

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 2728**

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DATE  
02/26/2018

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Introduction and first reading  
Referred to Health and Human Services Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to health; establishing requirements for use of net earnings of nonprofit  
1.3 health maintenance organizations; amending Minnesota Statutes 2016, section  
1.4 62D.12, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2016, section 62D.12, is amended by adding a subdivision  
1.7 to read:

1.8 Subd. 8a. **Net earnings.** All net earnings of a nonprofit health maintenance organization  
1.9 must be devoted to the nonprofit purposes of the health maintenance organization in providing  
1.10 comprehensive health care. A nonprofit health maintenance organization must not provide  
1.11 for the payment, whether directly or indirectly, of any part of its net earnings to any person  
1.12 for a purpose other than providing comprehensive health care, except that the health  
1.13 maintenance organization may make payments to providers or other persons based on the  
1.14 efficient provision of services or as incentives to provide quality care. The commissioner  
1.15 of health shall, pursuant to sections 62D.01 to 62D.30, revoke the certificate of authority  
1.16 of any nonprofit health maintenance organization in violation of this subdivision.

1.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.