

PUBLIC EMPLOYEE BENEFIT APPROVAL

PROVISIONS

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John Dougall

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill modifies the Public Employees' Benefit and Insurance Program Act by amending provisions related to the determination of state employee insurance benefits.

Highlighted Provisions:

This bill:

- ▶ requires the Public Employees' Benefit and Insurance Program (PEHP) to provide the Legislature with its recommended benefit adjustments for state employees; and
- ▶ requires that PEHP determine benefits and rates based on the total estimated costs and the employee premium shares established by the Legislature.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

49-20-401, as last amended by Laws of Utah 2006, Chapter 139

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

Section 1. Section **49-20-401** is amended to read:

49-20-401. Program -- Powers and duties.

(1) The program shall:

- 30 (a) act as a self-insurer of employee benefit plans and administer those plans;
- 31 (b) enter into contracts with private insurers or carriers to underwrite employee benefit
- 32 plans as considered appropriate by the program;
- 33 (c) indemnify employee benefit plans or purchase commercial reinsurance as considered
- 34 appropriate by the program;
- 35 (d) provide descriptions of all employee benefit plans under this chapter in cooperation
- 36 with covered employers;
- 37 (e) process claims for all employee benefit plans under this chapter or enter into
- 38 contracts, after competitive bids are taken, with other benefit administrators to provide for the
- 39 administration of the claims process;
- 40 (f) obtain an annual actuarial review of all health and dental benefit plans and a periodic
- 41 review of all other employee benefit plans;
- 42 (g) consult with the covered employers to evaluate employee benefit plans and develop
- 43 recommendations for benefit changes;
- 44 (h) annually submit a budget and audited financial statements to the governor and
- 45 Legislature which includes total projected benefit costs and administrative costs;
- 46 (i) maintain reserves sufficient to liquidate the unrevealed claims liability and other
- 47 liabilities of the employee benefit plans as certified by the program's consulting actuary;
- 48 (j) submit, in advance, its recommended benefit adjustments for state employees to:
- 49 (i) the Legislature; and
- 50 (ii) the executive director of the state Department of Human Resource Management;
- 51 (k) determine benefits and rates, upon approval of the board, for multiemployer risk
- 52 pools, retiree coverage, and conversion coverage;
- 53 (l) determine benefits and rates based on the total estimated costs and the employee
- 54 premium share established by the Legislature, upon approval of the board [~~and the Legislature~~],
- 55 for state employees;
- 56 (m) administer benefits and rates, upon ratification of the board, for single employer
- 57 risk pools;

58 (n) request proposals for provider networks or health and dental benefit plans
59 administered by third party carriers at least once every three years for the purposes of:
60 (i) stimulating competition for the benefit of covered individuals;
61 (ii) establishing better geographical distribution of medical care services; and
62 (iii) providing coverage for both active and retired covered individuals;
63 (o) offer proposals which meet the criteria specified in a request for proposals and
64 accepted by the program to active and retired state covered individuals and which may be
65 offered to active and retired covered individuals of other covered employers at the option of the
66 covered employer;
67 (p) perform the same functions established in Subsections (1)(a), (b), (e), and (h) for the
68 Department of Health if the program provides program benefits to children enrolled in the Utah
69 Children's Health Insurance Program created in Title 26, Chapter 40, Utah Children's Health
70 Insurance Act;
71 (q) establish rules and procedures governing the admission of political subdivisions or
72 educational institutions and their employees to the program;
73 (r) contract directly with medical providers to provide services for covered individuals;
74 and
75 (s) take additional actions necessary or appropriate to carry out the purposes of this
76 chapter.
77 (2) (a) Funds budgeted and expended shall accrue from rates paid by the covered
78 employers and covered individuals.
79 (b) Administrative costs shall be approved by the board and reported to the governor
80 and the Legislature.
81 (3) The Department of Human Resource Management shall include the benefit
82 adjustments described in Subsection (1)(j) in the total compensation plan recommended to the
83 governor required under Subsection 67-19-12(6)(a).