

1 **EQUITY IN PRESCRIPTION COVERAGE**

2 1999 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: Paula F. Julander**

5 AN ACT RELATING TO INSURANCE; REQUIRING HEALTH INSURANCE POLICIES
6 THAT COVER PRESCRIPTION DRUGS TO COVER FDA-APPROVED PRESCRIPTION
7 CONTRACEPTIVE METHODS AND RELATED OUTPATIENT SERVICES; CREATING AN
8 EXEMPTION FOR RELIGIOUS ORGANIZATIONS; AND PROVIDING AN EFFECTIVE
9 DATE.

10 This act affects sections of Utah Code Annotated 1953 as follows:

11 AMENDS:

12 **31A-22-613**, as last amended by Chapter 38, Laws of Utah 1996

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

14 Section 1. Section **31A-22-613** is amended to read:

15 **31A-22-613. Permitted provisions for disability insurance policies.**

16 The following provisions may be contained in a disability insurance policy, but if they are
17 in that policy, they shall conform to at least the following minimum requirements for the
18 policyholder:

19 (1) Any provision respecting change of occupation may provide only for a lower maximum
20 benefit payment and for reduction of loss payments proportionate to the change in appropriate
21 premium rates, if the change is to a higher rated occupation, and this provision shall provide for
22 retroactive reduction of premium rates from the date of change of occupation or the last policy
23 anniversary date, whichever is the more recent, if the change is to a lower rated occupation.

24 (2) Section 31A-22-405 applies to misstatement of age in disability policies, with the
25 appropriate modifications of terminology.

26 (3) Any policy which contains a provision establishing, as an age limit or otherwise, a date
27 after which the coverage provided by the policy is not effective, and if that date falls within a

28 period for which a premium is accepted by the insurer or if the insurer accepts a premium after that
29 date, the coverage provided by the policy continues in force, subject to any right of cancellation,
30 until the end of the period for which the premium was accepted. This Subsection (3) does not
31 apply if the acceptance of premium would not have occurred but for a misstatement of age by the
32 insured.

33 (4) Any provision dealing with preexisting conditions shall be consistent with Subsections
34 31A-22-605(9)(a) and 31A-22-609(2), and any applicable rule adopted by the commissioner.

35 (5) (a) If an insured is otherwise eligible for maternity benefits, a policy may not contain
36 language which requires an insured to obtain any additional preauthorization or preapproval for
37 customary and reasonable maternity care expenses or for the delivery of the child after an initial
38 preauthorization or preapproval has been obtained from the insurer for prenatal care. A
39 requirement for notice of admission for delivery is not a requirement for preauthorization or
40 preapproval, however, the maternity benefit may not be denied or diminished for failure to provide
41 admission notice. The policy may not require the provision of admission notice by only the
42 insured patient.

43 (b) This Subsection (5) does not prohibit an insurer from:

44 (i) requiring a referral before maternity care can be obtained;

45 (ii) specifying a group of providers or a particular location from which an insured is
46 required to obtain maternity care; or

47 (iii) limiting reimbursement for maternity expenses and benefits in accordance with the
48 terms and conditions of the insurance contract so long as such terms do not conflict with
49 Subsection (5)(a).

50 (6) (a) Except as provided in Subsection (6)(b), a health insurance policy or health
51 maintenance organization contract that provides coverage for outpatient prescription drugs shall
52 cover to the same extent and subject to the same contract terms:

53 (i) federal Food and Drug Administration-approved prescription contraceptive methods;
54 and

55 (ii) outpatient services for federal Food and Drug Administration-approved prescription
56 contraceptive methods.

57 (b) A religious organization may, at its option, request that the coverage required by
58 Subsection (6)(a) be excluded from a policy or contract purchased by or otherwise offered through

59 the organization for the benefit of the organization's employees.

60 (c) The commissioner shall adopt rules as necessary to ensure that health insurance
61 policies and health maintenance organization contracts are in compliance with this Subsection (6).

62 Section 2. **Effective date.**

63 This act takes effect on July 1, 1999.

Legislative Review Note
as of 1-13-99 4:45 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel