

ONE HUNDRED SIXTH LEGISLATURE - SECOND SESSION - 2020
COMMITTEE STATEMENT
LB1014

Hearing Date: Tuesday February 04, 2020
Committee On: Banking, Commerce and Insurance
Introducer: Lindstrom
One Liner: Change provisions of the Multiple Employer Welfare Arrangement Act

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

| | | |
|----------------------------|---|--|
| Aye: | 7 | Senators Gragert, Howard, Kolterman, Lindstrom, McCollister, Quick, Williams |
| Nay: | 1 | Senator La Grone |
| Absent: | | |
| Present Not Voting: | | |

Oral Testimony:

Proponents:

Senator Brett Lindstrom
Pete Kappelman
Pamela Grove
Nichole Jansen
Jeremy Wilhelm
Rocky Weber

Representing:

Introducer
Land O'Lakes
Land O'Lakes
Land O'Lakes
Frontier Cooperative
Nebraska Cooperative Council

Opponents:

Eric Dunning
Jay McLaren
Robert Bell

Representing:

Blue Cross Blue Shield of Nebraska
Medica
Nebraska Insurance Federation

Neutral:

Representing:

Summary of purpose and/or changes:

This bill would amend sections 44-7601, 44-7603, 44-7604, 44-7605, 44-7606, 44-7612, 44-76914, and 44-7617 of the Multiple Employer Welfare Arrangement Act and would enact a new section in the act to provide that an association of employers that sponsors a Multiple Employer Welfare Arrangement (MEWA) may include self-employed individuals. The bill would provide as follows:

Section 1 would amend section 77-7601 to provide that new section 8 of the bill shall be assigned within the Multiple Employer Welfare Arrangement Act.

Section 2 would amend Section 44-7603 which contains definitions for the Multiple Employer Welfare Arrangement Act:

The bill would change the definition of "covered employee" to "covered individual" and would further provide that, in addition to an employee who is covered by a health benefit plan provided through a MEWA in which the employer is participating, it means a self-employed individual who is covered by a health benefit plan provided through a MEWA.

The bill would provide that this definition includes a dependent of a self-employed individual as well as a dependent of an employee.

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The bill would amend the definition of "multiple employer welfare arrangement" which currently means a multiple employer welfare arrangement, as defined by federal law, if it is sponsored by an association of employers that offers a health benefit plan that is not fully insured. The bill would add that such association of employers may include self-employed individuals.

The bill would amend the definition of "participating employer" to mean a "self-employed individual" as well as an employer that participates in a MEWA.

The bill would provide a definition of "self-employed individual."

Section 3 would amend section 44-7604 to harmonize terminology.

Section 4 would amend section 44-7605 to harmonize terminology.

Section 5 would amend section 44-7606 which currently provides that an association of employers shall have, before application for a certificate of registration is made, applications for participation from two more members who are employers with an aggregate of two hundred or more participating employees. The bill would harmonize the terminology in these provisions and further provide, in the alternative, that the association shall have applications for participation from at least two hundred covered individuals who are self-employed individuals.

Section 6 would amend section 44-7612 to provide that if a MEWA provides coverage to covered individuals who are self-employed individuals, the MEWA shall include a statement in the summary plan description and any claim or appeal denial notice that self-employed covered individuals may contact the Director of Insurance.

Section 7 would amend section 44-7614 to harmonize terminology.

Section 8 would enact a new section in the Multiple Employer Welfare Arrangement Act to provide that a MEWA that provides health care coverage to self-employed individuals shall comply with specified federal statutes and shall establish and maintain a surplus in a trust as required in this section.

Section 9 would amend section 44-7617 to provide that the Multiple Employer Welfare Arrangement Act shall apply to MEWAs providing health care coverage to self-employed individuals on or after January 1, 2020.

Section 10 would provide for repealers of the amendatory sections.

Matt Williams, Chairperson