

HEALTH INSURANCE MANDATE AMENDMENTS

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: Rebecca D. Lockhart

LONG TITLE

General Description:

This bill amends the health insurance adoption indemnity law.

Highlighted Provisions:

This bill:

- ▶ amends the adoption indemnity benefit to:
 - remove the requirement for the commissioner to review the adoption indemnity benefit every two years;
 - increase the adoption indemnity benefit to \$4,000; and
 - clarify that a single adoption benefit is payable to an insured adopting multiple children from one birth.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

31A-22-610.1, as last amended by Chapter 198, Laws of Utah 2000

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

Section 1. Section **31A-22-610.1** is amended to read:

31A-22-610.1. Adoption indemnity benefit.

(1) (a) (i) If an insured has coverage for maternity benefits on the date of an adoptive placement, the insured's policy shall provide an adoption indemnity benefit payable to the

insured, if a child is placed for adoption with the insured within 90 days of the child's birth. If more than one child from the same birth is placed for adoption with the insured, only one adoption indemnity benefit is required.

(ii) This section does not prevent an accident and health insurer from adjusting the benefit payable under this section for cost sharing measures imposed under the policy or contract for maternity benefit coverage.

(b) An insurer that has paid the adoption indemnity benefit under Subsection (1)(a) may seek reimbursement of the benefit if:

(i) the postplacement evaluation disapproves the adoption placement; and

(ii) a court rules the adoption may not be finalized because of an act or omission of an adoptive parent or parents that affects the child's health or safety.

(c) The ~~[commissioner shall:(i) establish, by rule, the]~~ amount of the adoption indemnity benefit provided under Subsection (1) ~~[at a minimum of \$2,500; and]~~ is \$4,000 subject to the adjustments permitted by Subsection (1)(a)(ii).

~~[(ii) review the amount of the adoption indemnity benefit every two years to make any necessary and reasonable adjustments, taking into account the average insurance cost of an uncomplicated birth.]~~

(d) Each insurer shall pay its pro rata share of the adoption indemnity benefit if each adoptive parent:

(i) has coverage for maternity benefits with a different insurer; and

(ii) makes a claim for the adoption indemnity benefit provided in Subsection (1)(a).

(2) If a policy offers optional maternity benefits, it shall also offer coverage for adoption indemnity benefits if:

(a) a child is placed for adoption with the insured within 90 days of the child's birth; and

(b) the adoption is finalized within one year of the child's birth.

(3) If an insured qualifies for the adoption indemnity benefit under this section and receives services from a health care provider under contract with his insurer, the contracting health care provider may only collect from the insured the amount that the contracting health care

provider is entitled to receive for such services under the contract, including any applicable copayment.

- (4) For purposes of this section, "contracting health care provider" means:
 - (a) a "participating provider" as defined in Section 31A-8-101; or
 - (b) a "preferred health care provider" as described in Section 31A-22-617.