

**HIGH DEDUCTIBLE HEALTH PLAN OPTION
FOR PUBLIC EMPLOYEES**

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Bradley M. Daw

Senate Sponsor: Scott K. Jenkins

Cosponsors: Eric K. Hutchings Curtis Oda

LONG TITLE

General Description:

This bill modifies the Public Employees' Benefit and Insurance Program Act by amending provisions of the health plans offered by the program.

Highlighted Provisions:

This bill:

► requires the Public Employees' Benefit and Insurance Program (PEHP) to offer a high deductible health plan with a federally qualified health savings account;

~~H→ [→prohibits the program from offering the high deductible health plan to any person who is covered by another health plan unless the other health plan is a similar high deductible health plan;] ←H~~

► prohibits the program from allowing an employee to change from the high deductible health plan to another health plan more frequently than every three years; and

► requires the high deductible health plan to include a health savings account for each covered individual with certain contributions made by the employer and optional contributions made by the employee.

Monies Appropriated in this Bill:

None



28 **Other Special Clauses:**

29 None

30 **Utah Code Sections Affected:**

31 ENACTS:

32 **49-20-410**, Utah Code Annotated 1953



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

35 Section 1. Section **49-20-410** is enacted to read:

36 **49-20-410. High deductible health plan -- Health savings account -- Contributions.**

37 (1) (a) In addition to other employee benefit plans offered under this part, the program
38 shall offer a high deductible health plan with a federally qualified health savings account as an
39 optional health plan.

40 (b) The provisions and limitations of the plan shall be determined by the program in
41 accordance with federal requirements and limitations.

42 ~~H→ [(2) In accordance with federal requirements and limitations, the program:~~
43 ~~—— (a) may not offer the high deductible health plan to any employee or other person who~~
44 ~~is covered by another health plan unless the other health plan is a high deductible health plan~~
45 ~~with a federally qualified health saving account;~~

46 ~~—— (b)] (2) (a) The program ←H~~ may not allow an employee to change from the high
46a deductible health plan to
47 another health plan offered for employees more frequently than every three years; and

48 ~~H→ [(c)] (b) The program ←H~~ shall offer the federally qualified health savings account
48a for medical expenses for
49 each covered individual in the high deductible health plan.

50 (3) (a) Contributions to the health savings account H→ [shatt] may ←H be made by the
50a employer.

51 (b) The amount of the contributions under Subsection (3)(a) shall be determined
52 annually by the program, after consultation with the Department of Human Resource
53 Management and the Governor's Office of Planning and Budget, based on:

- 54 (i) federal requirements and limitations; and
- 55 (ii) the actuarial value of the risk-adjusted high deductible to the program.
- 56 (c) An employee may also make contributions to the health savings plan.

Legislative Review Note

as of 11-22-05 1:17 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

State Impact

It is assumed that the new health plan that this bill requires Public Employees Health Program (PEHP) to offer will be designed to be cost-neutral to the State.

Public Employees Health Program's costs during the first year following enactment of this bill are estimated to total \$40,000 for computer programming, on-line and printed consumer information, and general administration of the new health plan. Thereafter, annual costs for general administration and maintenance of the plan will be covered through the premiums collected.

Individual and Business Impact

Any fiscal impact will be dependent on the options chosen by individual participants.
