

1                                   **PRESCRIPTION DRUG COVERAGE STUDY**

2   1999 GENERAL SESSION

3   STATE OF UTAH

4   **Sponsor: Trisha S. Beck**

5 AN ACT RELATING TO STATE AFFAIRS IN GENERAL; REQUIRING THE HEALTH  
6 POLICY COMMISSION TO STUDY AND MAKE RECOMMENDATIONS ON INSURANCE  
7 COVERAGE OF PRESCRIPTION DRUGS.

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

9 AMENDS:

10               **63C-3-104**, as last amended by Chapter 93, Laws of Utah 1998

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

12               Section 1. Section **63C-3-104** is amended to read:

13               **63C-3-104. Duties of commission.**

14               The Health Policy Commission shall report to the Legislature and the governor on the  
15 following issues in accordance with Section 63C-3-101:

16               (1) (a) Each year, the commission may consider and make recommendations on the  
17 following:

18                   (i) federal health care reform and its impact on the state, including recommendations to  
19 respond to federal health initiatives;

20                   (ii) proposals for Medicaid reform and federal Medicaid waivers;

21                   (iii) ~~evaluation of~~ Medicare and its relationship to Utah's reform;

22                   (iv) the impact of state initiatives on access, quality, and cost;

23                   (v) the impact of market structure on competition;

24                   (vi) the simplification of the administrative process;

25                   (vii) the feasibility of establishing a statewide health information repository for the purpose  
26 of gathering statistical information about providers, practice parameters, cost, quality, and access,  
27 while protecting confidential information containing personal identifiers of patients from inclusion

28 in any data base, except a data base created in accordance with Title 26, Chapter 33a, Utah Health  
29 Data Authority Act;

30 (viii) [review] the need for[-] and revisions to benefit plans;

31 (ix) the impact of federal and state health care reform on the viability of academic health  
32 centers in Utah; and

33 (x) other issues that are discovered during the planning process.

34 (b) The commission may change the order in which it considers and makes  
35 recommendations on the issues described in Subsections (2) through (8) and may consider other  
36 issues as it considers necessary to promote the purposes of this chapter.

37 (2) By December 1, 1995, the commission may consider and make recommendations on:

38 (a) the advisability of, and if recommended, formation of a purchasing cooperative for  
39 individuals and employers with 50 or fewer employees, including structure, membership, costs,  
40 benefit plans, and health plan approval criteria;

41 (b) the impact of medical savings accounts in the health care market;

42 (c) [address] special population needs;

43 (d) [~~continue the following~~] insurance reform implementation and refinement:

44 (i) systemwide community rating;

45 (ii) portability;

46 (iii) guaranteed issue; and

47 (iv) risk adjustment mechanism;

48 (e) [~~continue~~] the continued development of the rural health plan, including the study and  
49 monitoring of the impact of managed health care plans in frontier areas of the state, and any  
50 consequences such plans may have on the cost of medical care and access to health care providers  
51 in rural-frontier areas of the state;

52 (f) [~~continue~~] the continued development of a cost/quality monitoring process; and

53 (g) health care provider education reform emphasizing primary care and financing the  
54 health care provider education system.

55 (3) By December 1, 1996, the commission may consider and make recommendations on:

56 (a) alternatives to capitated reimbursement;

57 (b) the final [~~recommendations for~~] rural health plan; and

58 (c) the feasibility of including the following in a benefit plan:

- 59 (i) alcohol and drug treatment;
- 60 (ii) long-term care; and
- 61 (iii) integrating worker's compensation and automobile/health insurance.
- 62 (4) By December 1, 1997, the commission may consider and make recommendation on:
- 63 (a) mental health care reform;
- 64 (b) long-term care initiatives;
- 65 (c) the advisability of, and if recommended, formation of a purchasing cooperative for the
- 66 public sector; and
- 67 (d) the advisability of rating health insurance premiums based on lifestyle choices that
- 68 affect health care expenditures, including the consumption of alcohol or tobacco and other
- 69 behaviors that increase health risks.
- 70 (5) By December 1, 1998, the commission may consider and make recommendations on:
- 71 (a) the feasibility of including Medicaid in a purchasing cooperative;
- 72 (b) [~~continue~~] the continued development of mental health care reforms;
- 73 (c) [~~continue~~] the continued review of benefit plans; and
- 74 (d) [~~study and make recommendations on~~] health care consumer education, information,
- 75 and advocacy.
- 76 (6) By December 1, 1999, the commission may evaluate and make recommendations on:
- 77 (a) [~~evaluate the~~] purchasing cooperatives;
- 78 (b) [~~evaluate~~] the advisability of expanding purchasing cooperative to employers with 50
- 79 to 100 employees;
- 80 (c) [~~evaluate~~] the need for employer/individual mandates; [~~and~~]
- 81 (d) [~~evaluate~~] the future needs of or for the uninsurable risk pool[-]; and
- 82 insurance coverage of prescription drugs.
- 83 (7) By December 1, 2000, the commission shall produce a comprehensive report and
- 84 review on the implementation and effectiveness of the state's health care reform.
- 85 (8) The issues listed in this section are intended only to be study items for the commission.
- 86 They do not represent a predetermined final outcome of that study. Any implementation of
- 87 recommendations resulting from the study remain the prerogative of the Legislature.

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**Legislative Review Note**

**as of 2-1-99 1:38 PM**

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

**Office of Legislative Research and General Counsel**