

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

3 2006 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Bradley M. Daw**

6 Senate Sponsor: Scott K. Jenkins

7 Cosponsors:

Eric K. Hutchings

Curtis Oda

8
9 **LONG TITLE**

10 **General Description:**

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

13 **Highlighted Provisions:**

14 This bill:

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

17 ▶ prohibits the program from offering the high deductible health plan to any person
18 who is covered by another health plan unless the other health plan is a similar high
19 deductible health plan;

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

22 and

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

26 **Monies Appropriated in this Bill:**

27 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 (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) may not allow an employee to change from the high deductible health plan to
47 another health plan offered for employees more frequently than every three years; and

48 (c) shall offer the federally qualified health savings account for medical expenses for
49 each covered individual in the high deductible health plan.

50 (3) (a) Contributions to the health savings account shall be made by the 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