

**CLASSIFICATION OF STATE EMPLOYEES  
FOR INSURANCE PURPOSES**

2001 GENERAL SESSION

STATE OF UTAH

**Sponsor: Jack A. Seitz**

**This act modifies the Utah State Retirement Act by expanding eligibility for participation in the group insurance program. This act modifies the group insurance program's risk pools. This act takes effect on July 1, 2001.**

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

AMENDS:

**49-8-203**, as last amended by Chapter 360, Laws of Utah 1998

**49-8-204**, as last amended by Chapter 360, Laws of Utah 1998

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

Section 1. Section **49-8-203** is amended to read:

**49-8-203. Eligibility for participation in program -- Optional for certain groups.**

(1) As used in this section, "political subdivision" includes an entity that:

(a) receives at least 70% of its budgetary funds from appropriations of the Legislature;

(b) requires approval of the Legislature for its employees' cost-of-living adjustments; and

(c) if governed by a board, has its board members appointed by an elected state or county official.

~~[(1)]~~ (2) All employers of the state, its educational institutions, and political subdivisions are eligible to participate in this program, but this section does not require political subdivisions, school districts, or institutions of higher education, including technical colleges, to participate in the program.

~~[(2)]~~ (3) The Department of Health may participate in this program for the purpose of providing program benefits to children enrolled in the Utah Children's Health Insurance Program created in Title 26, Chapter 40, if the provisions in Subsection 26-40-110(4) occur. If the



28 Department of Health participates in the program under the provisions of this Subsection [~~(2)~~] (3),  
29 all insurance risk associated with the Children's Health Insurance Program shall be the  
30 responsibility of the Department of Health and not the group insurance division or the retirement  
31 office.

32 Section 2. Section **49-8-204** is amended to read:

33 **49-8-204. Group insurance division -- Establishment of separate risk pools - Rules**  
34 **governing admission to program.**

35 The group insurance division shall establish:

36 (1) ~~for purposes of providing the benefits permitted by this chapter,~~ separate risk pools for:

37 (a) ~~state employees[;] and political subdivisions described in Subsection 49-8-203(1);~~

38 (b) ~~political subdivisions, except those described in Subsection 49-8-203(1); and[;]~~

39 (c) ~~if applicable, children enrolled in the Utah Children's Health Insurance Program,~~

40 ~~created in Title 26, Chapter 40[, for purposes of providing the benefits permitted by this chapter];~~

41 and

42 (2) rules and procedures governing the admission of political subdivisions to the program.

43 Section 3. **Effective date.**

44 This act takes effect on July 1, 2001.

---

---

**Legislative Review Note**  
**as of 1-31-01 3:01 PM**

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

**Office of Legislative Research and General Counsel**