

UTAH PREMIUM PARTNERSHIP PROGRAM

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kory M. Holdaway

Senate Sponsor: _____

LONG TITLE**General Description:**

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

Highlighted Provisions:

This bill:

- directs the Department of Health to take steps to promote the Utah Premium Partnership Program.

Monies Appropriated in this Bill:

This bill appropriates:

- as an ongoing appropriation subject to future budget constraints, \$2 million from the General Fund for fiscal year 2007-08 to the Division of Health Care Financing within the Department of Health.

Other Special Clauses:

None

Utah Code Sections Affected:**AMENDS:****26-18-3.5**, as last amended by Chapter 148, Laws of Utah 2006

*Be it enacted by the Legislature of the state of Utah:*Section 1. Section **26-18-3.5** is amended to read:**26-18-3.5. Copayments by recipients -- Employer sponsored plans.**

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

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

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

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

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

(a) maximizing the health insurance premium subsidy provided under the state's Primary Care Network Demonstration Project and the Utah Premium Partnership Program by:

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

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

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

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

(C) reduce the maximum number of participants allowable under the subsidy program; [or]

(D) ensure adequate marketing of the programs and outreach to eligible individuals and employers statewide; or

~~(F)~~ (E) otherwise modify the program in a manner that promotes enrollment in employer sponsored health insurance; and

(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 2007-08, \$2 million to the Division of Health Care
63 Financing within the Department of Health to take steps to promote increased participation in
64 the Utah Premium Partnership Program under Section 26-18-3.5.

Legislative Review Note
as of 1-8-07 9:39 AM

Office of Legislative Research and General Counsel

H.B. 267 - Utah Premium Partnership Program

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will appropriate \$2,000,000 ongoing General Fund to the Department of Health to implement the provisions of this legislation. These funds would enable the State to obtain additional matching Federal Funds of approximately \$4,451,300. There could be a loss of Dedicated Credit Revenue due to an estimated shift of people from the Primary Care Network where there is a \$50 enrollment fee to the Utah Premium Partnership which does not have an enrollment fee.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>
General Fund	\$0	\$2,000,000	\$2,000,000	\$0	\$0	\$0
Federal Funds	\$0	\$4,451,300	\$4,451,300	\$0	\$4,451,300	\$4,451,300
Dedicated Credits	\$0	\$0	\$0	\$0	(\$110,000)	(\$110,000)
Total	\$0	\$6,451,300	\$6,451,300	\$0	\$4,341,300	\$4,341,300

Individual, Business and/or Local Impact

Qualified individuals and families could receive up to \$150 per adult and \$100 per child per month to subsidize premium payments for insurance coverage purchased through an employer.

Employers costs may rise as they pay the employer share of health insurance premiums. Costs of uncompensated care in hospitals and with other health care providers should decrease.

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for local governments.