

**INSURANCE COVERAGE FOR STATE ENTITIES**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Paul Ray**

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

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**LONG TITLE**

**General Description:**

This bill amends provisions related to the scope of services that the Public Employees' Health Program can provide.

**Highlighted Provisions:**

This bill:

- ▶ expands the scope of services that certain state entities can request from the Public Employees' Health Program; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**26-36b-208**, as last amended by Laws of Utah 2018, Chapters 384 and 468

**49-20-401**, as last amended by Laws of Utah 2018, Chapter 281

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

Section 1. Section **26-36b-208** is amended to read:

**26-36b-208. Medicaid Expansion Fund.**



- 28 (1) There is created an expendable special revenue fund known as the Medicaid  
29 Expansion Fund.
- 30 (2) The fund consists of:
- 31 (a) assessments collected under this chapter;
- 32 (b) intergovernmental transfers under Section 26-36b-206;
- 33 (c) savings attributable to the health coverage improvement program as determined by  
34 the department;
- 35 (d) savings attributable to the enhancement waiver program as determined by the  
36 department;
- 37 (e) savings attributable to the Medicaid waiver expansion as determined by the  
38 department;
- 39 (f) savings attributable to the inclusion of psychotropic drugs on the preferred drug list  
40 under Subsection 26-18-2.4(3) as determined by the department;
- 41 (g) savings attributable to the services provided by the Public Employees' Health Plan  
42 under Subsection 49-20-401(1)(u)(i) or (ii);
- 43 (h) gifts, grants, donations, or any other conveyance of money that may be made to the  
44 fund from private sources;
- 45 (i) interest earned on money in the fund; and
- 46 (j) additional amounts as appropriated by the Legislature.
- 47 (3) (a) The fund shall earn interest.
- 48 (b) All interest earned on fund money shall be deposited into the fund.
- 49 (4) (a) A state agency administering the provisions of this chapter may use money from  
50 the fund to pay the costs, not otherwise paid for with federal funds or other revenue sources, of:
- 51 (i) the health coverage improvement program;
- 52 (ii) the enhancement waiver program;
- 53 (iii) the Medicaid waiver expansion; and
- 54 (iv) the outpatient upper payment limit supplemental payments under Section  
55 26-36b-210.
- 56 (b) A state agency administering the provisions of this chapter may not use:
- 57 (i) funds described in Subsection (2)(b) to pay the cost of private outpatient upper  
58 payment limit supplemental payments; or

59 (ii) money in the fund for any purpose not described in Subsection (4)(a).

60 Section 2. Section **49-20-401** is amended to read:

61 **49-20-401. Program -- Powers and duties.**

62 (1) The program shall:

63 (a) act as a self-insurer of employee benefit plans and administer those plans;

64 (b) enter into contracts with private insurers or carriers to underwrite employee benefit  
65 plans as considered appropriate by the program;

66 (c) indemnify employee benefit plans or purchase commercial reinsurance as  
67 considered appropriate by the program;

68 (d) provide descriptions of all employee benefit plans under this chapter in cooperation  
69 with covered employers;

70 (e) process claims for all employee benefit plans under this chapter or enter into  
71 contracts, after competitive bids are taken, with other benefit administrators to provide for the  
72 administration of the claims process;

73 (f) obtain an annual actuarial review of all health and dental benefit plans and a  
74 periodic review of all other employee benefit plans;

75 (g) consult with the covered employers to evaluate employee benefit plans and develop  
76 recommendations for benefit changes;

77 (h) annually submit a budget and audited financial statements to the governor and  
78 Legislature which includes total projected benefit costs and administrative costs;

79 (i) maintain reserves sufficient to liquidate the unrevealed claims liability and other  
80 liabilities of the employee benefit plans as certified by the program's consulting actuary;

81 (j) submit, in advance, its recommended benefit adjustments for state employees to:

82 (i) the Legislature; and

83 (ii) the executive director of the state Department of Human Resource Management;

84 (k) determine benefits and rates, upon approval of the board, for [~~multiemployer~~]  
85 multi-employer risk pools, retiree coverage, and conversion coverage;

86 (l) determine benefits and rates based on the total estimated costs and the employee  
87 premium share established by the Legislature, upon approval of the board, for state employees;

88 (m) administer benefits and rates, upon ratification of the board, for [~~single employer~~]  
89 single-employer risk pools;

90 (n) request proposals for provider networks or health and dental benefit plans  
91 administered by [~~third party~~] third-party carriers at least once every three years for the purposes  
92 of:

- 93 (i) stimulating competition for the benefit of covered individuals;
- 94 (ii) establishing better geographical distribution of medical care services; and
- 95 (iii) providing coverage for both active and retired covered individuals;
- 96 (o) offer proposals which meet the criteria specified in a request for proposals and  
97 accepted by the program to active and retired state covered individuals and which may be  
98 offered to active and retired covered individuals of other covered employers at the option of the  
99 covered employer;

100 (p) perform the same functions established in Subsections (1)(a), (b), (e), and (h) for  
101 the Department of Health if the program provides program benefits to children enrolled in the  
102 Utah Children's Health Insurance Program created in Title 26, Chapter 40, Utah Children's  
103 Health Insurance Act;

104 (q) establish rules and procedures governing the admission of political subdivisions or  
105 educational institutions and their employees to the program;

106 (r) contract directly with medical providers to provide services for covered individuals;

107 (s) take additional actions necessary or appropriate to carry out the purposes of this  
108 chapter;

109 (t) (i) require state employees and their dependents to participate in the electronic  
110 exchange of clinical health records in accordance with Section 26-1-37 unless the enrollee opts  
111 out of participation; and

112 (ii) prior to enrolling the state employee, each time the state employee logs onto the  
113 program's website, and each time the enrollee receives written enrollment information from the  
114 program, provide notice to the enrollee of the enrollee's participation in the electronic exchange  
115 of clinical health records and the option to opt out of participation at any time; and

116 (u) [~~provide services for drugs or medical devices~~] at the request of a procurement unit,  
117 as that term is defined in Section 63G-6a-103, that administers benefits to program recipients  
118 who are not covered by Title 26, Utah Health Code[-], provide services for:

119 (i) drugs;

120 (ii) medical devices; or

121            (iii) other types of medical care.

122            (2) (a) Funds budgeted and expended shall accrue from rates paid by the covered  
123 employers and covered individuals.

124            (b) Administrative costs shall be approved by the board and reported to the governor  
125 and the Legislature.

126            (3) The Department of Human Resource Management shall include the benefit  
127 adjustments described in Subsection (1)(j) in the total compensation plan recommended to the  
128 governor required under Subsection [67-19-12\(5\)\(a\)](#).