

**PRESCRIPTION COVERAGE**

1998 GENERAL SESSION

STATE OF UTAH

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9 AN ACT RELATING TO INSURANCE; REQUIRING HEALTH INSURANCE POLICIES  
10 THAT COVER PRESCRIPTION DRUGS TO COVER PRESCRIPTION CONTRACEPTIVE  
11 METHODS AND RELATED OUTPATIENT SERVICES; AND PROVIDING AN  
12 EFFECTIVE DATE.

13 This act affects sections of Utah Code Annotated 1953 as follows:

14 AMENDS:

15 **31A-22-613**, as last amended by Chapter 38, Laws of Utah 1996

16 *Be it enacted by the Legislature of the state of Utah:*

17 Section 1. Section **31A-22-613** is amended to read:

18 **31A-22-613. Permitted provisions for disability insurance policies.**

19 The following provisions may be contained in a disability insurance policy, but if they are  
20 in that policy, they shall conform to at least the following minimum requirements for the  
21 policyholder:

22 (1) Any provision respecting change of occupation may provide only for a lower  
23 maximum benefit payment and for reduction of loss payments proportionate to the change in  
24 appropriate premium rates, if the change is to a higher rated occupation, and this provision shall  
25 provide for retroactive reduction of premium rates from the date of change of occupation or the  
26 last policy anniversary date, whichever is the more recent, if the change is to a lower rated  
27 occupation.

28 (2) Section 31A-22-405 applies to misstatement of age in disability policies, with the

1 appropriate modifications of terminology.

2 (3) Any policy which contains a provision establishing, as an age limit or otherwise, a date  
3 after which the coverage provided by the policy is not effective, and if that date falls within a  
4 period for which a premium is accepted by the insurer or if the insurer accepts a premium after that  
5 date, the coverage provided by the policy continues in force, subject to any right of cancellation,  
6 until the end of the period for which the premium was accepted. This subsection does not apply  
7 if the acceptance of premium would not have occurred but for a misstatement of age by the  
8 insured.

9 (4) Any provision dealing with preexisting conditions shall be consistent with Subsections  
10 31A-22-605(9)(a) and 31A-22-609(2), and any applicable rule adopted by the commissioner.

11 (5) (a) If an insured is otherwise eligible for maternity benefits, a policy may not contain  
12 language which requires an insured to obtain any additional preauthorization or preapproval for  
13 customary and reasonable maternity care expenses or for the delivery of the child after an initial  
14 preauthorization or preapproval has been obtained from the insurer for prenatal care. A  
15 requirement for notice of admission for delivery is not a requirement for preauthorization or  
16 preapproval, however, the maternity benefit may not be denied or diminished for failure to provide  
17 admission notice. The policy may not require the provision of admission notice by only the  
18 insured patient.

19 (b) This subsection does not prohibit an insurer from:

20 (i) requiring a referral before maternity care can be obtained;

21 (ii) specifying a group of providers or a particular location from which an insured is  
22 required to obtain maternity care; or

23 (iii) limiting reimbursement for maternity expenses and benefits in accordance with the  
24 terms and conditions of the insurance contract so long as such terms do not conflict with  
25 Subsection (5)(a).

26 (6) A disability policy that provides coverage for outpatient prescription drugs shall cover:

27 (a) to the same extent and subject to the same contract terms, prescription contraceptive  
28 methods approved by the federal Food and Drug Administration; and

29 (b) outpatient services for prescription contraceptive methods approved by the federal  
30 Food and Drug Administration to the same extent and subject to the same contract terms as other  
31 covered outpatient services.

- 1 Section 2. **Effective date.**
- 2 This act takes effect on July 1, 1998.

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**Legislative Review Note**  
**as of 1-21-98 2:14 PM**

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**