

HIGH RISK INSURANCE POOL AMENDMENTS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: James A. Dunnigan

Senate Sponsor: Stephen H. Urquhart

LONG TITLE

General Description:

This bill amends the Comprehensive Health Insurance Pool Act.

Highlighted Provisions:

This bill:

- ▶ amends the eligibility standards for the state's high risk health insurance pool for new residents of the state who were covered by an individual policy in another state.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

31A-29-111, as last amended by Laws of Utah 2008, Chapters 382 and 385

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

Section 1. Section **31A-29-111** is amended to read:

31A-29-111. Eligibility -- Limitations.

(1) (a) Except as provided in Subsection (1)(b), an individual who is not HIPAA eligible is eligible for pool coverage if the individual:

(i) pays the established premium;

(ii) is a resident of this state; and

(iii) meets the health underwriting criteria under Subsection (5)(a).

30 (b) Notwithstanding Subsection (1)(a), an individual who is not HIPAA eligible is not
31 eligible for pool coverage if one or more of the following conditions apply:

32 (i) the individual is eligible for health care benefits under Medicaid or Medicare,
33 except as provided in Section 31A-29-112;

34 (ii) the individual has terminated coverage in the pool, unless:

35 (A) 12 months have elapsed since the termination date; or

36 (B) the individual demonstrates that creditable coverage has been involuntarily
37 terminated for any reason other than nonpayment of premium;

38 (iii) the pool has paid the maximum lifetime benefit to or on behalf of the individual;

39 (iv) the individual is an inmate of a public institution;

40 (v) the individual is eligible for a public health plan, as defined in federal regulations
41 adopted pursuant to 42 U.S.C. 300gg;

42 (vi) the individual's health condition does not meet the criteria established under
43 Subsection (5);

44 (vii) the individual is eligible for coverage under an employer group that offers a health
45 benefit plan or a self-insurance arrangement to its eligible employees, dependents, or members
46 as:

47 (A) an eligible employee;

48 (B) a dependent of an eligible employee; or

49 (C) a member;

50 (viii) the individual is covered under any other health benefit plan;

51 (ix) except as provided in Subsections (3) and (6), at the time of application, the
52 individual has not resided in Utah for at least 12 consecutive months preceding the date of
53 application; or

54 (x) the individual's employer pays any part of the individual's health benefit plan
55 premium, either as an insured or a dependent, for pool coverage.

56 (2) (a) Except as provided in Subsection (2)(b), an individual who is HIPAA eligible is
57 eligible for pool coverage if the individual:

58 (i) pays the established premium; and

59 (ii) is a resident of this state.

60 (b) Notwithstanding Subsection (2)(a), a HIPAA eligible individual is not eligible for
61 pool coverage if one or more of the following conditions apply:

62 (i) the individual is eligible for health care benefits under Medicaid or Medicare,
63 except as provided in Section 31A-29-112;

64 (ii) the individual is eligible for a public health plan, as defined in federal regulations
65 adopted pursuant to 42 U.S.C. 300gg;

66 (iii) the individual is covered under any other health benefit plan;

67 (iv) the individual is eligible for coverage under an employer group that offers a health
68 benefit plan or self-insurance arrangements to its eligible employees, dependents, or members
69 as:

70 (A) an eligible employee;

71 (B) a dependent of an eligible employee; or

72 (C) a member;

73 (v) the pool has paid the maximum lifetime benefit to or on behalf of the individual;

74 (vi) the individual is an inmate of a public institution; or

75 (vii) the individual's employer pays any part of the individual's health benefit plan
76 premium, either as an insured or a dependent, for pool coverage.

77 (3) (a) Notwithstanding Subsection (1)(b)(ix), if otherwise eligible under Subsection
78 (1)(a), an individual whose health care insurance coverage from a state high risk pool with
79 similar coverage is terminated because of nonresidency in another state is eligible for coverage
80 under the pool subject to the conditions of Subsections (1)(b)(i) through (viii).

81 (b) Coverage [~~sought~~] under Subsection (3)(a) shall be applied for within 63 days after
82 the termination date of the previous high risk pool coverage.

83 (c) The effective date of this state's pool coverage shall be the date of termination of
84 the previous high risk pool coverage.

85 (d) The waiting period of an individual with a preexisting condition applying for

86 coverage under this chapter shall be waived:

87 (i) to the extent to which the waiting period was satisfied under a similar plan from
88 another state; and

89 (ii) if the other state's benefit limitation was not reached.

90 (4) (a) If an eligible individual applies for pool coverage within 30 days of being
91 denied coverage by an individual carrier, the effective date for pool coverage shall be no later
92 than the first day of the month following the date of submission of the completed insurance
93 application to the carrier.

94 (b) Notwithstanding Subsection (4)(a), for individuals eligible for coverage under
95 Subsection (3), the effective date shall be the date of termination of the previous high risk pool
96 coverage.

97 (5) (a) The board shall establish and adjust, as necessary, health underwriting criteria
98 based on:

99 (i) health condition; and

100 (ii) expected claims so that the expected claims are anticipated to remain within
101 available funding.

102 (b) The board, with approval of the commissioner, may contract with one or more
103 providers under Title 63G, Chapter 6, Utah Procurement Code, to develop underwriting criteria
104 under Subsection (5)(a).

105 (c) If an individual is denied coverage by the pool under the criteria established in
106 Subsection (5)(a), the pool shall issue a certificate of insurability to the individual for coverage
107 under Subsection 31A-30-108(3).

108 (6) (a) Notwithstanding Subsection (1)(b)(ix), if otherwise eligible under Subsection
109 (1)(a), an individual whose individual health care insurance coverage was involuntarily
110 terminated, is eligible for coverage under the pool subject to the conditions of Subsections
111 (1)(b)(i) through (viii) and (x).

112 (b) Coverage under Subsection (6)(a) shall be applied for within 63 days after the
113 termination date of the previous individual health care insurance coverage.

114 (c) The effective date of this state's pool coverage shall be the date of termination of
115 the previous individual coverage.

116 (d) The waiting period of an individual with a preexisting condition applying for
117 coverage under this chapter shall be waived to the extent to which the waiting period was
118 satisfied under the individual health insurance plan.