

1 **HEALTH INSURANCE COVERAGE FOR**
2 **DEPENDENTS**

3 2004 GENERAL SESSION
4 STATE OF UTAH

5 **Sponsor: Judy Ann Buffmire**

7 **LONG TITLE**

8 **General Description:**

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

11 **Highlighted Provisions:**

12 This bill:

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

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

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

21 **Monies Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 This bill takes effect on July 1, 2004.

25 **Utah Code Sections Affected:**

26 ENACTS:

27 **31A-8-502**, Utah Code Annotated 1953



28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58

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 include a point of service benefit subject to Section 31A-8-408.

(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

59 (d) make payments on claims submitted in accordance with Subsection (2)(c) directly
60 to the provider, custodial parent, or state Medicaid agency.

61 (3) (a) The parents of the child who is the subject of the court or administrative support
62 order are responsible for any charges billed by the provider in excess of those paid by the
63 organization.

64 (b) This section does not affect any court or administrative order regarding the
65 responsibilities between the parents to pay any medical expenses not covered by accident and
66 health insurance or a health maintenance organization plan.

67 (4) The commissioner shall adopt rules as necessary to administer this section and
68 Section 31A-22-610.5.

69 Section 2. **Effective date.**

70 This bill takes effect on July 1, 2004.

Legislative Review Note
as of 11-14-03 10:33 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 HB0041

Health Insurance Coverage for Dependents

19-Jan-04

8:50 AM

State Impact

No fiscal impact.

Individual and Business Impact

Individual and business impacts will vary according to circumstances.

Office of the Legislative Fiscal Analyst