

**MINUTES OF THE
HOUSE HEALTH AND HUMAN SERVICES STANDING COMMITTEE
ROOM 30, HOUSE OFFICE BUILDING, STATE CAPITOL COMPLEX
February 5, 2010**

MEMBERS PRESENT: Rep. Paul Ray, Chair
 Rep. Ronda R. Menlove, Vice Chair
 Rep. Trisha S. Beck
 Rep. Bradley M. Daw
 Rep. Phil Riesen
 Rep. Stephen E. Sandstrom
 Rep. Evan J. Vickers

STAFF PRESENT: Mark D. Andrews, Policy Analyst
 Sylvia Newton, House Secretary

Note: A list of visitors and copy of handouts are filed with committee minutes.

Rep. Ray called the meeting to order at 2:03 p.m.

MOTION: Rep. Vickers moved to approve the minutes of the February 3, 2009 meeting.
 The motion passed unanimously with Rep. Beck absent for the vote.

H.C.R. 8 Concurrent Resolution on Federal Health Care Reform (*Rep. D. Clark*)

Rep. Clark explained the resolution to the committee.

MOTION: Rep. Daw moved to amend the bill as follows:

1. Page 1, Line 26 through Page 2, Line 30:

26 ▶ urges that ~~{-}~~ should Congress pass, and the President sign, legislation that
 further
27 restricts states in any manner, the legislation recognize states' efforts to reform
28 health care by grandfathering any state laws, regulations, or practices intended to contain
 costs,
29 improve quality, increase consumerism, or otherwise implement health system reform
30 concepts.

2. Page 4, Lines 109 through 113:

109 BE IT FURTHER RESOLVED that the Legislature and the Governor urge that
 should
110 Congress pass, and the President sign, legislation that further restricts states in any
 manner, ~~{-that-}~~
111 the legislation recognize states' efforts to reform health care by grandfathering any state
 laws,

- 112 regulations, or practices intended to contain costs, improve quality, increase consumerism,
or
113 otherwise implement health system reform concepts.

The motion to amend the bill passed unanimously with Rep. Beck absent for the vote.

Spoke to the bill: Judi Hilman, Utah Health Policy Project

MOTION: Rep. Daw moved to pass H.C.R. 8 with a favorable recommendation. The motion passed unanimously with Rep. Beck absent for the vote.

H.B. 294 Health System Reform Amendments (Rep. D. Clark)

MOTION: Rep. Vickers moved to amend the bill as follows:

1. *Page 1, Line 25:*

25 health benefit plans;

▶ amends the amount of excess fees from the department that will be treated as free revenue;

2. *Page 4, Line 102:*

102 31A-2-201, as last amended by Laws of Utah 2008, Chapter 382

= 31A-3-304 (Effective 07/01/10), as last amended by Laws of Utah 2009, Chapter 183

3. *Page 14, Line 425:*

425 Access and Management Act.

Section 7. Section 31A-3-304 (Effective 07/01/10) is amended to read:

31A-3-304 (Effective 07/01/10). Annual fees -- Other taxes or fees prohibited.

(1) (a) A captive insurance company shall pay an annual fee imposed under this section to obtain or renew a certificate of authority.

(b) The commissioner shall:

(i) determine the annual fee pursuant to Sections 31A-3-103 and 63J-1-504; and

(ii) consider whether the annual fee is competitive with fees imposed by other states on captive insurance companies.

(2) A captive insurance company that fails to pay the fee required by this section is subject to the relevant sanctions of this title.

(3) (a) Except as provided in Subsection (3)(b) and notwithstanding Title 59, Chapter 9, Taxation of Admitted Insurers, the fee provided for in this section constitutes the sole tax or fee under the laws of this state that may be otherwise levied or assessed on a captive insurance company, and no other occupation tax or other tax or fee may be levied or collected from a captive insurance company by the state or a county, city, or municipality within this state.

(b) Notwithstanding Subsection (3)(a), a captive insurance company is subject to real and personal property taxes.

(4) A captive insurance company shall pay the fee imposed by this section to the department by March 31 of each year.

(5) (a) The funds received pursuant to Subsection (2) shall be deposited into the General Fund as a dedicated credit to be used by the department to:

- (i) administer and enforce Chapter 37, Captive Insurance Companies Act; and
- (ii) promote the captive insurance industry in Utah.

(b) At the end of each fiscal year, funds received by the department in excess of ~~{ \$750,000 }~~ \$600,000 shall be treated as free revenue in the General Fund.

4. Page 49, Lines 1509 through 1510:

1509 (c) one health benefit plan that ~~{ is }~~ has the highest deductible that qualifies
as a federally qualified high deductible health plan ~~{ that~~
1510 has a deductible of \$5,000 } as adjusted by federal law, and does not exceed an
annual out-of-pocket maximum ~~{ of \$15,000. }~~ equal to three times the amount of
the annual deductible.

5. Page 50, Line 1536:

1536 ~~{ and }~~

6. Page 50, Line 1539:

1539 (ii) carrier enrollment data ; and
(c) submit rates to the exchange that are net of commissions .

7. Page 51, Line 1566:

1566 arrangement market ;
(i) on January 1 of each year ~~{ , and }~~ ;
(ii) when required by changes in other law; and
(iii) at other times as established by the risk

8. *Page 54, Line 1647:*

1647 (7) [Six] {~~One-half~~} A majority of the board members {~~are~~} is a
quorum for the transaction of business.

9. *Page 56, Lines 1715 through 1716:*

1715 arrangement market and small employer carriers offering health benefit plans under
Chapter 30, Part 1,

1716 {~~Defined Contribution Risk Adjuster Act~~} Individual, Small Employer and
Group Health Insurance Act ; and

10. *Page 56, Lines 1720 through 1721:*

1720 (B) from carriers offering health benefit plans under Chapter 30, Part 1,
{~~Defined Contribution Risk~~

1721 Adjuster Act} Individual, Small Employer and Group Health Insurance Act ;

11. *Page 59, Line 1810:*

1810 {~~2011~~} 2013 , including a plan offered to a small employer group not
participating in a defined

12. *Page 60, Line 1831:*

1831 offered to a small employer group on or after January 1, {~~2011~~} 2013 , including
a plan offered to a

13. *Page 61, Line 1865:*

1865 groups on or after January 1, {~~2011~~} 2013 , including amendments affecting the
calculation of rates,

14. *Page 61, Lines 1879 through 1880:*

1879 (B) plans offered to a small employer group on or after January 1,
{~~2001~~} 2013 ; and

1880 (c) beginning in {~~2010~~} 2013 and ending in {~~2012~~} 2014 , report
to the Health Reform Task Force and

15. *Page 62, Lines 1904 through 1905:*

1904 January 1, {~~2010~~} 2013 , addressing each of the elements specified in Section
31A-42a-202;

1905 (b) the board fails to submit to the commissioner by September 1,

~~{2010}~~ 2012, proposed

16. Page 67, Line 2062:

2062 (ii) Beginning January 1, ~~{2011}~~ 2013, an insurer who offers a health
benefit plan to a small

17. Page 70, Line 2160 through Page 71, Line 2173:

2160 Section 46. Effective date.

2161 (1) Except as provided in ~~{Subsection (2)}~~ Subsections (2) and (3), if
approved by two-thirds of all the members

2162 elected to each house, this bill takes effect upon approval by the governor, or the day
following

2163 the constitutional time limit of Utah Constitution Article VII, Section 8, without the
governor's

2164 signature, or in the case of a veto, the date of veto override, except that the amendments to

2165 Sections 31A-30-103 and 31A-30-106 take effect on January 1, 2011.

= (2) The amendments to Section 31A-3-304 (Effective 07/01/10) take effect July 1, 2010.

2166 ~~{(2)}~~ (3) The following sections take effect on January 1, 2013:

2167 (a) Section 31A-42a-101;

2168 (b) Section 31A-42a-102;

2169 (c) Section 31A-42a-103;

2170 (d) Section 31A-42a-201;

2171 (e) Section 31A-42a-202;

2172 (f) Section 31A-42a-203; and

2173 (g) Section 31A-42a-204.

The motion to amend H.B. 294 passed unanimously.

Rep. Clark explained the amended bill to the committee, assisted by Cathy Dupont, Office of Legislative Research and General Counsel. Charts relating to the bill and to a version of proposed federal health care reform were distributed to the committee.

Spoke in favor of the bill: Gary Herbert, Governor of Utah
Michelle McOmber, Utah Medical Association
Ernie Sweat, Utah Association of Health Underwriters
Chet Loftis, Regence BlueCross BlueShield of Utah
Steve Hunter, Utah Health Plans

Spoke to the bill: Karleen Kidman, citizen
Jacqueline de Gaston, Utah Eagle Forum
Kelly Atkinson, Executive Director, Utah Health Insurance Association
Janice Houston, Utah Health Policy Project
Tom Mori, small business owner

MOTION: Rep. Riesen moved to pass H.B. 294 as amended with a favorable recommendation. The motion passed unanimously with Rep. Sandstrom absent for the vote.

H.B. 25 Health Reform - Administrative Simplification (*Rep. M. Newbold*)

Rep. Newbold explained the bill to the committee.

Spoke in favor of the bill: Brian Allen, Capitol Hill Advisors
Michelle McOmber, Utah Medical Association (testimony given under H.B. 294)

MOTION: Rep. Daw moved to pass the bill with a favorable recommendation. The motion passed unanimously with Rep. Sandstrom absent for the vote.

H.B. 52 Health Reform - Uniform Electronic Standards - Insurance Information (*Rep. M. Newbold*)

Rep. Newbold explained the bill to the committee.

Spoke in favor of the bill: Michelle McOmber, Utah Medical Association (testimony given under H.B. 294)

MOTION: Rep. Daw moved to pass the bill with a favorable recommendation. The motion passed unanimously.

MOTION: Rep. Daw moved to adjourn the meeting. The motion passed unanimously.

Rep. Ray adjourned the meeting at 4:02 p.m.

Rep. Paul Ray
Committee Chair