

Patient Protection and Affordable Care Act (PPACA) Provisions Affecting Sections in the Utah Insurance Code

The effective date of the following PPACA provisions is plan years beginning September 23, 2010:

- Public Health Service Act, Sec. 2704. *Eliminates use of preexisting condition exclusions for individuals under the age of 19.*
- Public Health Service Act, Sec. 2711. *Prohibits use of lifetime limits in health plans.*
- Public Health Service Act, Sec. 2711. *Regulates use of annual limits in health plans.*
- Public Health Service Act, Sec. 2712. *Prohibits rescissions of coverage except for fraud or intentional misrepresentation.*
- Public Health Service Act, Sec. 2713. *Requires coverage of certain preventative health care services.*
- Public Health Service Act, Sec. 2714. *Requires health plans to provide coverage to children until age 26.*
- Public Health Service Act, Sec. 2715A. *Disclosure of claims payment policies and rating practices.*
- Public Health Service Act, Sec. 2716. *Extends current prohibition of discrimination in favor of highly compensated employees in self-insured groups to fully-insured group plans.*
- Public Health Service Act, Sec. 2718. *Medical loss ratio are to be reported by all fully insured plans, including grandfathered plans and provide rebates to consumers if the loss ratios are less than the standards provided in the law and HHS rules.*
- Public Health Service Act, Sec. 2719. *Requires health plans to comply with the NAIC external review process. (Utah previously adopted the DOL's claims and appeal process for both group and individual markets.)*
- Public Health Service Act, Sec. 2719A. *Primary care provider protections for health plan enrollees.*
- Public Health Service Act, Sec. 2793. *HHS grant program to States to establish, expand or support office of health insurance consumer assistance or health insurance ombudsman programs.*
- Public Health Service Act, Sec. 2794. *Annual review process by State and HHS of unreasonable increases in health insurance premiums for health insurance coverage.*
- Public Health Service Act, Sec. 2794. *HHS grants to support States in reviewing, and if applicable, approving premium increases for health insurance coverage and to provide information and recommendations to HHS.*
- Public Health Service Act, Sec. 1103. *National Web Site for public and small businesses to access information relating to access and affordable comprehensive health insurance coverage options. The information is provided by insurers and state*

insurance departments to enable transparency on costs of insurance and administrative costs.

These PPACA provisions do not provide for a state waiver or option.

These PPACA provisions change the Utah Code insurance contract provisions specific to each PPACA provision under which insurance companies provide health insurance coverage to persons in the state in the individual, small employer group and large employer group health insurance markets in Utah.

Those in the State that will be impacted by these PPACA provisions, if the current Utah Insurance Code provisions are revised to be in compliance with these PPACA provisions or if they are not adopted, are individuals in the state that are eligible for health insurance coverage in the individual, small employer and large employer markets in the State of Utah. Affected will also be the employers of those individuals that obtain health insurance through the employer based option. All insurance companies providing health insurance in Utah are directly impacted as they are required to comply with the PPACA provisions regardless of any changes to the Utah Insurance Code.

Implementation of most of the PPACA provisions in Utah will be cost neutral. The PPACA contract form provisions will require all companies to file revised contract forms that are compliant with PPACA. These filings are part of the normal filing cycle and do not abnormally affect the department's form filing workload. The PPACA provisions relating to rate review will have potential cost impact. However, that impact could be mitigated by the grant opportunity contained in PPACA. The grants, available over a five year period, could provide resources for one-time expenditures for training current rate analysts and potentially two new rate analysts in the PPACA process and the transfer of knowledge from that training will be retained in the department. Other one time expenditures, such as computer system modifications for data acquisition and transfer to HHS and other similar projects could also be funded by the grant.

The consequences of not revising the Utah Code provisions to be compliant with PPACA could result in an abdication of state regulation to HHS in each of the areas applicable to each PPACA provision. Making the revisions to make the Utah Code compliant with the PPACA provisions, gives the State of Utah the ability to continue to control and regulate health care insurance at the state level where it is more effective and efficient.