

**Effective 5/13/2014**

**Part 3**  
**Individual and Small Employer Risk Adjustment Act**

**31A-30-301 Title.**

This part is known as the "Individual and Small Employer Risk Adjustment Act."

Enacted by Chapter 425, 2014 General Session

**31A-30-302 Creation of state risk adjustment program.**

- (1) The commissioner shall convene a group of stakeholders and actuaries to assist the commissioner with the evaluation or the risk adjustment options described in Subsection (2). If the commissioner determines that a state-based risk adjustment program is in the best interest of the state, the commissioner shall establish an individual and small employer market risk adjustment program in accordance with 42 U.S.C. 18063 and this section.
- (2) The risk adjustment program adopted by the commissioner may include one of the following models:
  - (a) continue the United States Department of Health and Human Services administration of the federal model for risk adjustment for the individual and small employer market in the state;
  - (b) have the state administer the federal model for risk adjustment for the individual and small employer market in the state;
  - (c) establish and operate a state-based risk adjustment program for the individual and small employer market in the state; or
  - (d) another risk adjustment model developed by the commissioner under Subsection (1).
- (3) Before adopting one of the models described in Subsection (2), the commissioner:
  - (a) may enter into contracts to carry out the services needed to evaluate and establish one of the risk adjustment options described in Subsection (2); and
  - (b) shall, prior to October 30, 2014, comply with the reporting requirements of Section 63N-11-106 regarding the commissioner's evaluation of the risk adjustment options described in Subsection (2).
- (4) The commissioner may:
  - (a) adopt administrative rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that require an insurer that is subject to the state-based risk adjustment program to submit data to the all payers claims database created under Section 26-33a-106.1; and
  - (b) establish fees in accordance with Title 63J, Chapter 1, Budgetary Procedures Act, to cover the ongoing administrative cost of running the state-based risk adjustment program.

Amended by Chapter 283, 2015 General Session

**31A-30-303 Enterprise fund.**

- (1) There is created an enterprise fund known as the Individual and Small Employer Risk Adjustment Enterprise Fund.
- (2) The following funds shall be credited to the fund:
  - (a) appropriations from the General Fund;
  - (b) fees established by the commissioner under Section 31A-30-302;

- (c) risk adjustment payments received from insurers participating in the risk adjustment program;  
and
  - (d) all interest and dividends earned on the fund's assets.
- (3) All money received by the fund shall be deposited in compliance with Section 51-4-1 and shall be held by the state treasurer and invested in accordance with Title 51, Chapter 7, State Money Management Act.
- (4) The fund shall comply with the accounting policies, procedures, and reporting requirements established by the Division of Finance.
- (5) The fund shall comply with Title 63A, Utah Administrative Services Code.
- (6) The fund shall be used to implement and operate the risk adjustment program created by this part.

Enacted by Chapter 425, 2014 General Session