



UTAH STATE SENATE

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February 20, 2004

Mr. President:

The Health and Human Services Committee reports a favorable recommendation on **H.B. 106**, HEALTH INSURANCE ACT AMENDMENTS, by Representative J. Dunnigan, with the following amendments:

1. Page 1, Line 25: After "Pool;" delete "and" and after line 25 insert:
"► amends powers of the board; and"
2. Page 2, Line 30: Delete "None" and insert "This bill provides an immediate effective date."
3. Page 2, Line 35: After line 35 insert:
"**31A-29-106**, as last amended by Chapter 168, Laws of Utah 2003"
4. Page 10, Line 292: After line 292 insert:
"Section 4. Section **31A-29-106** is amended to read:
31A-29-106. Powers and duties of board.
(1) The board shall have the general powers and authority granted under the laws of this state to insurance companies licensed to transact health care insurance business. In addition, the board shall have the specific authority to:
(a) enter into contracts to carry out the provisions and purposes of this chapter, including, with the approval of the commissioner, contracts with:
(i) similar pools of other states for the joint performance of common administrative functions; or
(ii) persons or other organizations for the performance of administrative functions;
(b) sue or be sued, including taking such legal action necessary to avoid the payment of improper claims against the pool or the

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- coverage provided through the pool;
- (c) establish appropriate rates, rate schedules, rate adjustments, expense allowances, agents' referral fees, claim reserve formulas, and any other actuarial function appropriate to the operation of the pool;
 - (d) issue policies of insurance in accordance with the requirements of this chapter;
 - (e) retain an executive director and appropriate legal, actuarial, and other personnel as necessary to provide technical assistance in the operations of the pool;
 - (f) establish rules, conditions, and procedures for reinsuring risks under this chapter;
 - (g) cause the pool to have an annual audit of its operations by the state auditor;
 - (h) coordinate with the Department of Health in seeking to obtain from the Centers for Medicare and Medicaid Services, or other appropriate office or agency of government, all appropriate waivers, authority, and permission needed to coordinate the coverage available from the pool with coverage available under Medicaid, either before or after Medicaid coverage, or as a conversion option upon completion of Medicaid eligibility, without the necessity for requalification by the enrollee;
 - (i) provide for and employ cost containment measures and requirements including preadmission certification, concurrent inpatient review, and individual case management for the purpose of making the pool more cost-effective;
 - (j) offer pool coverage through contracts with health maintenance organizations, preferred provider organizations, and other managed care systems that will manage costs while maintaining quality care;
 - (k) establish annual limits on benefits payable under the pool to or on behalf of any enrollee;
 - (l) exclude from coverage under the pool specific benefits, medical conditions, and procedures for the purpose of protecting the financial viability of the pool;
 - (m) administer the Pool Fund;
 - (n) make rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, to implement this chapter; and
 - (o) adopt, trademark, and copyright a trade name for the pool for

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use in marketing and publicizing the pool and its products.

(2) (a) The board shall prepare and submit an annual report to the Legislature which shall include:

- (i) the net premiums anticipated;
- (ii) actuarial projections of payments required of the pool;
- (iii) the expenses of administration; and
- (iv) the anticipated reserves or losses of the pool.

(b) The budget for operation of the pool is subject to the approval of the board.

(c) The administrative budget of the board and the commissioner under this chapter shall comply with the requirements of Title 63, Chapter 38, Budgetary Procedures Act, and is subject to review and approval by the Legislature.

(3) (a) The board shall on or before September 1, 2004, require the plan administrator or an independent actuarial consultant retained by the plan administrator to redetermine the reasonable equivalent of the criteria for uninsurability required under Subsection 31A-30-106(j) that is used by the board to determine eligibility for coverage in the pool.

(b) The board shall redetermine the criteria established in Subsection (3)(a) at least every five years thereafter."

5. Page 19, Line 583:

After line 583 insert:

"Section 9. **Effective date.**

If approved by two-thirds of all the members elected to each house, this bill takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override."

Renumber remaining sections accordingly.

Respectfully,

James Evans
Committee Chair

Voting: 4-0-4

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