverage for services to provide short-term at-home assistance with activities of daily living for those recovering from an illness, injury, or surgery:

(i) for purposes of this benefit, the following definitions shall apply:

(A) "activities of daily living" include, but are not limited to, bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered, and changing bandages or other dressings;

(B) "care provider" means a duly qualified or licensed home health aide/homemaker, personal care aide, or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry;

(C) "home" means a place used by the insured as a place of residence, provided that the place would qualify as a residence for home health care services covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured's place of residence;

(D) "at-home recovery visit" means the period of a visit required to provide at-home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24-hour period of services provided by a care provider is one visit;

(ii) coverage requirements and limitations:

(A) at-home recovery services provided must be primarily services that assist in activities of daily living;

(B) the insured's attending physician must certify that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare;

(C) coverage is limited to:

(I) no more than the number and type of at-home recovery visits certified as medically necessary by the insured's attending physician. The total number of at-home recovery visits shall not exceed the number of Medicare-approved home health care visits under a Medicare-approved home care plan of treatment;

(II) the actual charges for each visit up to a maximum reimbursement of \$40 per visit;

(III) \$1,600 per calendar year;

(IV) seven visits in any one week;

(V) care furnished on a visiting basis in the insured's home;

(VI) services provided by a care provider as defined in this section;

(VII) at-home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded;

(VIII) at-home recovery visits received during the period the insured is receiving Medicare-approved home care services or no more than eight weeks after the service date of the last Medicare-approved home health care visit;

(iii) coverage is excluded for:

(A) home care visits paid for by Medicare or other government programs; and

(B) care provided by family members, unpaid volunteers, or providers who are not care providers.

Sec. 5. Minnesota Statutes 2002, section 62A.316, is amended to read:

62A.316 [BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]

(a) The basic Medicare supplement plan must have a level of coverage that will provide:

(1) coverage for all of the Medicare part A inpatient hospital coinsurance amounts, and 100 percent of all Medicare part A eligible expenses for hospitalization not covered by Medicare, after satisfying the Medicare part A deductible;

(2) coverage for the daily copayment amount of Medicare part A eligible expenses for the calendar year incurred for skilled nursing facility care;

(3) coverage for the ~~copayment~~ coinsurance amount, or in the case of outpatient department services paid under a prospective payment system, the co-payment amount, of Medicare eligible

expenses under Medicare part B regardless of hospital confinement, subject to the Medicare part B deductible amount;

(4) 80 percent of the hospital and medical expenses and supplies incurred during travel outside the United States as a result of a medical emergency;

(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations;

(6) 100 percent of the cost of immunizations and routine screening procedures for cancer screening including mammograms and pap smears; and

(7) 80 percent of coverage for all physician prescribed medically appropriate and necessary equipment and supplies used in the management and treatment of diabetes. Coverage must include persons with gestational, type I, or type II diabetes.

(b) Only the following optional benefit riders may be added to this plan:

(1) coverage for all of the Medicare part A inpatient hospital deductible amount;

(2) a minimum of 80 percent of eligible medical expenses and supplies not covered by Medicare part B, not to exceed any charge limitation established by the Medicare program or state law;

(3) coverage for all of the Medicare part B annual deductible;

(4) coverage for at least 50 percent, or the equivalent of 50 percent, of usual and customary prescription drug expenses;

(5) coverage for the following preventive health services:

(i) an annual clinical preventive medical history and physical examination that may include tests and services from clause (ii) and patient education to address preventive health care measures;

(ii) any one or a combination of the following preventive screening tests or preventive services, the frequency of which is considered medically appropriate:

(A) fecal occult blood test and/or digital rectal examination;

(B) dipstick urinalysis for hematuria, bacteriuria, and proteinuria;

(C) pure tone (air only) hearing screening test, administered or ordered by a physician;

(D) serum cholesterol screening every five years;

(E) thyroid function test;

(F) diabetes screening;

(iii) any other tests or preventive measures determined appropriate by the attending physician.

Reimbursement shall be for the actual charges up to 100 percent of the Medicare-approved amount for each service, as if Medicare were to cover the service as identified in American Medical Association current procedural terminology (AMA CPT) codes, to a maximum of \$120 annually under this benefit. This benefit shall not include payment for a procedure covered by Medicare;

(6) coverage for services to provide short-term at-home assistance with activities of daily living for those recovering from an illness, injury, or surgery:

(i) For purposes of this benefit, the following definitions apply:

(A) "activities of daily living" include, but are not limited to, bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered, and changing bandages or other dressings;

(B) "care provider" means a duly qualified or licensed home health aide/homemaker, personal care aid, or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry;

(C) "home" means a place used by the insured as a place of residence, provided that the place would qualify as a residence for home health care services covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured's place of residence;

(D) "at-home recovery visit" means the period of a visit required to provide at-home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24-hour period of services provided by a care provider is one visit;

(ii) Coverage requirements and limitations:

(A) at-home recovery services provided must be primarily services that assist in activities of daily living;

(B) the insured's attending physician must certify that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare;

(C) coverage is limited to:

(I) no more than the number and type of at-home recovery visits certified as necessary by the insured's attending physician. The total number of at-home recovery visits shall not exceed the number of Medicare-approved home care visits under a Medicare-approved home care plan of treatment;

(II) the actual charges for each visit up to a maximum reimbursement of \$40 per visit;

(III) \$1,600 per calendar year;

(IV) seven visits in any one week;

(V) care furnished on a visiting basis in the insured's home;

(VI) services provided by a care provider as defined in this section;

(VII) at-home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded;

(VIII) at-home recovery visits received during the period the insured is receiving Medicare-approved home care services or no more than eight weeks after the service date of the last Medicare-approved home health care visit;

(iii) Coverage is excluded for:

(A) home care visits paid for by Medicare or other government programs; and

(B) care provided by family members, unpaid volunteers, or providers who are not care providers;

(7) coverage for at least 50 percent, or the equivalent of 50 percent, of usual and customary prescription drug expenses to a maximum of \$1,200 paid by the issuer annually under this benefit. An issuer of Medicare supplement insurance policies that elects to offer this benefit rider shall also make available coverage that contains the rider specified in clause (4).

OTHER HEALTH COVERAGE

Section 1. Minnesota Statutes 2002, section 62A.021, subdivision 1, is amended to read:

Subdivision 1. [LOSS RATIO STANDARDS.] (a) Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, health care policies or certificates shall not be delivered or issued for delivery to an individual or to a small employer as defined in section 62L.02, unless the policies or certificates can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to Minnesota policyholders and certificate holders in the form of aggregate benefits not including anticipated refunds or credits, provided under the policies or certificates, (1) at least 75 percent of the aggregate amount of premiums earned in the case of policies issued in the small employer market, as defined in section 62L.02, subdivision 27, calculated on an aggregate basis; and (2) at least 65 percent of the aggregate amount of premiums earned in the case of each policy form or certificate form issued in the individual market; calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and according to accepted actuarial principles and practices. Assessments by the reinsurance association created in chapter 62L and all types of taxes, surcharges, or assessments created by Laws 1992, chapter 549, or created on or after April 23, 1992, are included in the calculation of incurred claims experience or incurred health care expenses. The applicable percentage for policies and certificates issued in the small employer market, as defined in section 62L.02, increases by one percentage point on July 1 of each year, beginning on July 1, 1994, until an 82 percent loss ratio is reached on July 1, 2000. The applicable percentage for policy forms and certificate forms issued in the individual market increases by one percentage point on July 1 of each year, beginning on July 1, 1994, until a 72 percent loss ratio is reached on July 1, 2000. A health carrier that enters a market after July 1, 1993, does not start at the beginning of the phase-in schedule and must instead comply with the loss ratio requirements applicable to other health carriers in that market for each time period. Premiums earned and claims incurred in markets other than the small employer and individual markets are not relevant for purposes of this section.

(b) All filings of rates and rating schedules shall demonstrate that actual expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and aggregate loss ratio from inception of the policy form or certificate form shall equal or exceed the appropriate loss ratio standards.

(c) A health carrier that issues health care policies and certificates to individuals or to small employers, as defined in section 62L.02, in this state shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy form or certificate form duration for approval by the commissioner according to the filing requirements and procedures prescribed by the commissioner. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. If the data submitted does not confirm that the health carrier has satisfied the loss ratio requirements of this section, the commissioner shall notify the health carrier in writing of the deficiency. The health carrier shall have 30 days from the date of the commissioner's notice to file amended rates that comply with this section. If the health carrier fails to file amended rates within the prescribed time, the commissioner shall order that the health carrier's filed rates for the nonconforming policy form or certificate form be reduced to an amount that would have resulted in a loss ratio that complied with this section had it been in effect for the reporting period of the supplement. The health carrier's failure to file amended rates within the specified time or the issuance of the commissioner's order amending the rates does not preclude the health carrier from filing an amendment of its rates at a later time. The commissioner shall annually make the submitted data available to the public at a cost not to exceed the cost of copying. The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios.

(d) Each sale of a policy or certificate that does not comply with the loss ratio requirements of this section is an unfair or deceptive act or practice in the business of insurance and is subject to the penalties in sections 72A.17 to 72A.32.

(e)(1) For purposes of this section, health care policies issued as a result of solicitations of individuals through the mail or mass media advertising, including both print and broadcast advertising, shall be treated as individual policies.

(2) For purposes of this section, (i) "health care policy" or "health care certificate" is a health plan as defined in section 62A.011; and (ii) "health carrier" has the meaning given in section 62A.011 and includes all health carriers delivering or issuing for delivery health care policies or certificates in this state or offering these policies or certificates to residents of this state.

(f) The loss ratio phase-in as described in paragraph (a) does not apply to individual policies and small employer policies issued by a health plan company that is assessed less than three percent of the total annual amount assessed by the Minnesota comprehensive health association. These policies must meet a 68 percent loss ratio for individual policies, a 71 percent loss ratio for small employer policies with fewer than ten employees, and a 75 percent loss ratio for all other small employer policies.

(g) Notwithstanding paragraphs (a) and (f), the loss ratio shall be 60 percent for a ~~policy or certificate of accident and sickness insurance as defined in section 62A.01~~ health plan as defined in section 62A.011, offered by an insurance company licensed under chapter 60A that is assessed less than ten percent of the total annual amount assessed by the Minnesota Comprehensive Health Association. For purposes of the percentage calculation of the association's assessments, an insurance company's assessments include those of its affiliates.

(h) The commissioners of commerce and health shall each annually issue a public report listing, by health plan company, the actual loss ratios experienced in the individual and small employer markets in this state by the health plan companies that the commissioners respectively regulate. The commissioners shall coordinate release of these reports so as to release them as a joint report or as separate reports issued the same day. The report or reports shall be released no later than June 1 for loss ratios experienced for the preceding calendar year. Health plan companies shall provide to the commissioners any information requested by the commissioners for purposes of this paragraph.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to policies or certificates issued on or after that date.

ARTICLE 3

MOTOR FUEL SPECIFICATIONS

Section 1. Minnesota Statutes 2002, section 41A.09, subdivision 2a, is amended to read:

Subd. 2a. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal, grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification ~~D-4806-88~~ D4806-01; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Wet alcohol" means agriculturally derived fermentation ethyl alcohol having a purity of at least 50 percent but less than 99 percent.

(c) "Anhydrous alcohol" means fermentation ethyl alcohol derived from agricultural products as described in paragraph (a), but that does not meet ASTM specifications or is not denatured and is shipped in bond for further processing.

(d) "Ethanol plant" means a plant at which ethanol, anhydrous alcohol, or wet alcohol is produced.

Sec. 2. Minnesota Statutes 2002, section 239.761, is amended to read:

239.761 [PETROLEUM PRODUCT SPECIFICATIONS.]

Subdivision 1. [APPLICABILITY.] A person responsible for the product must meet the specifications in this section. The specifications apply to petroleum products processed, held, stored, imported, transferred, distributed, offered for distribution, offered for sale or use, or sold in Minnesota.

Subd. 2. [COORDINATION WITH DEPARTMENTS OF REVENUE AND AGRICULTURE.] The petroleum product specifications in this section are intended to match the definitions and specifications in sections 41A.09 and 296A.01. Petroleum products named in this section are defined in section 296A.01.

Subd. 3. [GASOLINE.] (a) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with ASTM specification ~~D-4814-96~~ D4814-01. Gasoline that is not blended with ethanol must also comply with the volatility requirements in Code of Federal Regulations, title 40, part 80.

(b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision 4;

(2) shall not blend the gasoline with any oxygenate other than denatured, agriculturally derived ethanol;

(3) shall not blend the gasoline with other petroleum products that are not gasoline or denatured, agriculturally derived ethanol;

(4) shall not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Subd. 4. [GASOLINE BLENDED WITH ETHANOL.] (a) Gasoline may be blended with up to ten percent, by volume, agriculturally derived, denatured ethanol that complies with the requirements of subdivision 5.

(b) A gasoline-ethanol blend must:

(1) comply with the volatility requirements in Code of Federal Regulations, title 40, part 80;

(2) comply with ASTM specification ~~D-4814-96~~ D4814-01, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D-4814-96~~ D4814-01; and

(3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal.

Subd. 5. [DENATURED ETHANOL.] Denatured ethanol that is to be blended with gasoline must be agriculturally derived and must comply with ASTM specification ~~D-4806-95b~~ D4806-01.

This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Subd. 6. [GASOLINE BLENDED WITH NONETHANOL OXYGENATE.] (a) A person responsible for the product shall comply with the following requirements:

(1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total, of the nonethanol oxygenates listed in paragraph (b) ~~may~~ must not be sold or offered for sale at any time in this state; and

(2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in paragraph (b) ~~may~~ must not be sold or offered for sale in this state.

(b) The oxygenates prohibited under paragraph (a) are:

(1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

(2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

(3) tertiary amyl methyl ether.

(c) Gasoline that is blended with ~~an a nonethanol oxygenate, other than denatured ethanol,~~ must comply with ASTM specification ~~D-4814-96~~ D4814-01. ~~Nonethanol oxygenates, other than denatured ethanol,~~ must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Subd. 7. [HEATING FUEL OIL.] Heating fuel oil must comply with ASTM specification ~~D 396-96~~ D396-01.

Subd. 8. [DIESEL FUEL OIL.] Diesel fuel oil must comply with ASTM specification ~~D 975-96a~~ D975-01a.

Subd. 9. [KEROSENE.] Kerosene must comply with ASTM specification ~~D-3699-96a~~ D3699-01.

Subd. 10. [AVIATION GASOLINE.] Aviation gasoline must comply with ASTM specification ~~D-910-96~~ D910-00.

Subd. 11. [AVIATION TURBINE FUEL, JET FUEL.] Aviation turbine fuel and jet fuel must comply with ASTM specification ~~D-1655-96e~~ D1655-01.

Subd. 12. [GAS TURBINE FUEL OIL.] Fuel oil for use in nonaviation gas turbine engines must comply with ASTM specification ~~D-2880-96a~~ D2880-00.

Subd. 13. [E85.] A blend of ethanol and gasoline, containing at least 60 percent ethanol and not more than 85 percent ethanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification ~~D-5798-96~~ D5798-99.

Subd. 14. [M85.] A blend of methanol and gasoline, containing at least 85 percent methanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification D5797-96.

Sec. 3. Minnesota Statutes 2002, section 239.792, is amended to read:

239.792 [GASOLINE OCTANE.]

Subdivision 1. [DISCLOSURE.] A manufacturer, hauler, blender, agent, jobber, consignment agent, importer, or distributor who sells, delivers, or distributes gasoline or gasoline-oxygenate blends, shall provide, at the time of delivery, a bill of lading or shipping manifest to the person who receives the gasoline. The bill or manifest must state the minimum octane of the gasoline delivered. The stated octane number must be the average of the "motor method" octane number

and the "research method" octane number as determined by the test methods in ASTM specification ~~D-4814-96~~ D4814-01, or by a test method adopted by department rule.

Subd. 2. [DISPENSER LABELING.] A person responsible for the product shall clearly, conspicuously, and permanently label each gasoline dispenser that is used to sell gasoline or gasoline-oxygenate blends at retail or to dispense gasoline or gasoline-oxygenate blends into the fuel supply tanks of motor vehicles, with the minimum octane of the gasoline dispensed. The label must meet the following requirements:

(a) The octane number displayed on the label must represent the average of the "motor method" octane number and the "research method" octane number as determined by the test methods in ASTM specification ~~D-4814-96~~ D4814-01, or by a test method adopted by department rule.

(b) The label must be at least 2-1/2 inches high and three inches wide, with a yellow background, black border, and black figures and letters.

(c) The number representing the octane of the gasoline must be at least one inch high.

(d) The label must include the words "minimum octane" and the term "(R+M)/2" or "(RON+MON)/2."

Sec. 4. Minnesota Statutes 2002, section 296A.01, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL ALCOHOL GASOLINE.] "Agricultural alcohol gasoline" means a gasoline-ethanol blend of up to ten percent agriculturally derived fermentation ethanol derived from agricultural products, such as potatoes, cereal, grains, cheese whey, sugar beets, forest products, or other renewable resources, that:

(1) meets the specifications in ASTM specification ~~D-4806-95b~~ D4806-01; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 5. Minnesota Statutes 2002, section 296A.01, subdivision 7, is amended to read:

Subd. 7. [AVIATION GASOLINE.] "Aviation gasoline" means any gasoline that is capable of use for the purpose of producing or generating power for propelling internal combustion engine aircraft, that meets the specifications in ASTM specification ~~D-910-96~~ D910-00, and that either:

(1) is invoiced and billed by a producer, manufacturer, refiner, or blender to a distributor or dealer, by a distributor to a dealer or consumer, or by a dealer to consumer, as "aviation gasoline"; or

(2) whether or not invoiced and billed as provided in clause (1), is received, sold, stored, or withdrawn from storage by any person, to be used for the purpose of producing or generating power for propelling internal combustion engine aircraft.

Sec. 6. Minnesota Statutes 2002, section 296A.01, subdivision 8, is amended to read:

Subd. 8. [AVIATION TURBINE FUEL AND JET FUEL.] "Aviation turbine fuel" and "jet fuel" mean blends of hydrocarbons derived from crude petroleum, natural gasoline, and synthetic hydrocarbons, intended for use in aviation turbine engines, and that meet the specifications in ASTM specification ~~D-1655-96e~~ D1655-01.

Sec. 7. Minnesota Statutes 2002, section 296A.01, subdivision 14, is amended to read:

Subd. 14. [DIESEL FUEL OIL.] "Diesel fuel oil" means a petroleum distillate or blend of petroleum distillate and residual fuels, intended for use as a motor fuel in internal combustion diesel engines, that meets the specifications in ASTM specification ~~D-975-96a~~ D975-01A. Diesel fuel includes number 1 and number 2 fuel oils. K-1 kerosene is not diesel fuel unless it is blended with diesel fuel for use in motor vehicles.

Sec. 8. Minnesota Statutes 2002, section 296A.01, subdivision 19, is amended to read:

Subd. 19. [E85.] "E85" means a petroleum product that is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline that typically contains 85 percent ethanol by volume, but at a minimum must contain 60 percent ethanol by volume. For the purposes of this chapter, the energy content of E85 will be considered to be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles as defined in subdivision 5 must comply with ASTM specification ~~D-5798-96~~ D5798-99.

Sec. 9. Minnesota Statutes 2002, section 296A.01, subdivision 20, is amended to read:

Subd. 20. [ETHANOL, DENATURED.] "Ethanol, denatured" means ethanol that is to be blended with gasoline, has been agriculturally derived, and complies with ASTM specification ~~D 4806-95b~~ D4806-01. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 10. Minnesota Statutes 2002, section 296A.01, subdivision 22, is amended to read:

Subd. 22. [GAS TURBINE FUEL OIL.] "Gas turbine fuel oil" means fuel that contains mixtures of hydrocarbon oils free of inorganic acid and excessive amounts of solid or fibrous foreign matter, intended for use in nonaviation gas turbine engines, and that meets the specifications in ASTM specification ~~D-2880-96a~~ D2880-00.

Sec. 11. Minnesota Statutes 2002, section 296A.01, subdivision 23, is amended to read:

Subd. 23. [GASOLINE.] (a) "Gasoline" means:

(1) all products commonly or commercially known or sold as gasoline regardless of their classification or uses, except casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761, subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise removed from a refinery or terminal; and

(2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, a fuel in spark-ignition, internal combustion engines, and that when tested by the weights and measures division meets the specifications in ASTM specification ~~D-4814-96~~ D4814-01.

(b) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with both ASTM specification ~~D-4814-96~~ D4814-01 and the volatility requirements in Code of Federal Regulations, title 40, part 80.

(c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision 24;

(2) must not blend the gasoline with any oxygenate other than denatured, agriculturally derived ethanol;

(3) must not blend the gasoline with other petroleum products that are not gasoline or denatured, agriculturally derived ethanol;

(4) must not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 12. Minnesota Statutes 2002, section 296A.01, subdivision 24, is amended to read:

Subd. 24. [GASOLINE BLENDED WITH NONETHANOL OXYGENATE.] "Gasoline blended with nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol

or ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that complies with ASTM specification ~~D-4814-96~~ D4814-01. Oxygenates, other than denatured ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 13. Minnesota Statutes 2002, section 296A.01, subdivision 25, is amended to read:

Subd. 25. [GASOLINE BLENDED WITH ETHANOL.] "Gasoline blended with ethanol" means gasoline blended with up to ten percent, by volume, agriculturally derived, denatured ethanol. The blend must comply with the volatility requirements in Code of Federal Regulations, title 40, part 80. The blend must also comply with ASTM specification ~~D-4814-96~~ D4814-01, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D-4814-96~~ D4814-01; and the gasoline-ethanol blend must not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal. The blend need not comply with ASTM specification ~~D-4814-96~~ D4814-01 if it is subjected to a standard distillation test. For a distillation test, a gasoline-ethanol blend is not required to comply with the temperature specification at the 50 percent liquid recovery point, if the gasoline from which the gasoline-ethanol blend was produced complies with all of the distillation specifications.

Sec. 14. Minnesota Statutes 2002, section 296A.01, subdivision 26, is amended to read:

Subd. 26. [HEATING FUEL OIL.] "Heating fuel oil" means a petroleum distillate, blend of petroleum distillates and residuals, or petroleum residual heating fuel that meets the specifications in ASTM specification ~~D-396-96~~ D396-01.

Sec. 15. Minnesota Statutes 2002, section 296A.01, subdivision 28, is amended to read:

Subd. 28. [KEROSENE.] "Kerosene" means a refined petroleum distillate consisting of a homogeneous mixture of hydrocarbons essentially free of water, inorganic acidic and basic compounds, and excessive amounts of particulate contaminants and that meets the specifications in ASTM specification ~~D-3699-96a~~ D3699-01.

Sec. 16. Minnesota Statutes 2002, section 296A.01, is amended by adding a subdivision to read:

Subd. 38a. [NONETHANOL OXYGENATE.] "Nonethanol oxygenate" means ETBE or MTBE, as defined in this section, or other alcohol or ether, except denatured ethanol, that is approved as an oxygenate by the EPA."

Delete the title and insert:

"A bill for an act relating to commerce; regulating Medicare supplement insurance; conforming state law to the minimum federal standards; regulating loss ratios on health coverage; updating specifications for petroleum products; amending Minnesota Statutes 2002, sections 41A.09, subdivision 2a; 62A.021, subdivision 1; 62A.31, subdivisions 1f, 1u, by adding a subdivision; 62A.315; 62A.316; 239.761; 239.792; 296A.01, subdivisions 2, 7, 8, 14, 19, 20, 22, 23, 24, 25, 26, 28, by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Commerce and Utilities, to which was referred

S.F. No. 771: A bill for an act relating to insurance; expanding the availability and quality of long-term care insurance; establishing a legislative task force; amending Minnesota Statutes 2002, sections 43A.318, subdivision 1; 62A.48, by adding a subdivision; 62S.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62A; 62S.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 61A.072, subdivision 6, is amended to read:

Subd. 6. [ACCELERATED BENEFITS.] (a) "Accelerated benefits" covered under this section are benefits payable under the life insurance contract:

(1) to a policyholder or certificate holder, during the lifetime of the insured, ~~in anticipation of death~~ upon the occurrence of a specified life-threatening or catastrophic condition as defined by the policy or rider;

(2) that reduce the death benefit otherwise payable under the life insurance contract; and

(3) that are payable upon the occurrence of a single qualifying event that results in the payment of a benefit amount fixed at the time of acceleration.

(b) "Qualifying event" means one or more of the following:

(1) a medical condition that would result in a drastically limited life span as specified in the contract;

(2) a medical condition that has required or requires extraordinary medical intervention, such as, but not limited to, major organ transplant or continuous artificial life support without which the insured would die; ~~or~~

(3) a condition that requires continuous confinement in an eligible institution as defined in the contract if the insured is expected to remain there for the rest of the insured's life;

(4) a long-term care illness or physical condition that results in cognitive impairment or the inability to perform the activities of daily life or the substantial and material duties of any occupation; or

(5) other qualifying events that the commissioner approves for a particular filing.

Sec. 2. Minnesota Statutes 2002, section 62A.315, is amended to read:

62A.315 [EXTENDED BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]

The extended basic Medicare supplement plan must have a level of coverage so that it will be certified as a qualified plan pursuant to section 62E.07, and will provide:

(1) coverage for all of the Medicare part A inpatient hospital deductible and coinsurance amounts, and 100 percent of all Medicare part A eligible expenses for hospitalization not covered by Medicare;

(2) coverage for the daily copayment amount of Medicare part A eligible expenses for the calendar year incurred for skilled nursing facility care;

(3) coverage for the copayment amount of Medicare eligible expenses under Medicare part B regardless of hospital confinement, and the Medicare part B deductible amount;

(4) 80 percent of the usual and customary hospital and medical expenses and supplies described in section 62E.06, subdivision 1, not to exceed any charge limitation established by the Medicare program or state law, the usual and customary hospital and medical expenses and supplies, described in section 62E.06, subdivision 1, while in a foreign country, and prescription drug expenses, not covered by Medicare;

(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations;

(6) 100 percent of the cost of immunizations and routine screening procedures for cancer, including mammograms and pap smears;

(7) preventive medical care benefit: coverage for the following preventive health services:

(i) an annual clinical preventive medical history and physical examination that may include tests and services from clause (ii) and patient education to address preventive health care measures;

(ii) any one or a combination of the following preventive screening tests or preventive services, the frequency of which is considered medically appropriate:

(A) fecal occult blood test and/or digital rectal examination;

(B) dipstick urinalysis for hematuria, bacteriuria, and proteinuria;

(C) pure tone (air only) hearing screening test administered or ordered by a physician;

(D) serum cholesterol screening every five years;

(E) thyroid function test;

(F) diabetes screening;

(iii) any other tests or preventive measures determined appropriate by the attending physician.

Reimbursement shall be for the actual charges up to 100 percent of the Medicare-approved amount for each service as if Medicare were to cover the service as identified in American Medical Association current procedural terminology (AMA CPT) codes to a maximum of \$120 annually under this benefit. This benefit shall not include payment for any procedure covered by Medicare;

(8) at-home recovery benefit: coverage for services to provide short-term at-home assistance with activities of daily living for those recovering from an illness, injury, or surgery:

(i) for purposes of this benefit, the following definitions shall apply:

(A) "activities of daily living" include, but are not limited to, bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered, and changing bandages or other dressings;

(B) "care provider" means a duly qualified or licensed home health aide/homemaker, personal care aide, or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry;

(C) "home" means a place used by the insured as a place of residence, provided that the place would qualify as a residence for home health care services covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured's place of residence;

(D) "at-home recovery visit" means the period of a visit required to provide at-home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24-hour period of services provided by a care provider is one visit;

(ii) coverage requirements and limitations:

(A) at-home recovery services provided must be primarily services that assist in activities of daily living;

(B) the insured's attending physician must certify that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare;

(C) coverage is limited to:

(I) no more than the number and type of at-home recovery visits certified as medically necessary by the insured's attending physician. The total number of at-home recovery visits shall

not exceed the number of Medicare-approved home health care visits under a Medicare-approved home care plan of treatment;

(II) the actual charges for each visit up to a maximum reimbursement of ~~\$40~~ \$100 per visit;

(III) ~~\$1,600~~ \$4,000 per calendar year;

(IV) seven visits in any one week;

(V) care furnished on a visiting basis in the insured's home;

(VI) services provided by a care provider as defined in this section;

(VII) at-home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded;

(VIII) at-home recovery visits received during the period the insured is receiving Medicare-approved home care services or no more than eight weeks after the service date of the last Medicare-approved home health care visit;

(iii) coverage is excluded for:

(A) home care visits paid for by Medicare or other government programs; and

(B) care provided by ~~family members~~, unpaid volunteers, or providers who are not care providers.

Sec. 3. Minnesota Statutes 2002, section 62A.48, is amended by adding a subdivision to read:

Subd. 12. [REGULATORY FLEXIBILITY.] The commissioner may upon written request issue an order to modify or suspend a specific provision or provisions of sections 62A.46 to 62A.56 with respect to a specific long-term care insurance policy or certificate upon a written finding that:

(1) the modification or suspension is in the best interest of the insureds;

(2) the purpose to be achieved could not be effectively or efficiently achieved without the modifications or suspension; and

(3)(i) the modification or suspension is necessary to the development of an innovative and reasonable approach for insuring long-term care;

(ii) the policy or certificate is to be issued to residents of a life care or continuing care retirement community or some other residential community for the elderly and the modification or suspension is reasonably related to the special needs or nature of such a community; or

(iii) the modification or suspension is necessary to permit long-term care insurance to be sold as part of, or in conjunction with, another insurance product.

Sec. 4. Minnesota Statutes 2002, section 62A.49, is amended by adding a subdivision to read:

Subd. 3. [PROHIBITED LIMITATIONS.] A long-term care insurance policy or certificate shall not, if it provides benefits for home health care or community care services, limit or exclude benefits by:

(1) requiring that the insured would need care in a skilled nursing facility if home health care services were not provided;

(2) requiring that the insured first or simultaneously receive nursing or therapeutic services in a home, community, or institutional setting before home health care services are covered;

(3) limiting eligible services to services provided by a registered nurse or licensed practical nurse;

(4) requiring that a nurse or therapist provide services covered by the policy that can be provided by a home health aide or other licensed or certified home care worker acting within the scope of licensure or certification;

(5) excluding coverage for personal care services provided by a home health aide;

(6) requiring that the provision of home health care services be at a level of certification or licensure greater than that required by the eligible service;

(7) requiring that the insured have an acute condition before home health care services are covered;

(8) limiting benefits to services provided by Medicare-certified agencies or providers;

(9) excluding coverage for adult day care services; or

(10) excluding coverage based upon location or type of residence in which the home health care services would be provided.

Sec. 5. Minnesota Statutes 2002, section 62S.22, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED LIMITATIONS.] A long-term care insurance policy or certificate shall not, if it provides benefits for home health care or community care services, limit or exclude benefits by:

(1) requiring that the insured would need care in a skilled nursing facility if home health care services were not provided;

(2) requiring that the insured first or simultaneously receive nursing or therapeutic services in a home, community, or institutional setting before home health care services are covered;

(3) limiting eligible services to services provided by a registered nurse or licensed practical nurse;

(4) requiring that a nurse or therapist provide services covered by the policy that can be provided by a home health aide or other licensed or certified home care worker acting within the scope of licensure or certification;

(5) excluding coverage for personal care services provided by a home health aide;

(6) requiring that the provision of home health care services be at a level of certification or licensure greater than that required by the eligible service;

(7) requiring that the insured have an acute condition before home health care services are covered;

(8) limiting benefits to services provided by Medicare-certified agencies or providers; ~~or~~

(9) excluding coverage for adult day care services; or

(10) excluding coverage based upon location or type of residence in which the home health care services would be provided.

Sec. 6. [62S.34] [REGULATORY FLEXIBILITY.]

The commissioner may upon written request issue an order to modify or suspend a specific provision or provisions of this chapter with respect to a specific long-term care insurance policy or certificate upon a written finding that:

(1) the modification or suspension is in the best interest of the insureds;

(2) the purpose to be achieved could not be effectively or efficiently achieved without the modifications or suspension; and

(3)(i) the modification or suspension is necessary to the development of an innovative and reasonable approach for insuring long-term care;

(ii) the policy or certificate is to be issued to residents of a life care or continuing care retirement community or some other residential community for the elderly and the modification or suspension is reasonably related to the special needs or nature of such a community; or

(iii) the modification or suspension is necessary to permit long-term care insurance to be sold as part of, or in conjunction with, another insurance product.

Sec. 7. [REPORTS; POTENTIAL SAVINGS TO STATE FROM CERTAIN LONG-TERM CARE INSURANCE PURCHASE INCENTIVES.]

Subdivision 1. [LONG-TERM CARE INSURANCE PARTNERSHIPS.] The commissioner of human services, in consultation with the commissioner of commerce, shall report to the legislature on the feasibility of Minnesota adopting a long-term care insurance partnership program similar to those adopted in other states. In such a program, the state would encourage purchase of private long-term care insurance by permitting the insured to retain assets in excess of those otherwise permitted for medical assistance eligibility, if the insured later exhausts the private long-term care insurance benefits. The report must include the feasibility of obtaining any necessary federal waiver. The report must comply with Minnesota Statutes, sections 3.195 and 3.197.

Subd. 2. [USE OF MEDICAL ASSISTANCE FUNDS TO SUBSIDIZE PURCHASE OF LONG-TERM CARE INSURANCE.] The commissioner of human services shall report to the legislature on the feasibility of using state medical assistance funds to subsidize the purchase of private long-term care insurance by individuals who would be unlikely to purchase it without a subsidy, in order to generate long-term savings of medical assistance expenditures. The report must comply with Minnesota Statutes, sections 3.195 and 3.197.

Subd. 3. [NURSING FACILITY BENEFITS IN MEDICARE SUPPLEMENT COVERAGE.] The commissioner of human services must study and quantify the cost or savings to the state if a nursing facility benefit were added to Medicare-related coverage, as defined in Minnesota Statutes, section 62Q.01, subdivision 6.

Sec. 8. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to policies issued on or after that date. Sections 2 to 6 are effective January 1, 2004, and apply to policies issued on or after that date. Section 7 is effective July 1, 2003."

Delete the title and insert:

"A bill for an act relating to insurance; improving insurance coverage of long-term care; providing for studies of ways to reduce long-term care costs to the state; amending Minnesota Statutes 2002, sections 61A.072, subdivision 6; 62A.315; 62A.48, by adding a subdivision; 62A.49, by adding a subdivision; 62S.22, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62S."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Commerce and Utilities, to which was referred

S.F. No. 660: A bill for an act relating to telecommunications; regulating promotions and packages of telephone company services; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 2002, section 237.626.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 237.626, is amended to read:

237.626 [PROMOTION ACTIVITIES.]

Subdivision 1. [PROMOTIONS.] A telephone company may promote the use of its services by offering a waiver of part or all of a recurring or a nonrecurring charge, a redemption coupon, or a premium with the purchase of a service. Section 237.09 does not apply to promotions under this section, but the customer group to which the promotion is available must be based on reasonable distinctions among customers. No single promotion may be effective for longer than 90 days at a time. The benefits to a particular customer of a promotion shall not extend beyond nine months. The service being promoted must have a price that is above the incremental cost of the service, including amortized cost of the promotion. A promotion may take effect the day after the notice is filed with the commission. The notice must identify customers to whom the promotion is available and include cost information demonstrating that the revenue from the service covers incremental cost, including cost of the promotion. A telephone company that offers a promotion under this section shall file a report on the promotion with the commission and the department within 90 days of the conclusion of the promotion. A telephone company shall not be required to file cost information except upon request of the department, the office of the attorney general, or the commission to determine if a promotion complies with applicable legal requirements. Within five business days of receipt of a request pursuant to this subdivision, or an order of the commission, the telephone company shall provide the requested cost information demonstrating the service being promoted has a price above the incremental cost of service to the office of the attorney general, the department, and the commission. The telephone company shall file this cost information with the commission soon thereafter.

Subd. 2. [BUNDLED SERVICE.] A telephone company may offer telecommunications services subject to the regulatory jurisdiction of the commission as part of a package of services that may include goods and services other than those subject to the commission's regulatory jurisdiction. Subject to the requirements of this chapter and the associated rules and orders of the commission applicable to those regulated services, a telephone company may establish the prices, terms, and conditions of a package of services, except that:

(1) each telecommunications service subject to the regulatory jurisdiction of the commission must be available to customers on a stand-alone basis;

(2) at the time the packaged offering is introduced or at the time the packaged price is subsequently changed, the packaged rate or price may not exceed the sum of the unpackaged rates or prices for the individual service elements or services; and

(3) in addition to the tariff requirements that apply to the telecommunications elements of the package, the tariff must also contain a general description of the nontelecommunications components of the package.

Nothing in this subdivision is intended to extend or diminish the regulatory authority of the commission or the department.

Sec. 2. Laws 1995, chapter 156, section 25, is amended to read:

Sec. 25. [EFFECTIVE DATE; EXPIRATION.]

Sections 1 to 22 are effective August 1, 1995, and expire January 1, 2006.

Sec. 3. [SUNSET.]

Minnesota Statutes, section 237.626, subdivision 2, expires July 1, 2005.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective June 1, 2003."

Delete the title and insert:

"A bill for an act relating to telecommunications; regulating promotions and packages of telephone company services; amending Minnesota Statutes 2002, section 237.626; Laws 1995, chapter 156, section 25."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Commerce and Utilities, to which was referred

S.F. No. 715: A bill for an act relating to taxation; providing that certain personal property at an electric generation facility is exempt from taxation; amending Minnesota Statutes 2002, section 272.02, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 4, insert:

"(c) The exemption under this section will take effect only if the owner of the facility enters into agreements with the governing bodies of the county and the city or town in which the facility is located. The agreements may include a requirement that the facility must pay a host fee to compensate the county and city or town for hosting the facility."

Page 2, after line 6, insert:

"Sec. 2. [LEGISLATIVE APPROVAL OF CONSUMPTIVE USE OF WATER.]

Pursuant to Minnesota Statutes, section 103G.265, subdivision 3, the legislature approves the consumptive use under a permit of more than 2,000,000 gallons per day average in a 30-day period in Rosemount, in connection with a gas fueled combined cycle electric generating facility, subject to the commissioner of natural resources making a determination that the water remaining in the basin of origin will be adequate to meet the basin's need for water and approval by the commissioner of natural resources of all applicable permits.

[EFFECTIVE DATE.] This section is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing legislative approval of use of water at the facility;"

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Commerce and Utilities, to which was referred

S.F. No. 1277: A bill for an act relating to public safety; modifying 911 emergency telecommunications provisions governing fee submission procedures and audits; amending Minnesota Statutes 2002, section 403.11, subdivisions 1, 3c.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 7, after the second "fee" insert "collections must be accounted for, and fee" and after "submissions" insert "must be developed in accordance with generally accepted accounting principles"

Page 3, delete line 8

Page 3, line 9, delete everything before the period

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Commerce and Utilities, to which was re-referred

S.F. No. 172: A bill for an act relating to counties; allowing use of certain county facilities for commercial wireless service providers and allowing the lease of sites for public safety communications equipment; proposing coding for new law in Minnesota Statutes, chapter 375.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 24, delete "rights-of-way,"

Page 2, line 2, before the period, insert "and for public safety communications systems costs"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Commerce and Utilities, to which was referred

S.F. No. 1069: A bill for an act relating to commerce; regulating financial institution examinations, applications, loans, and organizational provisions; revising the standard nonforfeiture law for individual deferred annuities; making various technical changes; repealing obsolete rules; amending Minnesota Statutes 2002, sections 46.04, subdivision 1; 46.041, subdivision 2; 47.015, by adding a subdivision; 47.101, subdivision 2; 47.59, subdivision 2; 48.08; 48.24, subdivision 6; 52.06, subdivision 1; 61A.245, subdivisions 3, 4, 5, 6, 12; 300.025; 300.23; 332.29, subdivision 1; repealing Minnesota Rules, parts 2675.0300; 2675.2250; 2675.6400.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 7, after "24" insert "or on December 31"

Page 5, after line 23, insert:

"Sec. 6. Minnesota Statutes 2002, section 47.67, is amended to read:

47.67 [ADVERTISING.]

No advertisement by a person which relates to an electronic financial terminal may be inaccurate or misleading with respect to such a terminal. Except with respect to direct mailings by financial institutions to their customers, the advertising of rate of interest paid on accounts in connection with electronic financial terminals is prohibited. ~~Any advertisement, either on or off the site of an electronic financial terminal, promoting the use or identifying the location of an electronic financial terminal, which identifies any financial institution, group or combination of financial institutions, or third parties as owning or providing for the use of its services is prohibited. The following shall be expressly permitted:~~

~~(a) a simple directory listing placed at the site of an electronic financial terminal identifying the particular financial institutions using its services;~~

~~(b) the use of a generic name, either on or off the site of an electronic financial terminal, which does not promote or identify any particular financial institution, group or combination of financial institutions, or any third parties;~~

~~(c) media advertising or direct mailing of information by a financial institution or retailer identifying locations of electronic financial terminals and promoting their usage;~~

~~(d) any advertising, whether on or off the site, relating to electronic financial terminals, or the services performed at the electronic financial terminals located on the premises of the main office, or any office or detached facility of any financial institution;~~

~~(e) a coupon or other promotional advertising that is printed upon the reverse side of the receipt or record of each transaction required under section 47.69, subdivision 6; and~~

~~(f) promotional advertising displayed on the electronic screen."~~

Page 9, line 32, before "Notwithstanding" insert "(b)"

Page 14, line 6, after the period, insert "In this instance, the operative date of this act is the date elected for the contract form."

Page 14, line 8, before the period, insert ", which then becomes the operative date of the act"

Page 14, after line 8, insert:

"Sec. 15. Minnesota Statutes 2002, section 118A.03, subdivision 2, is amended to read:

Subd. 2. [IN LIEU OF SURETY BOND.] The following are the allowable forms of collateral in lieu of a corporate surety bond:

(1) United States government treasury bills, treasury notes, treasury bonds;

(2) issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;

(3) general obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;

(4) unrated general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;

(5) irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and

~~(5)~~ (6) time deposits that are fully insured by the Federal Deposit Insurance Corporation.

Sec. 16. Minnesota Statutes 2002, section 118A.03, subdivision 3, is amended to read:

Subd. 3. [AMOUNT.] The total amount of the collateral computed at its market value shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the business day, except that where the collateral is irrevocable standby letters of credit issued by Federal Home Loan Banks, the amount of collateral shall be at least equal to the amount on deposit plus accrued interest at the close of the business day. The financial institution may furnish both a surety bond and collateral aggregating the required amount."

Page 14, line 32, delete "25" and insert "50"

Page 16, after line 8, insert:

"Sec. 21. [EFFECTIVE DATES.]

Sections 1 to 9 and 15 to 20 are effective the day following final enactment. Sections 10 to 14 are effective August 1, 2003, and apply to annuity contracts issued on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, before "and" insert "advertising,"

Page 1, line 5, after the semicolon, insert "regulating the deposit and investment of local public funds;"

Page 1, line 10, after the first semicolon, insert "47.67;"

Page 1, line 11, after "12;" insert "118A.03, subdivisions 2, 3;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 335 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
335	781				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 956 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
956	982				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 419 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
419	796				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 419 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 419 and insert the language after the enacting clause of S.F. No. 796, the first engrossment; further, delete the title of H.F. No. 419 and insert the title of S.F. No. 796, the first engrossment.

And when so amended H.F. No. 419 will be identical to S.F. No. 796, and further recommends that H.F. No. 419 be given its second reading and substituted for S.F. No. 796, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 859 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
859			888		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 1059 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1059			1034		

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1059 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1059 and insert the language after the enacting clause of S.F. No. 1034, the first engrossment; further, delete the title of H.F. No. 1059 and insert the title of S.F. No. 1034, the first engrossment.

And when so amended H.F. No. 1059 will be identical to S.F. No. 1034, and further recommends that H.F. No. 1059 be given its second reading and substituted for S.F. No. 1034, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 456 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
456			511		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 770 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
770	863

CONSENT CALENDAR

H.F. No.	S.F. No.
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CALENDAR

H.F. No.	S.F. No.
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and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 446 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
446	745

CONSENT CALENDAR

H.F. No.	S.F. No.
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CALENDAR

H.F. No.	S.F. No.
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and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 547 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
547	674

CONSENT CALENDAR

H.F. No.	S.F. No.
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CALENDAR

H.F. No.	S.F. No.
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Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 547 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 547 and insert the language after the enacting clause of S.F. No. 674, the first engrossment; further, delete the title of H.F. No. 547 and insert the title of S.F. No. 674, the first engrossment.

And when so amended H.F. No. 547 will be identical to S.F. No. 674, and further recommends that H.F. No. 547 be given its second reading and substituted for S.F. No. 674, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 710 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
710	1097

CONSENT CALENDAR

H.F. No.	S.F. No.
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CALENDAR

H.F. No.	S.F. No.
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and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 259 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
259	314

CONSENT CALENDAR

H.F. No.	S.F. No.
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CALENDAR

H.F. No.	S.F. No.
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Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 259 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 259 and insert the language after the enacting clause of S.F. No. 314, the first engrossment; further, delete the title of H.F. No. 259 and insert the title of S.F. No. 314, the first engrossment.

And when so amended H.F. No. 259 will be identical to S.F. No. 314, and further recommends that H.F. No. 259 be given its second reading and substituted for S.F. No. 314, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 645 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
645	937

CONSENT CALENDAR

H.F. No.	S.F. No.
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CALENDAR

H.F. No.	S.F. No.
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Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 645 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 645 and insert the language after the enacting clause of S.F. No. 937, the first engrossment; further, delete the title of H.F. No. 645 and insert the title of S.F. No. 937, the first engrossment.

And when so amended H.F. No. 645 will be identical to S.F. No. 937, and further recommends that H.F. No. 645 be given its second reading and substituted for S.F. No. 937, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 677 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
677	638				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 677 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 677 and insert the language after the enacting clause of S.F. No. 638, the first engrossment; further, delete the title of H.F. No. 677 and insert the title of S.F. No. 638, the first engrossment.

And when so amended H.F. No. 677 will be identical to S.F. No. 638, and further recommends that H.F. No. 677 be given its second reading and substituted for S.F. No. 638, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 394 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
394	300				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1363, 660, 1277, 172 and 1069 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 335, 956, 419, 859, 1059, 456, 770, 446, 547, 710, 259, 645, 677 and 394 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Belanger moved that his name be stricken as a chief author, shown as a co-author, and the name of Senator Senjem be added as chief author to S.F. No. 880. The motion prevailed.

Senator Murphy moved that the name of Senator Pappas be added as a co-author to S.F. No. 1282. The motion prevailed.

Senator LeClair moved that S.F. No. 1021 be withdrawn from the Committee on Crime Prevention and Public Safety and re-referred to the Committee on Finance. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Senator Hottinger moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

S.F. No. 958: A bill for an act relating to veterans; classifying military certificates of discharge as private data on individuals; providing procedures for their release; amending Minnesota Statutes 2002, sections 13.785, subdivision 2; 196.08; 386.20, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Koering	Murphy	Ruud
Bachmann	Gaither	Kubly	Neuville	Sams
Bakk	Hann	Langseth	Nienow	Senjem
Belanger	Higgins	Larson	Olson	Skoe
Berglin	Hottinger	LeClair	Ortman	Skoglund
Betzold	Johnson, D.E.	Limmer	Pappas	Sparks
Chaudhary	Johnson, D.J.	Lourey	Pariseau	Stumpf
Cohen	Jungbauer	Marko	Pogemiller	Tomassoni
Day	Kelley	Marty	Ranum	Vickerman
Dibble	Kierlin	McGinn	Reiter	Wergin
Dille	Kiscaden	Metzen	Rest	Wiger
Fischbach	Kleis	Michel	Robling	
Foley	Knutson	Moua	Rosen	

So the bill passed and its title was agreed to.

Senator Murphy moved that S.F. No. 958 be laid on the table. The motion prevailed.

H.F. No. 850: A bill for an act relating to natural resources; providing for a land conveyance in Sibley county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Kubly	Neuville	Sams
Bachmann	Hann	Langseth	Nienow	Saxhaug
Bakk	Higgins	Larson	Olson	Scheid
Berglin	Hottinger	LeClair	Ortman	Senjem
Betzold	Johnson, D.E.	Limmer	Pappas	Skoe
Chaudhary	Johnson, D.J.	Lourey	Pariseau	Skoglund
Cohen	Jungbauer	Marko	Pogemiller	Solon
Day	Kelley	Marty	Ranum	Sparks
Dibble	Kierlin	McGinn	Reiter	Stumpf
Dille	Kiscaden	Metzen	Rest	Tomassoni
Fischbach	Kleis	Michel	Robling	Vickerman
Foley	Knutson	Moua	Rosen	Wergin
Frederickson	Koering	Murphy	Ruud	Wiger

So the bill passed and its title was agreed to.

H.F. No. 1112: A bill for an act relating to veterans affairs; providing authority to the

Department of Veterans Affairs to access certain state databases to verify eligibility; amending Minnesota Statutes 2002, section 13.461, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 197.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Koering	Neuville	Saxhaug
Bachmann	Gaither	Kubly	Nienow	Scheid
Bakk	Hann	Langseth	Olson	Senjem
Belanger	Higgins	Larson	Ortman	Skoe
Berglin	Hottinger	LeClair	Pappas	Skoglund
Betzold	Johnson, D.E.	Limmer	Pariseau	Solon
Chaudhary	Johnson, D.J.	Lourey	Pogemiller	Sparks
Cohen	Jungbauer	Marty	Ranum	Stumpf
Day	Kelley	McGinn	Reiter	Tomassoni
Dibble	Kierlin	Metzen	Robling	Vickerman
Dille	Kiscaden	Michel	Rosen	Wergin
Fischbach	Kleis	Moua	Ruud	Wiger
Foley	Knutson	Murphy	Sams	

So the bill passed and its title was agreed to.

S.F. No. 163: A bill for an act relating to real estate; requiring a disclosure in connection with the sale of certain real property in Washington county; amending Minnesota Statutes 2002, section 103I.235, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Kubly	Neuville	Sams
Bachmann	Hann	Langseth	Nienow	Saxhaug
Bakk	Higgins	Larson	Olson	Scheid
Belanger	Hottinger	LeClair	Ortman	Senjem
Berglin	Johnson, D.E.	Limmer	Pappas	Skoe
Betzold	Johnson, D.J.	Lourey	Pariseau	Skoglund
Chaudhary	Jungbauer	Marko	Pogemiller	Solon
Cohen	Kelley	Marty	Ranum	Sparks
Day	Kierlin	McGinn	Reiter	Stumpf
Dibble	Kiscaden	Metzen	Rest	Tomassoni
Dille	Kleis	Michel	Robling	Vickerman
Fischbach	Knutson	Moua	Rosen	Wergin
Foley	Koering	Murphy	Ruud	Wiger

So the bill passed and its title was agreed to.

S.F. No. 1225: A bill for an act relating to historic sites; limiting involvement of archaeologist to known sites; amending Minnesota Statutes 2002, section 138.40, subdivisions 2, 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Bachmann	Bakk	Belanger	Berglin
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Betzold	Johnson, D.E.	LeClair	Ortman	Scheid
Chaudhary	Johnson, D.J.	Limmer	Pappas	Senjem
Cohen	Jungbauer	Lourey	Pariseau	Skoe
Day	Kelley	Marko	Pogemiller	Skoglund
Dille	Kierlin	McGinn	Ranum	Solon
Fischbach	Kiscaden	Metzen	Reiter	Sparks
Foley	Kleis	Michel	Rest	Stumpf
Frederickson	Knutson	Moua	Robling	Tomassoni
Gaither	Koering	Murphy	Rosen	Vickerman
Hann	Kubly	Neuville	Ruud	Wergin
Higgins	Langseth	Nienow	Sams	Wiger
Hottinger	Larson	Olson	Saxhaug	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Senator Hottinger moved that the report from the Committee on Rules and Administration, reported March 26, 2003, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Hottinger moved that the foregoing report be now adopted. The motion prevailed.

Senator Hottinger moved that in accordance with the report from the Committee on Rules and Administration, reported March 26, 2003, the Senate, having given its advice, do now consent to and confirm the appointment of:

CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

Terri Ashmore, 54 Hilltop Ln., St. Paul, Ramsey County, effective January 14, 2003, for a term expiring on January 1, 2007.

Bob Milbert, 308 Deerwood Ct., South St. Paul, Dakota County, effective January 14, 2003, for a term expiring on January 1, 2007.

The motion prevailed. So the appointments were confirmed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Senator Larson introduced--

S.F. No. 1494: A bill for an act relating to transportation; providing for settling disputes over establishing, altering, vacating, or maintaining town line roads; amending Minnesota Statutes 2002, section 164.12.

Referred to the Committee on Finance.

Senators Murphy, Bakk and Higgins introduced--

S.F. No. 1495: A bill for an act relating to capital improvements; authorizing spending to acquire and to better public lands and buildings; appropriating money for construction of a workers memorial on the capitol grounds; authorizing issuance of state bonds.

Referred to the Committee on Finance.

Senator Rest introduced--

S.F. No. 1496: A bill for an act relating to transportation; authorizing state bonds for local road improvement program; appropriating money to the commissioner of transportation for reimbursement to certain cities for utility relocation expenditures.

Referred to the Committee on Finance.

Senators Sams, Solon, Skoe, Kiscaden and Stumpf introduced--

S.F. No. 1497: A bill for an act relating to taxation; eliminating payment of market value homestead credit reimbursements to cities; reinstating authorization to levy for transit purposes; providing for additional means of financing transit; reducing local government aid payable to cities; appropriating money; amending Minnesota Statutes 2002, sections 16A.88, subdivision 3; 273.1384, subdivision 4; 473.388, subdivisions 4, 7; 473.446, subdivision 1, by adding subdivisions; 477A.03, subdivision 2; repealing Minnesota Statutes 2002, sections 174.242; 477A.03, subdivision 4.

Referred to the Committee on Taxes.

Senator Chaudhary introduced--

S.F. No. 1498: A bill for an act relating to the city of New Brighton; authorizing the city to impose an intoxicating beverage tax.

Referred to the Committee on Taxes.

Senators Marty, Anderson, Betzold and Berglin introduced--

S.F. No. 1499: A bill for an act relating to taxation; limiting mortgage interest deduction; appropriating money for homeless persons assistance; amending Minnesota Statutes 2002, section 290.01, subdivision 19a.

Referred to the Committee on Taxes.

Senator Cohen introduced--

S.F. No. 1500: A bill for an act relating to appropriations; appropriating money, authorizing bonding, and transferring or canceling appropriations made for fiscal year 2003; amending Minnesota Statutes 2002, section 127A.45, subdivision 7a; Laws 2001, First Special Session chapter 9, article 17, section 10, subdivision 1; Laws 2002, chapter 220, article 13, section 9, subdivision 2, as amended.

Referred to the Committee on Finance.

Senators Larson, Nienow, Ruud, Robling and Rosen introduced--

S.F. No. 1501: A bill for an act relating to postsecondary education; providing penalties for students convicted of rioting; proposing coding for new law in Minnesota Statutes 2002, chapter 135A.

Referred to the Committee on Education.

Senators Kiscaden, Skoe, Senjem, Sams and Belanger introduced--

S.F. No. 1502: A bill for an act relating to tax increment financing; eliminating the mileage restriction in the definition of qualified small city; amending Minnesota Statutes 2002, section 469.174, subdivision 27.

Referred to the Committee on Taxes.

Senator Nienow introduced--

S.F. No. 1503: A bill for an act relating to Chisago county; authorizing a conveyance for mutual consideration of a county-owned nursing home.

Referred to the Committee on State and Local Government Operations.

Senators Hottinger, Betzold, Murphy and Moua introduced--

S.F. No. 1504: A bill for an act relating to taxation; adding requirements for foreign operating corporations; increasing certain individual income tax rates; providing a throwback rule for the corporate franchise tax; reducing the deduction for dividends received by corporations; increasing tobacco tax rates; accelerating payment of certain taxes; amending Minnesota Statutes 2002, sections 289A.20, subdivision 4; 289A.60, subdivision 15; 290.01, subdivision 6b; 290.06, subdivisions 2c, 2d; 290.17, subdivision 4; 290.191, subdivision 5; 290.21, subdivision 4; 297F.05, subdivisions 1, 3, 4; 297F.08, subdivision 7; 297F.09, subdivisions 1, 2, by adding a subdivision; 297G.09, by adding a subdivision; Laws 2001, First Special Session chapter 5, article 12, section 95, as amended.

Referred to the Committee on Taxes.

MEMBERS EXCUSED

Senator Ourada was excused from the Session of today.

ADJOURNMENT

Senator Hottinger moved that the Senate do now adjourn until 12:30 p.m., Wednesday, April 23, 2003. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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