

EQUITY IN PRESCRIPTION COVERAGE

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Paula F. Julander

This act modifies the Insurance Code to require health insurance policies that cover prescription drugs to cover FDA-approved prescription contraceptive articles and related outpatient services. This act creates an exemption for religious organizations. This act takes effect on July 1, 2001.

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

AMENDS:

31A-22-613, as last amended by Chapter 160, Laws of Utah 2000

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

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

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

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

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

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

(3) Any policy which contains a provision establishing, as an age limit or otherwise, a date after which the coverage provided by the policy is not effective, and if that date falls within a period for which a premium is accepted by the insurer or if the insurer accepts a premium after that

28 date, the coverage provided by the policy continues in force, subject to any right of cancellation,
29 until the end of the period for which the premium was accepted. This Subsection (3) does not
30 apply if the acceptance of premium would not have occurred but for a misstatement of age by the
31 insured.

32 (4) Any provision dealing with preexisting conditions shall be consistent with Subsections
33 31A-22-605(9)(a) and 31A-22-609(2), and any applicable rule adopted by the commissioner.

34 (5) (a) If an insured is otherwise eligible for maternity benefits, a policy may not contain
35 language which requires an insured to obtain any additional preauthorization or preapproval for
36 customary and reasonable maternity care expenses or for the delivery of the child after an initial
37 preauthorization or preapproval has been obtained from the insurer for prenatal care. A
38 requirement for notice of admission for delivery is not a requirement for preauthorization or
39 preapproval, however, the maternity benefit may not be denied or diminished for failure to provide
40 admission notice. The policy may not require the provision of admission notice by only the
41 insured patient.

42 (b) This Subsection (5) does not prohibit an insurer from:

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

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

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

49 (6) An insurer may only represent that a policy:

50 (a) offers a vision benefit if the policy:

51 (i) charges a premium for the benefit; and

52 (ii) provides reimbursement for materials or services provided under the policy; and

53 (b) covers laser vision correction, whether photorefractive keratectomy, laser assisted
54 in-situ keratomelisis, or related procedure, if the policy:

55 (i) charges a premium for the benefit; and

56 (ii) the procedure is at least a partially covered benefit.

57 (7) (a) Except as provided in Subsection (7)(b), a health insurance policy or health
58 maintenance organization contract that provides coverage for outpatient prescription drugs shall

59 cover to the same extent and subject to the same policy or contract terms:

60 (i) contraceptive articles; and

61 (ii) outpatient services for contraceptive articles.

62 (b) A religious organization may, at its option, request that the coverage required by

63 Subsection (7)(a) be excluded from a policy or contract purchased by or otherwise offered through

64 the organization for the benefit of the organization's employees.

65 (c) The commissioner shall adopt rules as necessary to ensure that health insurance

66 policies and health maintenance organization contracts are in compliance with this Subsection (7).

67 (d) As used in this Subsection (7):

68 (i) "Contraceptive article" means:

69 (A) any drug, medicine, mixture, preparation, instrument, article, or device of any nature

70 that is:

71 (I) approved by the federal Food and Drug Administration to prevent a pregnancy; and

72 (II) prescribed by a licensed health care provider for use to prevent a pregnancy; or

73 (B) any hormonal compound that is taken orally and that is approved by the federal Food

74 and Drug Administration for use to prevent a pregnancy.

75 (ii) "Contraceptive article" does not include any drug, medicine, mixture, preparation,

76 instrument, article, or device of any nature that is prescribed by a licensed health care professional

77 for use in terminating a pregnancy.

78 **Section 2. Effective date.**

79 This act takes effect on July 1, 2001.

Legislative Review Note

as of 11-30-00 9:23 AM

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

Office of Legislative Research and General Counsel