

**LEGISLATOR - BENEFIT PLANS**

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Eric K. Hutchings**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies the Utah State Retirement and Insurance Benefit Act by allowing the Legislature to use public or private providers to administer benefits plans to its members.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ allows, rather than requires, the Legislature to participate in the Public Employee Health Insurance Program;
- ▶ provides that the Legislature shall determine health care benefit plans for its members from public or private providers;
- ▶ permits the Legislature to offer the health care benefit plan in the defined contribution market;
- ▶ sets parameters for participation in the benefit plan; and
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**



28 AMENDS:

29 **49-20-201**, as last amended by Laws of Utah 2007, Chapter 130

30 ENACTS:

31 **36-2-6**, Utah Code Annotated 1953

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

34 Section 1. Section **36-2-6** is enacted to read:

35 **36-2-6. Definitions -- Benefit plans for legislators.**

36 (1) As used in this section:

37 (a) "Benefit plan" means any group or individual health, dental, medical, disability, life  
38 insurance, Medicare supplement, conversion coverage, cafeteria, flex plan, health  
39 reimbursement arrangements, individual health savings accounts, or other program for covered  
40 individuals offered under this section.

41 (b) "Covered individual" means a legislator and the legislator's dependents who are  
42 eligible for coverage under a benefit plan offered under this section.

43 (2) The House of Representatives, Senate, or Legislature shall determine annually, or  
44 as needed:

45 (a) the extent to which the following health benefit plan features may be incorporated  
46 into the benefit plans offered to legislators and their dependents in compliance with the federal  
47 Health Insurance Portability and Accountability Act, federal ERISA laws, and the Internal  
48 Revenue Code:

49 (i) individual accountability for behavior and lifestyle choices that effect health status  
50 and costs;

51 (ii) the ability of a legislator to select and own a personal health benefit plan that is  
52 separate from the employer and is portable; and

53 (iii) health plan reimbursement features that align the incentives in the health care  
54 system to promote the efficient and effective delivery of health care;

55 (b) appropriate funding levels for the legislative health benefit plan;

56 (c) cost sharing features for the health benefit plan that promote effective and efficient  
57 use and selection of a health benefit plan; and

58 (d) other provisions of the health benefit plans.

59           (3) On or after January 1, 2012, the House of Representatives, Senate, or Legislature  
60 may provide a covered individual with a choice of benefit plans offered in the defined  
61 contribution market on the Internet portal created by Section 63M-1-2504.

62           Section 2. Section **49-20-201** is amended to read:

63           **49-20-201. Program participation -- Eligibility -- Optional for certain groups.**

64           (1) (a) [The] Except as provided under Subsection (5), the state shall participate in the  
65 program on behalf of its employees.

66           (b) Other employers, including political subdivisions and educational institutions, are  
67 eligible, but are not required, to participate in the program on behalf of their employees.

68           (2) (a) The Department of Health may participate in the program for the purpose of  
69 providing health and dental benefits to children enrolled in the Utah Children's Health  
70 Insurance Program created in Title 26, Chapter 40, Utah Children's Health Insurance Act, if the  
71 provisions in Subsection 26-40-110(4) occur.

72           (b) If the Department of Health participates in the program under the provisions of this  
73 Subsection (2), all insurance risk associated with the Children's Health Insurance Program shall  
74 be the responsibility of the Department of Health and not the program or the office.

75           (3) A covered individual shall be eligible for coverage after termination of employment  
76 under rules adopted by the board.

77           (4) Only the following are eligible for Medicare supplement coverage under this  
78 chapter upon becoming eligible for Medicare Part A and Part B coverage:

79           (a) retirees;

80           (b) members;

81           (c) participants;

82           (d) employees who have medical employee benefit plan coverage at the time of their  
83 retirement; and

84           (e) current spouses of those who are eligible under Subsections (4)(a) through (d).

85           (5) The following state entities are not required, but may participate in the program:

86           (a) the Utah State Senate, for its members, if it elects to use the benefit plan described  
87 in Section 36-2-6; and

88           (b) the Utah House of Representatives, for its members, if it elects to use the benefit  
89 plan described in Section 36-2-6.

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**Legislative Review Note**  
**as of 2-23-09 6:11 PM**

**Office of Legislative Research and General Counsel**

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**H.B. 339 - Legislator - Benefit Plans**

**Fiscal Note**

2009 General Session

State of Utah

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**State Impact**

Provisions of this bill allows the House of Representatives and the Senate to use public and private providers to administer benefit plans for their members. Assuming plans chosen were the same cost as plans currently provided no additional appropriations will be required.

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

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