

SMALL EMPLOYER PURCHASING ALLIANCE

AMENDMENTS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Leonard M. Blackham

This act modifies the Insurance Code by amending provisions related to small employer purchasing alliances for health insurance. The act permits an alliance to limit reimbursement to providers on the panel of contracting insurers under specific circumstances.

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

AMENDS:

31A-34-110, as enacted by Chapter 143, Laws of Utah 1996

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

Section 1. Section **31A-34-110** is amended to read:

31A-34-110. Contracts with member employers and contracted insurers.

(1) Contracts between an alliance and members shall provide that the alliance is the contract holder of the health benefit plan policy on behalf of members and enrollees.

(2) Contracts between an alliance and a contracted insurer shall specify how premiums will be transferred, what penalties and grace periods will be, and how examination costs will be allocated to contracted insurers.

(3) Subject only to Sections 31A-8-105.5 and 31A-8-501, and until July 1, 2004, health benefit plans offered exclusively in an alliance under this chapter may limit reimbursement to providers on the panel of a contracted insurer if the commissioner finds that the aggregate of alliance contracts available to its members provide a broad and substantial choice of providers, encompassing the vast majority of doctors and hospitals in the state.