

**Senator Peter C. Knudson** proposes to substitute the following bill:

**STUDY OF HEALTH INSURANCE INDUSTRY**

2000 GENERAL SESSION

STATE OF UTAH

**Sponsor: Peter C. Knudson**

AN ACT RELATING TO STATE COMMISSIONS AND COUNCILS; ADDING STUDY TOPICS FOR THE HEALTH POLICY COMMISSION.

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

AMENDS:

**63C-3-104**, as last amended by Chapter 21, Laws of Utah 1999

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

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

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

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

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

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

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

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

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

(v) impact of market structure on competition;

(vi) simplification of the administrative process;

(vii) feasibility of establishing a statewide health information repository for the purpose of gathering statistical information about providers, practice parameters, cost, quality, and access,

26 while protecting confidential information containing personal identifiers of patients from inclusion  
27 in any data base, except a data base created in accordance with Title 26, Chapter 33a, Utah Health  
28 Data Authority Act;

29 (viii) review the need for, and revisions to benefit plans;

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

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

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

36 (2) By December 1, 1995:

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

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

41 (c) plan to address special population needs;

42 (d) plan to continue the following insurance reform implementation and refinement:

43 (i) systemwide community rating;

44 (ii) portability;

45 (iii) guaranteed issue; and

46 (iv) risk adjustment mechanism;

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

51 (f) continued development of cost/quality monitoring process; and

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

54 (3) By December 1, 1996:

55 (a) alternatives to capitated reimbursement;

56 (b) final recommendations for rural health plan; and

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

58 (i) alcohol and drug treatment;

59 (ii) long-term care; and

60 (iii) integrating workers' compensation and automobile/health insurance.

61 (4) By December 1, 1997:

62 (a) mental health care reform;

63 (b) long-term care initiatives;

64 (c) advisability of, and if recommended, formation of a purchasing cooperative for the

65 public sector; and

66 (d) advisability of rating health insurance premiums based on lifestyle choices that affect  
67 health care expenditures, including the consumption of alcohol or tobacco and other behaviors that  
68 increase health risks.

69 (5) By December 1, 1998:

70 (a) feasibility of including Medicaid in a purchasing cooperative;

71 (b) continued development of mental health care reforms;

72 (c) continued review of benefit plans; and

73 (d) study and make recommendations on health care consumer education, information, and  
74 advocacy.

75 (6) By December 1, 1999:

76 (a) evaluate the purchasing cooperatives;

77 (b) evaluate the advisability of expanding purchasing cooperative to employers with 50  
78 to 100 employees;

79 (c) evaluate need for employer/individual mandates; and

80 (d) evaluate future needs of or for the uninsurable risk pool.

81 (7) By December 1, 2000[-];

82 ~~§ [(a) - a] A~~ § comprehensive report and review on the implementation and effectiveness of the  
83 state's health care reform[-]; and

84 ~~§ [(b) ] INCLUDING~~ § an evaluation of the state's health insurance industry to address the  
effectiveness of

85 state insurance regulations, statutes, and rules in promoting a healthy, competitive health insurance

86 industry, and § MAKE § recommendations to enhance the strength of the market, improve access,

86a increase

87 quality, and decrease costs.

88           (8) The issues listed in this section are intended only to be study items for the commission.  
89 They do not represent a predetermined final outcome of that study. Any implementation of  
90 recommendations resulting from the study remain the prerogative of the Legislature.