

**HEALTH INSURANCE COVERAGE FOR  
DEPENDENTS**

2004 GENERAL SESSION  
STATE OF UTAH

**Sponsor: Judy Ann Buffmire**

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**LONG TITLE**

**General Description:**

This bill amends the Insurance Code and clarifies the duties of a Health Maintenance Organization when a court orders a noncustodial parent to provide health insurance.

**Highlighted Provisions:**

This bill:

- ▶ requires a health maintenance organization to allow a child who lives outside the organization's service area to enroll in a health plan if the enrollee parent is ordered by a court to provide health insurance;

- ▶ requires a health maintenance organization to pay claims submitted by the out-of-area child in the same manner as the organization pays under a noncapitated arrangement; and

- ▶ provides certain circumstances in which a health maintenance organization does not have to allow the out-of-area child to enroll in the plan.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

ĥ [~~This bill takes effect on July 1, 2004.~~] NONE ĥ

**Utah Code Sections Affected:**

ENACTS:

**31A-8-502**, Utah Code Annotated 1953



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

Section 1. Section **31A-8-502** is enacted to read:

**31A-8-502. Court ordered coverage for minor children who reside outside the service area.**

(1) (a) The requirements of Subsection (2) apply to a health maintenance organization if the health maintenance organization plan:

(i) restricts coverage for nonemergency services to services provided by contracted providers within the organization's service area; and

(ii) does not ~~h [include a point of service benefit subject to Section 31A-8-408.] OFFER A BENEFIT THAT PERMITS MEMBERS THE OPTION OF OBTAINING COVERED SERVICES FROM A NON-CONTRACTED PROVIDER. h~~

(b) The requirements of Subsection (2) do not apply to a health maintenance organization if:

(i) the child that is the subject of a court or administrative support order is over the age of 18 and is no longer enrolled in high school; or

(ii) a parent's employer offers the parent a choice to select health insurance coverage that is not a health maintenance organization plan either at the time of the court or administrative support order, or at a subsequent open enrollment period. This exemption from Subsection (2) applies even if the parent ultimately chooses the health maintenance organization plan.

(2) If a parent is required by a court or administrative support order to provide health insurance coverage for a child who resides outside of a health maintenance organization's service area, the health maintenance organization shall:

(a) comply with the provisions of Section 31A-22-610.5;

(b) allow the enrollee parent to enroll the child on the organization plan;

(c) pay for otherwise covered health care services rendered to the child outside of the service area by a noncontracted provider:

(i) if the child, noncustodial parent, or custodial parent has complied with prior authorization or utilization review otherwise required by the organization; and

(ii) in an amount equal to the dollar amount the organization pays under a noncapitated arrangement for comparable services to a contracting provider in the same class of health care providers as the provider who rendered the services; and



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**Fiscal Note**  
**Bill Number HB0041**

**Health Insurance Coverage for Dependents**

*19-Jan-04*

*8:50 AM*

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**State Impact**

No fiscal impact.

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**Individual and Business Impact**

Individual and business impacts will vary according to circumstances.

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**Office of the Legislative Fiscal Analyst**