

1 **CHILDREN'S HEALTH INSURANCE PROGRAM**

2 **AMENDMENTS**

3 2008 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: James A. Dunnigan**

6 Senate Sponsor: _____

7
8 **LONG TITLE**

9 **General Description:**

10 This bill amends the Utah Children's Health Insurance Act.

11 **Highlighted Provisions:**

12 This bill:

13 ▶ authorizes the Children's Health Insurance Program to use a managed care system in
14 certain circumstances;

15 ▶ requires the Children's Health Insurance Program to select health insurers under the
16 Procurement Code;

17 ▶ establishes criteria for the bids for the health insurance proposals; and

18 ▶ requires the Children's Health Insurance Program to rebid the program at least once
19 every five years.

20 **Monies Appropriated in this Bill:**

21 None

22 **Other Special Clauses:**

23 None

24 **Utah Code Sections Affected:**

25 ENACTS:

26 **26-40-115**, Utah Code Annotated 1953



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

29 Section 1. Section **26-40-115** is enacted to read:

30 **26-40-115. Managed care -- Contracting for services.**

31 (1) (a) Program benefits provided to an enrollee under the program, as described in
32 Section 26-40-106, shall be delivered in a managed care system if the program benefits are
33 available within 30 paved road miles of where an enrollee resides.

34 (b) If program benefits are not available within 30 paved road miles of where an
35 enrollee resides, the program may provide program benefits to an enrollee through a fee for
36 service plan.

37 (2) The department shall select one or more health plans to provide the program's
38 benefits in accordance with Title 63, Chapter 56, Utah Procurement Code.

39 (a) The criteria the department uses to evaluate bids from health plans shall include at a
40 minimum:

41 (i) ability to manage medical expenses, including mental health costs;

42 (ii) proven ability to handle accident and health insurance;

43 (iii) efficiency of claim paying procedures;

44 (iv) proven ability for managed care and quality assurance;

45 (v) provider contracting and discounts;

46 (vi) pharmacy benefit management;

47 (vii) an estimate of total charges for administering the pool; and

48 (viii) ability to administer the pool in a cost-efficient manner.

49 (b) The department shall request bids for the program's benefits in 2008. The
50 department shall request bids for the program's benefits at least once every five years thereafter.

51 (c) The department's contract with health plans for the program's benefits shall include
52 risk sharing provisions in which the health plan must accept a portion of the risk for any
53 difference between the department's premium payments per client and actual medical
54 expenditures.

Legislative Review Note
as of 12-11-07 1:02 PM

Office of Legislative Research and General Counsel

H.B. 370 - Children's Health Insurance Program Amendments

Fiscal Note

2008 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations. The State may experience savings if new contractors provide medical services for the Children's Health Insurance Program at a lower rate.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals or local governments. If a new business is selected to help provide medical services for the Children's Health Insurance Program, then they would receive new revenues.
