

1 **MEDICAID COVERED AT WORK PREMIUM**

2 **SUBSIDY**

3 2006 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Kory M. Holdaway**

6 Senate Sponsor: Scott K. Jenkins

8 **LONG TITLE**

9 **General Description:**

10 This bill amends provisions related to Utah's Medicaid program.

11 **Highlighted Provisions:**

12 This bill:

13 ▶ directs the Department of Health to take steps to promote increased participation in
14 employer sponsored health insurance as a means to increase health care coverage
15 among the uninsured.

16 **Monies Appropriated in this Bill:**

17 This bill appropriates:

18 ▶ as an ongoing appropriation subject to future budget constraints, **H→** [\$535,000]

18a **\$267,500 ←H** from the

19 General Fund for fiscal year 2006-07 to the Division of Health Care Financing
20 within the Department of Health.

21 **Other Special Clauses:**

22 None

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **26-18-3.5**, as last amended by Chapter 323, Laws of Utah 2004

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



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

29 **26-18-3.5. Copayments by health service recipients, spouses, and parents.**

30 (1) The department shall selectively provide for enrollment fees, premiums,
31 deductions, cost sharing or other similar charges to be paid by recipients, their spouses, and
32 parents, within the limitations of federal law and regulation.

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

36 (b) Pursuant to a waiver obtained under Subsection (2)(a), the department shall cap
37 enrollment fees for the primary care network at \$15 per year for those persons who, after July
38 1, 2003, are eligible to begin receiving General Assistance under Section 35A-3-401.

39 (c) Beginning July 1, 2004, and pursuant to a waiver obtained under Subsection (2)(a),
40 the department shall cap enrollment fees for the primary care network at \$25 per year for those
41 persons who have an income level that is below 50% of the federal poverty level.

42 (3) Beginning May 1, 2006, within appropriations by the Legislature and as a means to
43 increase health care coverage among the uninsured, the department shall take steps to promote
44 increased participation in employer sponsored health insurance, including:

45 (a) maximizing the health insurance premium subsidy provided under the state's
46 Primary Care Network Demonstration Project by:

47 (i) ensuring that state funds are matched by federal funds to the greatest extent
48 allowable; and

49 (ii) as the department determines appropriate, seeking federal approval to do one or
50 more of the following:

51 (A) eliminate or otherwise modify the annual enrollment fee;

52 (B) eliminate or otherwise modify the schedule used to determine the level of subsidy
53 provided to an enrollee each year;

54 (C) reduce the maximum number of participants allowable under the subsidy program;
55 or

56 (D) otherwise modify the program in a manner that promotes enrollment in employer
57 sponsored health insurance; and

58 (b) exploring the use of other options, including the development of a waiver under the

59 Medicaid Health Insurance Flexibility Demonstration Initiative or other federal authority.

60 Section 2. **Appropriation.**

61 As an ongoing appropriation subject to future budget constraints, there is appropriated
62 from the General Fund for fiscal year 2006-07, ~~H~~→ [\$535,000] \$267,500 ←~~H~~ to the Division of
62a Health Care
63 Financing within the Department of Health to take steps to promote increased participation in
64 employer sponsored health insurance, including maximizing the employer sponsored insurance
65 premium subsidy provided under the state's Primary Care Network Demonstration Project
66 under Subsection 26-18-3.5(3).

Legislative Review Note

as of 1-11-06 9:45 AM

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

AMENDED BILL

State Impact

This bill appropriates \$267,500 ongoing General Fund to the Department of Health. This will be matched with \$622,500 Federal Funds.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>
General Fund	\$267,500	\$267,500	\$0	\$0
Federal Funds	\$622,500	\$622,500	\$622,500	\$622,500
TOTAL	\$890,000	\$890,000	\$622,500	\$622,500

Individual and Business Impact

Up to 1,000 individuals could receive increased premium subsidies when they purchase their employer-sponsored health insurance. This could provide a significant savings on health costs to these individuals.

Employers of individuals enrolled in the program will have to pay the employer's share of the health insurance premium. This may vary depending on the health insurance program of the employer.

Hospitals and health care providers who care for Covered at Work enrollees may realize additional revenue.
