

1 **SMALL EMPLOYER PURCHASING ALLIANCE**

2 **AMENDMENTS**

3 2001 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Leonard M. Blackham**

6 **This act modifies the Insurance Code by amending provisions related to small employer**
7 **purchasing alliances for health insurance. The act permits an alliance to limit**
8 **reimbursement to providers on the panel of contracting insurers under specific**
9 **circumstances.**

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

11 AMENDS:

12 **31A-34-110**, as enacted by Chapter 143, Laws of Utah 1996

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

14 Section 1. Section **31A-34-110** is amended to read:

15 **31A-34-110. Contracts with member employers and contracted insurers.**

16 (1) Contracts between an alliance and members shall provide that the alliance is the
17 contract holder of the health benefit plan policy on behalf of members and enrollees.

18 (2) Contracts between an alliance and a contracted insurer shall specify how premiums will
19 be transferred, what penalties and grace periods will be, and how examination costs will be
20 allocated to contracted insurers.

21 (3) Subject only to Sections 31A-8-105.5 and 31A-8-501, health benefit plans offered
22 exclusively in an alliance under this chapter may limit reimbursement to providers on the panel
23 of a contracted insurer if the commissioner finds that the aggregate of alliance contracts available
24 to its members provide a broad and substantial choice of providers, encompassing the vast majority
25 of doctors and hospitals in the state.

Legislative Review Note

as of 1-26-01 10:20 AM

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

Office of Legislative Research and General Counsel