

1                                   **PRIMARY CARE NETWORK AMENDMENTS**

2   2004 GENERAL SESSION

3   STATE OF UTAH

4                                   **Sponsor: Kory M. Holdaway**

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6 **LONG TITLE**

7 **General Description:**

8               This bill reduces the annual fee for the primary care network to \$15 per year for those  
9 people that fall below 50% of the federal poverty level.

10 **Highlighted Provisions:**

11               This bill:

12               ▶ reduces the annual fee an enrollee must pay for the primary care network to \$15 per  
13 year if the enrollee has an annual income that is below 50% of the federal poverty  
14 level.

15 **Monies Appropriated in this Bill:**

16               None

17 **Other Special Clauses:**

18               This bill takes effect on July 1, 2004.

19 **Utah Code Sections Affected:**

20 AMENDS:

21               **26-18-3.5**, as last amended by Chapter 329, Laws of Utah 2003

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

24               Section 1. Section **26-18-3.5** is amended to read:

25               **26-18-3.5. Copayments by health service recipients, spouses, and parents.**

26               (1) The department shall selectively provide for enrollment fees, premiums,  
27 deductions, cost sharing or other similar charges to be paid by recipients, their spouses, and



28 parents, within the limitations of federal law and regulation.

29 (2) (a) The department shall seek approval under the department's Section 1115  
30 Medicaid waiver to cap enrollment fees for the Primary Care Network Demonstration Project  
31 in accordance with Subsection (2)(b).

32 (b) Pursuant to a waiver obtained under Subsection (2)(a), the department shall cap  
33 enrollment fees for the primary care network at \$15 per year for those persons who[;];

34 (i) after July 1, 2003, are eligible to begin receiving General Assistance under Section  
35 35A-3-401[-]; or

36 (ii) have an income level that is below 50% of the federal poverty level.

37 Section 2. **Effective date.**

38 This bill takes effect on July 1, 2004.

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**Legislative Review Note**

**as of 1-7-04 4:27 PM**

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

**Office of Legislative Research and General Counsel**

**State Impact**

This bill requires the Department of Health to seek a waiver approval to cap the annual enrollment fee for the Primary Care Network (PCN) at \$15 for individuals with an income below 50% of the federal poverty level. In order to maintain the same level of coverage, an appropriation of \$110,000 General Fund and \$110,000 Federal Funds would be required. The loss of enrollment fee revenue would offset these appropriations.

	<u>FY 2005</u> <u>Approp.</u>	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2005</u> <u>Revenue</u>	<u>FY 2006</u> <u>Revenue</u>
General Fund	\$110,000	\$110,000	\$0	\$0
Federal Funds	\$110,000	\$110,000	\$110,000	\$110,000
Dedicated Credits Revenue	(\$220,000)	(\$220,000)	(\$220,000)	(\$220,000)
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$110,000)</b>	<b>(\$110,000)</b>

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**Individual and Business Impact**

Individuals with an income level below 50% of the federal poverty level would save \$35 annually from the cap on the enrollment fee. It is likely that with the reduced enrollment fee, more qualifying individuals might apply for PCN coverage.

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**Office of the Legislative Fiscal Analyst**