

HEALTH CARE ACCESS REFORM

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: D. Chris Buttars

This act creates the Working Parent's Health Care Assistance Plan. The act directs the Department of Health to establish the Working Parent's Health Care Assistance Plan which provides benefits to people age 19 and older who are below 100% of the federal poverty level and who meet other criteria for enrollment in the plan. The act establishes the level of benefits in the plan and directs the Department of Health to establish cost containment measures. The act funds the health care assistance plan by increasing the cigarette tax. The act establishes a restricted account in the General Fund known as the Working Parent's Health Care Assistance Account. The act requires all revenues from the increased cigarette tax to be deposited into the restricted account and restricts the use of the funds to health coverage expansion for low-income parents.

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

AMENDS:

59-14-204, as last amended by Chapter 190, Laws of Utah 2000

ENACTS:

26-18-501, Utah Code Annotated 1953

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

Section 1. Section **26-18-501** is enacted to read:

Part 5. Working Parent's Health Care Assistance Plan

26-18-501. Working Parent's Health Care Assistance Plan.

(1) The department shall establish the Working Parent's Health Care Assistance Plan to provide primary and preventive health care services for eligible uninsured residents of the state, 19 years of age and older. The Working Parent's Health Care Assistance Plan shall utilize the flexibility granted to states under Section 1931 of the Social Security Act in order to maximize



coverage for uninsured residents of the state and to maximize federal matching funds. The department shall establish eligibility for the plan, which shall require that an eligible person:

(a) as determined by the department, is below 100% of the federal poverty level;

(b) is ineligible for the state Medicaid program or the Utah Medical Assistance Program established under Section 26-18-10;

(c) is ineligible for benefits under the Medicare program; and

(d) is not eligible for an employer-provided health insurance program and has been without an employer-provided health insurance program for the past nine months or longer, provided however, that the department shall establish by administrative rule minimum standards for employer-provided health insurance including:

(i) cost-sharing requirements;

(ii) premium contribution requirements;

(iii) medical benefits requirements; and

(iv) other criteria determined by the department.

(2) The Working Parent's Health Care Assistance Plan shall be administered by the department subject to appropriations from the Working Parent's Health Care Assistance Account and any funds received by the state for a Medicaid expansion to working parent's below 100% of the federal poverty level.

(3) (a) The medical benefits and services available to individuals eligible for participation in the Working Parent's Health Care Assistance Plan shall be comparable to the benefits and services including cost sharing available to:

(i) enrollees in a group plan offered under Title 49, Chapter 8, Group Insurance Program Act; and

(ii) enrollees in the Children's Health Insurance Program created in Chapter 40 of this title.

(b) The department shall establish cost-containment measures designed to ensure that only medically necessary services are reimbursed by the plan. The schedule, scope, maximum dollar coverage, and duration of benefits established by this part may be revised by the department to ensure that the costs of the plan are limited to the funds appropriated to the plan.

(4) Applications for the Working Parent's Health Care Assistance Plan shall be coordinated with applications for any other medical assistance plans administered by the department. The department shall use funds made available for this plan for community outreach services to

encourage enrollment and to promote the public health.

(5) The department shall report annually to the Legislative Health and Human Services Interim Committee on enrollment demographics in the plan, claims expenditures, eligibility standards, plan benefits, utilization data, estimated public health impacts, and the annualized costs of the plan.

Section 2. Section **59-14-204** is amended to read:

59-14-204. Tax basis -- Rate -- Future increase -- Restricted account -- Use of revenues.

(1) Except for cigarettes described under Section 59-14-210, there is levied a tax upon the sale, use, or storage of cigarettes in the state.

(2) The rates of the tax levied under Subsection (1) are:

(a) ~~[2.575]~~ 3.075 cents on each cigarette, for all cigarettes weighing not more than three pounds per thousand cigarettes; and

(b) ~~[3.175]~~ 3.675 cents on each cigarette, for all cigarettes weighing in excess of three pounds per thousand cigarettes.

(3) The tax levied under Subsection (1) shall be paid by the manufacturer, jobber, distributor, wholesaler, retailer, user, or consumer.

(4) The tax rates specified in this section shall be increased by the commission by the same amount as any future reduction in the federal excise tax on cigarettes.

(5) (a) There is created within the General Fund a restricted account known as the "Cigarette Tax Restricted Account."

(b) Beginning on July 1, 1998, \$250,000 of the revenues generated by the increase in the cigarette tax under this section enacted during the 1997 Annual General Session shall be annually deposited into the account.

(c) The Department of Health shall expend the funds in the account for a tobacco prevention and control media campaign targeted towards children.

(6) (a) There is created within the General Fund a restricted account known as the "Working Parent's Health Care Assistance Account."

(b) Beginning July 1, 2002, the revenues generated from the 1/2 cent per cigarette tax increase imposed during the 2002 General Session shall be annually deposited into the account.

(c) The funds deposited into the restricted account created by this Subsection (6) may only

90 be used for the purposes set forth in Section 26-18-501.

Legislative Review Note

as of 1-8-02 1:42 PM

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

Office of Legislative Research and General Counsel