

**SECURITY REQUIREMENTS IN USE OF
SOCIAL SECURITY NUMBERS**

2003 GENERAL SESSION
STATE OF UTAH

Sponsor: Sheryl L. Allen

This act modifies the Insurance Code. The act amends provisions related to health insurance. The act prohibits certain accident and health insurers and certain programs offered under the Public Employees' Benefit and Insurance Program Act from displaying Social Security numbers on cards required for an individual to access services. The act provides exceptions. The act requires insurers to comply with the security requirements by July 1, 2004 but permits certain extensions until March 1, 2005.

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

ENACTS:

31A-22-634, Utah Code Annotated 1953

49-20-408, Utah Code Annotated 1953

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

Section 1. Section **31A-22-634** is enacted to read:

31A-22-634. Prohibition against certain use of Social Security number, exceptions, applicability of section.

(1) As used in this section:

(a) "Insurer" means:

(i) insurers governed by this part as described in Section 31A-22-600, and includes:

(A) a health maintenance organization; **h** AND **h**

(B) a third-party administrator that is subject to this title; and

h [(C) a subcontractor of those described in Subsection (1)(a)(i), including a pharmacy benefit manager; and] h

(ii) notwithstanding Subsection 31A-1-103(3)(f) and Section 31A-22-600, a health,



28 dental, medical, Medicare supplement or conversion program offered under Title 49, Chapter
 29 20, Public Employees' Benefit and Insurance Program Act.

30 (b) "Publicly display" or "publicly post" means to intentionally communicate or
 31 otherwise make available to the general public.

32 (2) An insurer **h** OR ITS SUBCONTRACTORS, INCLUDING A PHARMACY BENEFIT
 32a MANAGER, **h** shall not do any of the following:

33 (a) publicly display or publicly post in any manner an individual's Social Security
 34 number; or

35 (b) print an individual's Social Security number on any card required for the individual
 36 to access products or services provided or covered by the insurer.

37 (3) This section does not prevent the collection, use, or release of a Social Security
 38 number as required by state or federal law, or the use of a Social Security number for internal
 39 verification or administrative purposes, or the release of a Social Security number to a health
 40 care provider for claims administration purposes, or as part of the verification, eligibility, or
 41 payment process.

42 (4) If a federal law takes effect requiring the United States Department of Health and
 43 Human Services to establish a national unique patient health identifier program, an insurer that
 44 complies with the federal law shall be considered in compliance with this section.

45 (5) An insurer must comply with the provisions of this section by July 1, 2004.

46 (6) (a) An insurer may obtain an extension for compliance with the requirements of this
 47 section in accordance with Subsections (6)(b) and (c).

48 (b) The request for extension:

49 (i) must be submitted in writing to the department prior to July 1, 2004; and

50 (ii) must provide an explanation as to why the insurer cannot comply with the
 51 requirements of this section by July 1, 2004.

52 (c) The commissioner shall grant a request for extension:

53 (i) for a period of time not to exceed March 1, 2005; and

54 (ii) if the commissioner finds that the explanation provided under Subsection (6)(b)(ii)

55 is a **§ [valid] REASONABLE §** explanation.

56 Section 2. Section **49-20-408** is enacted to read:

57 **49-20-408. Prohibition against certain uses of Social Security numbers.**

58 Notwithstanding the provisions of Subsection 31A-1-103(3)(f), health, dental, medical,

59 Medicare supplement or conversion coverage offered under Section 49-20-202 shall comply
60 with the provisions of Section 31A-22-634.

Legislative Review Note
as of 12-12-02 9:28 AM

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

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0181

Security Requirements in Use of Social Security Numbers

14-Jan-03

2:03 PM

State Impact

No fiscal impact.

Individual and Business Impact

Insurance companies may incur administrative and technology costs to implement this bill. It is assumed they will pass the costs onto individual customers.

Office of the Legislative Fiscal Analyst