

**HEALTH INSURANCE COVERAGE FOR
DEPENDENTS**

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: Judy Ann Buffmire

LONG TITLE

General Description:

This bill amends the Insurance Code and clarifies the duties of a Health Maintenance Organization when a court orders a noncustodial parent to provide health insurance.

Highlighted Provisions:

This bill:

- ▶ requires a health maintenance organization to allow a child who lives outside the organization's service area to enroll in a health plan if the enrollee parent is ordered by a court to provide health insurance;
- ▶ requires a health maintenance organization to pay claims submitted by the out-of-area child in the same manner as the organization pays under a noncapitated arrangement; and
- ▶ provides certain circumstances in which a health maintenance organization does not have to allow the out-of-area child to enroll in the plan.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

31A-8-502, Utah Code Annotated 1953

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

Section 1. Section **31A-8-502** is enacted to read:

31A-8-502. Court ordered coverage for minor children who reside outside the service area.

(1) (a) The requirements of Subsection (2) apply to a health maintenance organization if the health maintenance organization plan:

(i) restricts coverage for nonemergency services to services provided by contracted providers within the organization's service area; and

(ii) does not offer a benefit that permits members the option of obtaining covered services from a non-contracted provider.

(b) The requirements of Subsection (2) do not apply to a health maintenance organization if:

(i) the child that is the subject of a court or administrative support order is over the age of 18 and is no longer enrolled in high school; or

(ii) a parent's employer offers the parent a choice to select health insurance coverage that is not a health maintenance organization plan either at the time of the court or administrative support order, or at a subsequent open enrollment period. This exemption from Subsection (2) applies even if the parent ultimately chooses the health maintenance organization plan.

(2) If a parent is required by a court or administrative support order to provide health insurance coverage for a child who resides outside of a health maintenance organization's service area, the health maintenance organization shall:

(a) comply with the provisions of Section 31A-22-610.5;

(b) allow the enrollee parent to enroll the child on the organization plan;

(c) pay for otherwise covered health care services rendered to the child outside of the service area by a noncontracted provider:

(i) if the child, noncustodial parent, or custodial parent has complied with prior authorization or utilization review otherwise required by the organization; and

(ii) in an amount equal to the dollar amount the organization pays under a noncapitated arrangement for comparable services to a contracting provider in the same class of health care

providers as the provider who rendered the services; and

(d) make payments on claims submitted in accordance with Subsection (2)(c) directly to the provider, custodial parent, the child who obtained benefits, or state Medicaid agency.

(3) (a) The parents of the child who is the subject of the court or administrative support order are responsible for any charges billed by the provider in excess of those paid by the organization.

(b) This section does not affect any court or administrative order regarding the responsibilities between the parents to pay any medical expenses not covered by accident and health insurance or a health maintenance organization plan.

(4) The commissioner shall adopt rules as necessary to administer this section and Section 31A-22-610.5.