

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

3                                   2003 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Sponsor: Sheryl L. Allen**

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

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

13 ENACTS:

14           **31A-22-634**, Utah Code Annotated 1953

15           **49-20-408**, Utah Code Annotated 1953

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

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

18           **31A-22-634. Prohibition against certain use of Social Security number,**  
19 **exceptions, applicability of section.**

20           (1) As used in this section:

21           (a) "Insurer" means:

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

23           (A) a health maintenance organization;

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

25           (C) a subcontractor of those described in Subsection (1)(a)(i), including a pharmacy  
26 benefit manager; and

27           (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 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 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.

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**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**

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**Fiscal Note**  
**Bill Number HB0181**

**Security Requirements in Use of Social Security Numbers**

*14-Jan-03*

*2:03 PM*

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**State Impact**

No fiscal impact.

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**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.

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**Office of the Legislative Fiscal Analyst**