

CHILDREN'S HEALTH INSURANCE PROGRAM

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John Dougall

Senate Sponsor: Daniel R. Liljenquist

LONG TITLE

General Description:

This bill modifies provisions of the Utah Children's Health Insurance Act.

Highlighted Provisions:

This bill:

- deletes provisions requiring the Department of Health, when contracting for services for the Utah Children's Health Insurance Program, to accept a bidder that offers or provides access to two different provider networks.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

26-40-110, as last amended by Laws of Utah 2009, Chapter 274

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

Section 1. Section **26-40-110** is amended to read:

26-40-110. Managed care -- Contracting for services.

(1) Program benefits provided to enrollees under the program, as described in Section 26-40-106, shall be delivered in a managed care system if the department determines that adequate services are available where the enrollee lives or resides.

(2) (a) The department shall use the following criteria to evaluate bids from health

30 plans:

- 31 (i) ability to manage medical expenses, including mental health costs;
- 32 (ii) proven ability to handle accident and health insurance;
- 33 (iii) efficiency of claim paying procedures;
- 34 (iv) proven ability for managed care and quality assurance;
- 35 (v) provider contracting and discounts;
- 36 (vi) pharmacy benefit management;
- 37 (vii) an estimate of total charges for administering the pool;
- 38 (viii) ability to administer the pool in a cost-efficient manner;
- 39 (ix) the ability to provide adequate providers and services in the state; and
- 40 (x) other criteria established by the department.

41 (b) The dental benefits required by Section 26-40-106 may be bid out separately from
42 other program benefits.

43 (c) Except for dental benefits, the department shall request bids for the program's
44 benefits in 2008. The department shall request bids for the program's dental benefits in 2009.
45 The department shall request bids for the program's benefits at least once every five years
46 thereafter.

47 (d) The department's contract with health plans for the program's benefits shall include
48 risk sharing provisions in which the health plan must accept at least 75% of the risk for any
49 difference between the department's premium payments per client and actual medical
50 expenditures.

51 (3) The executive director shall report to and seek recommendations from the Health
52 Advisory Council created in Section 26-1-7.5:

53 (a) if the division receives less than two bids or proposals under [~~Subsection (1)~~] this
54 section that are acceptable to the division or responsive to the bid; and

55 (b) before awarding a contract to a managed care system.

56 (4) (a) The department shall award contracts to responsive bidders[~~-(1)~~] if the
57 department determines that a bid is acceptable and meets the criteria of Subsections (2)(a) and

58 (d)~~;~~and].

59 [~~(ii) (A) the responsive bidder is able to offer the program access to two different~~
60 ~~provider networks; or]~~

61 [~~(B) the selection of two different responsive bidders will provide the program with~~
62 ~~access to two different provider networks.]~~

63 (b) The department may contract with the Group Insurance Division within the Utah
64 State Retirement Office to provide services under Subsection (1) if:

65 [~~(i) the department is not able to contract with private carriers that under Subsection~~
66 ~~(4)(a) are able to provide the program access to two different provider networks;]~~

67 [~~(ii)~~ (i) the executive director seeks the recommendation of the Health Advisory
68 Council under Subsection (3); and

69 [~~(iii)~~ (ii) the executive director determines that [~~either: (A) responsive bids that could~~
70 ~~provide the program with access to two different provider networks were not received by the~~
71 ~~department; or (B)] the bids were not acceptable to the department.~~

72 (c) In accordance with Section 49-20-201, a contract awarded under Subsection (4)(b)
73 is not subject to the risk sharing required by Subsection (2)(d).

74 (5) Title 63G, Chapter 6, Utah Procurement Code, shall apply to this section.