

Effective 5/13/2014

31A-30-118 Patient Protection and Affordable Care Act -- State insurance mandates -- Cost of additional benefits.

- (1)
 - (a) The commissioner shall identify a new mandated benefit that is in excess of the essential health benefits required by PPACA.
 - (b) The state shall quantify the cost attributable to each additional mandated benefit specified in Subsection (1)(a) based on a qualified health plan issuer's calculation of the cost associated with the mandated benefit, which shall be:
 - (i) calculated in accordance with generally accepted actuarial principles and methodologies;
 - (ii) conducted by a member of the American Academy of Actuaries; and
 - (iii) reported to the commissioner and to the individual exchange operating in the state.
 - (c) The commissioner may require a proponent of a new mandated benefit under Subsection (1)(a) to provide the commissioner with a cost analysis conducted in accordance with Subsection (1)(b). The commissioner may use the cost information provided under this Subsection (1)(c) to establish estimates of the cost to the state under Subsection (2).
- (2) If the state is required to defray the cost of additional required benefits under the provisions of 45 C.F.R. 155.170:
 - (a) the state shall make the required payments:
 - (i) in accordance with Subsection (3); and
 - (ii) directly to the qualified health plan issuer in accordance with 45 C.F.R. 155.170;
 - (b) an issuer of a qualified health plan that receives a payment under the provisions of Subsection (1) and 45 C.F.R. 155.170 shall:
 - (i) reduce the premium charged to the individual on whose behalf the issuer will be paid under Subsection (1), in an amount equal to the amount of the payment under Subsection (1); or
 - (ii) notwithstanding Subsection 31A-23a-402.5(5), provide a premium rebate to an individual on whose behalf the issuer received a payment under Subsection (1), in an amount equal to the amount of the payment under Subsection (1); and
 - (c) a premium rebate made under this section is not a prohibited inducement under Section 31A-23a-402.5.
- (3) A payment required under 45 C.F.R. 155.170(c) shall:
 - (a) unless otherwise required by PPACA, be based on a statewide average of the cost of the additional benefit for all issuers who are entitled to payment under the provisions of 45 C.F.R. 155.70; and
 - (b) be submitted to an issuer through a process established and administered by:
 - (i) the federal marketplace exchange for the state under PPACA for individual health plans; or
 - (ii) Avenue H small employer market exchange for qualified health plans offered on the exchange.
- (4) The commissioner:
 - (a) may adopt rules as necessary to administer the provisions of this section and 45 C.F.R. 155.170; and
 - (b) may not establish or implement the process for submitting the payments to an issuer under Subsection (3)(b)(i) unless the cost of establishing and implementing the process for submitting payments is paid for by the federal exchange marketplace.

Enacted by Chapter 425, 2014 General Session