

1                                   **MATERNITY INSURANCE COVERAGE FOR**  
2   **ADOPTIVE PARENTS**

3   2000 GENERAL SESSION

4   STATE OF UTAH

5   **Sponsor: Ed P. Mayne**

6 AN ACT RELATING TO INSURANCE; REQUIRING A PARTICIPATING HEALTH CARE  
7 PROVIDER TO CHARGE AN INSURED WHO QUALIFIES FOR THE ADOPTION  
8 INDEMNITY BENEFIT THE SAME NEGOTIATED FEE THAT IT WOULD HAVE  
9 CHARGED THE INSURER.

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

11 AMENDS:

12                   **31A-22-610.1**, as last amended by Chapter 178, Laws of Utah 1999

13                   **31A-26-301.5**, as last amended by Chapter 181, Laws of Utah 1996

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

15                   Section 1. Section **31A-22-610.1** is amended to read:

16                   **31A-22-610.1. Adoption indemnity benefit.**

17                   (1) (a) If an insured has coverage for maternity benefits on the date of an adoptive  
18 placement, the insured's policy shall provide an adoption indemnity benefit payable to the insured,  
19 if a child is placed for adoption with the insured within 90 days of the child's birth.

20                   (b) An insurer that has paid the adoption indemnity benefit under Subsection (1)(a) may  
21 seek reimbursement of the benefit if:

22                   (i) the postplacement evaluation disapproves the adoption placement; and

23                   (ii) a court rules the adoption may not be finalized because of an act or omission of an  
24 adoptive parent or parents that affects the child's health or safety.

25                   (c) The commissioner shall:

26                   (i) establish, by rule, the amount of the adoption indemnity benefit provided under  
27 Subsection (1) at a minimum of \$2,500; and

28 (ii) review the amount of the adoption indemnity benefit every two years to make any  
 29 necessary and reasonable adjustments, taking into account the average insurance cost of an  
 30 uncomplicated birth.

31 (d) Each insurer shall pay its pro rata share of the adoption indemnity benefit if each  
 32 adoptive parent:

33 (i) has coverage for maternity benefits with a different insurer; and

34 (ii) makes a claim for the adoption indemnity benefit provided in Subsection (1)(a).

35 (2) If a policy offers optional maternity benefits, it shall also offer coverage for adoption  
 36 indemnity benefits if:

37 (a) a child is placed for adoption with the insured within 90 days of the child's birth; and

38 (b) the adoption is finalized within one year of the child's birth.

39 ~~§ [—(3) If a health care provider is under contract with an insurer to provide maternity benefits~~  
 40 ~~under any form of fee schedule or discount, the health care provider may only bill and collect from~~  
 41 ~~an insured who qualifies for the adoption indemnity benefit an amount that is equal to:~~

42 ~~—(a) the amount the health care provider would have billed the insurer for the services under~~  
 43 ~~the fee schedule or discount; and~~

44 ~~—(b) any cost-sharing factors, such as deductibles and copayments, that the insured would~~  
 45 ~~have otherwise been obligated to pay for the services under the terms of the policy.]~~

45a **(3) IF AN INSURED QUALIFIES FOR THE ADOPTION INDEMNITY BENEFIT UNDER THIS SECTION**  
**AND**

45b **RECEIVES SERVICES FROM A HEALTH CARE PROVIDER UNDER CONTRACT WITH HIS INSURER,**  
 45c **THE CONTRACTING HEALTH CARE PROVIDER MAY ONLY COLLECT FROM THE INSURED THE**  
 45d **AMOUNT THAT THE CONTRACTING HEALTH CARE PROVIDER IS ENTITLED TO RECEIVE FOR**  
**SUCH**

45e **SERVICES UNDER THE CONTRACT, INCLUDING ANY APPLICABLE COPAYMENT.**

45f **(4) FOR PURPOSES OF THIS SECTION, "CONTRACTING HEALTH CARE PROVIDER" MEANS:**

45g **(a) A "PARTICIPATING PROVIDER" AS DEFINED IN SECTION 31A-8-101; OR**

45h **(b) A "PREFERRED HEALTH CARE PROVIDER" AS DESCRIBED IN SECTION 31A-22-617. §**

46 Section 2. Section 31A-26-301.5 is amended to read:

47 **31A-26-301.5. Health care claims practices.**

48 (1) Except as provided in Section 31A-8-407, an insured retains ultimate responsibility for  
 49 paying for health care services the insured receives. If a service is covered by one or more  
 50 individual or group health insurance policies, all insurers covering the insured have the  
 51 responsibility to pay valid health care claims in a timely manner according to the terms and limits  
 52 specified in the policies.

53 (2) (a) [A] Except as provided in Section 31A-22-610.1, a health care provider may bill  
 54 and collect for any deductible, copayment, or uncovered service.

55 (b) A health care provider may bill an insured for services covered by health insurance  
 56 policies or may otherwise notify the insured of the expenses covered by the policies. However,  
 57 a provider may not make any report to a credit bureau, use the services of a collection agency, or  
 58 use methods other than routine billing or notification until the later of:

59 (i) 15 days after the date all insurance companies covering the insured have paid their  
60 portion of the claim covered by the policies;

61 (ii) 60 days from the date all insurers covering the insured are billed for the covered  
62 service; or

63 (iii) in the case of medicare beneficiaries or retirees 65 years of age or older, 60 days from  
64 the date medicare determines its liability for the claim.

65 (c) Beginning October 31, 1992, all insurers covering the insured shall notify the insured  
66 of payment and the amount of payment made to the provider.

67 (3) The commissioner shall make rules consistent with this chapter governing disclosure  
68 to the insured of customary charges by health care providers on the explanation of benefits as part  
69 of the claims payment process. These rules shall be limited to the form and content of the  
70 disclosures on the explanation of benefits, and shall include:

71 (a) a requirement that the method of determination of any specifically referenced  
72 customary charges and the range of the customary charges be disclosed; and

73 (b) a prohibition against an implication that the provider is charging excessively if the  
74 provider is:

75 (i) a participating provider; and

76 (ii) prohibited from balance billing.

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**Legislative Review Note**  
**as of 2-7-00 7:06 PM**

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

**Office of Legislative Research and General Counsel**