$\begin{tabular}{ll} Φ & Approved for Filing: CJD & Φ & Φ & 01-03-01 1:26 PM & Φ & $\Phi$$

| 1 | INSURANCE DEPARTMENT - HEALTH |
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| 2 | POLICY RESPONSIBILITIES |
| 3 | 2001 GENERAL SESSION |
| 4 | STATE OF UTAH |
| 5 | Sponsor: Rebecca D. Lockhart |
| 6 | This act modifies the Insurance Code to require the insurance commissioner to prepare an |
| 7 | annual evaluation of the state's health insurance industry. |
| 8 | This act affects sections of Utah Code Annotated 1953 as follows: |
| 9 | AMENDS: |
| 10 | 31A-2-201, as last amended by Chapter 316, Laws of Utah 1994 |
| 11 | Be it enacted by the Legislature of the state of Utah: |
| 12 | Section 1. Section 31A-2-201 is amended to read: |
| 13 | 31A-2-201. General duties and powers. |
| 14 | (1) The commissioner shall administer and enforce this title. |
| 15 | (2) The commissioner has all powers specifically granted, and all further powers that are |
| 16 | reasonable and necessary to enable him to perform the duties imposed by this title. |
| 17 | (3) (a) The commissioner may make rules to implement the provisions of this title |
| 18 | according to the procedures and requirements of Title 63, Chapter 46a, Utah Administrative |
| 19 | Rulemaking Act. |
| 20 | (b) In addition to the notice requirements of Section 63-46a-4, the commissioner shall |
| 21 | provide notice under Section 31A-2-303 of hearings concerning insurance department rules. |
| 22 | (4) (a) The commissioner shall issue prohibitory, mandatory, and other orders as necessary |
| 23 | to secure compliance with this title. An order by the commissioner is not effective unless the |
| 24 | order: |
| 25 | (i) is in writing; and |
| 26 | (ii) is signed by the commissioner or under the commissioner's authority. |
| 27 | (b) On request of any person who would be affected by an order under Subsection (4)(a), |



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| 28 | the commissioner may issue a declaratory order to clarify the person's rights or duties. |
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| 29 | (5) (a) The commissioner may hold informal adjudicative proceedings and public |
| 30 | meetings, for the purpose of investigation, ascertainment of public sentiment, or informing the |
| 31 | public. |
| 32 | (b) No effective rule or order may result from informal hearings and meetings unless the |
| 33 | requirement of a hearing under Section 31A-2-301 is satisfied. |
| 34 | (6) The commissioner shall inquire into violations of this title and may conduct any |
| 35 | examinations and investigations of insurance matters, in addition to examinations and |
| 36 | investigations expressly authorized, that he considers proper to determine: |
| 37 | (a) whether or not any person has violated any provision of this title; or |
| 38 | (b) to secure information useful in the lawful administration of any provision of this title. |
| 39 | (7) (a) Each year, the commissioner shall: |
| 40 | (i) conduct an evaluation of the state's health insurance $\hat{\mathbf{h}}$ [industry] MARKET $\hat{\mathbf{h}}$; $\hat{\mathbf{h}}$ [and] $\hat{\mathbf{h}}$ |
| 41 | (ii) report the findings of the evaluation to the Health and Human Services Interim |
| 42 | Committee before July 31 h ; AND |
| 42a | (iii) PUBLISH THE FINDINGS OF THE EVALUATION ON THE DEPARTMENT WEBSITE ${f \hat{h}}$. |
| 43 | (b) The evaluation shall: |
| 44 | (i) analyze the effectiveness of the insurance regulations and statutes in promoting a |
| 45 | healthy, competitive health insurance h [industry] MARKET THAT MEETS THE NEEDS OF UTAHNS h |
| 45a | by assessing such things as the h AVAILABILITY AND h marketing of |
| 46 | individual and group products, rate charges, h COVERAGE AND DEMOGRAPHIC CHANGES, |
| 46a | BENEFIT TRENDS, h market share s [charges] CHANGES s, and accessibility; |
| 47 | (ii) assess complaint ratios and trends within the health insurance h [industry] MARKET |
| 47a | WHICH ASSESSMENT SHALL INTEGRATE COMPLAINT DATA FROM THE OFFICE OF CONSUMER |
| 47b | HEALTH ASSISTANCE WITHIN THE DEPARTMENT $\hat{\mathbf{h}}$: $\hat{\mathbf{h}}$ [and] $\hat{\mathbf{h}}$ |
| 48 | (iii) contain recommendations for action to improve the overall effectiveness of the health |
| 49 | insurance market, administrative rules, and statutes h ; AND |
| 49a | (iv) INCLUDE CLAIMS LOSS RATIO DATA FOR EACH INSURANCE COMPANY DOING |
| 49b | BUSINESS IN THE STATE. |
| 49c | (c) WHEN PREPARING THE EVALUATION REQUIRED BY THIS SECTION, THE |
| 49d 49e | COMMISSIONER MAY SEEK THE INPUT OF INSURERS, EMPLOYERS, INSURED PERSONS, PROVIDERS, AND OTHERS WITH AN INTEREST IN THE HEALTH INSURANCE MARKET $\hat{\mathbf{h}}$. |
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Legislative Review Note

as of 11-28-00 1:43 PM

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

Office of Legislative Research and General Counsel