

**PROMOTION OF HEALTH CARE COVERAGE**

2008 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kory M. Holdaway**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends the Medical Assistance Act, the Utah Children's Health Insurance Act, the Individual, Small Employer, and Group Health Insurance Act, and the Utah Human Services Code.

**Highlighted Provisions:**

This bill:

- ▶ amends definitions;
- ▶ requires the Department of Health to:
  - develop and implement processes to facilitate and promote the enrollment of children in the Medicaid program and the Utah Children's Health Insurance Program; and
  - report to the Legislature the number of children enrolled in the public school system not covered by health insurance who qualify for free or reduced price school lunch;
- ▶ provides that a child enrolled in the Medicaid program remains eligible for the program for one year;
- ▶ requires the Department of Health to:
  - offer assistance to the family of a child that ceases to be enrolled in the Medicaid program or the Utah Children's Health Insurance Program to determine whether the child is still eligible for one of the programs;



- 28           • process an application resulting from that assistance within 15 days; and
- 29           • develop other methods to promote the uninterrupted enrollment and
- 30 reenrollment of children eligible for the Medicaid program or the Utah
- 31 Children's Health Insurance Program;
- 32           ▶ requires the Division of Health Care Financing to:
- 33           • seek federal approval to increase the Utah's Premium Partnership for Health
- 34 Insurance Program income eligibility limit to 200% of the federal poverty level;
- 35           • disburse premium assistance payments under the Utah's Premium Partnership
- 36 for Health Insurance Program directly to employers; and
- 37           • process an application for participation in the Utah's Premium Partnership for
- 38 Health Insurance Program within 30 days of receipt of the application;
- 39           ▶ provides that a child enrolled in the Utah Children's Health Insurance Program
- 40 remains eligible for the program for one year;
- 41           ▶ provides that under certain conditions an individual who qualifies for premium
- 42 assistance under the Utah's Premium Partnership for Health Insurance Program, or
- 43 the individual's dependents, may enroll in an employer health benefit plan outside
- 44 an open enrollment period; and
- 45           ▶ makes technical changes.

46 **Monies Appropriated in this Bill:**

47           This bill appropriates:

- 48           ▶ as an ongoing appropriation subject to future budget constraints, \$100,000 from the
- 49 General Fund for fiscal year 2008-09 to the Division of Health Care Financing
- 50 within the Department of Health to promote awareness of and facilitate enrollment
- 51 in the Utah's Premium Partnership for Health Insurance Program.

52 **Other Special Clauses:**

53           None

54 **Utah Code Sections Affected:**

55 AMENDS:

- 56           **26-18-2**, as last amended by Laws of Utah 2000, Chapter 1
- 57           **26-40-105**, as enacted by Laws of Utah 1998, Chapter 360
- 58           **62A-4a-902**, as last amended by Laws of Utah 2006, Chapter 116

59 ENACTS:

60 **26-18-12**, Utah Code Annotated 1953

61 **26-18-13**, Utah Code Annotated 1953

62 **26-18-14**, Utah Code Annotated 1953

63 **26-18-405**, Utah Code Annotated 1953

64 **31A-22-610.6**, Utah Code Annotated 1953



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

67 Section 1. Section **26-18-2** is amended to read:

68 **26-18-2. Definitions.**

69 As used in this chapter:

70 (1) "Applicant" means any person who requests assistance under the medical programs  
71 of the state.

72 (2) "Children's Health Insurance Program" means the Utah Children's Health Insurance  
73 Program created under Title 26, Chapter 40, Utah Children's Health Insurance Act.

74 [~~2~~] (3) "Client" means a person who the department has determined to be eligible for  
75 assistance under the Medicaid program or the Utah Medical Assistance Program established  
76 under Section 26-18-10.

77 [~~3~~] (4) "Division" means the Division of Health Care Financing within the  
78 department, established under Section 26-18-2.1.

79 [~~4~~] (5) "Medicaid program" means the state program for medical assistance for  
80 persons who are eligible under the state plan adopted pursuant to Title XIX of the federal  
81 Social Security Act.

82 [~~5~~] (6) "Medical or hospital assistance" means services furnished or payments made  
83 to or on behalf of recipients of medical or hospital assistance under state medical programs.

84 [~~6~~] (7) (a) "Passenger vehicle" means a self-propelled, two-axle vehicle;

85 (i) intended primarily for operation on highways [~~and~~];

86 (ii) used by an applicant or recipient to meet basic transportation needs; and [~~has~~]

87 (iii) having a fair market value below 40% of the applicable amount of the federal  
88 luxury passenger automobile tax established in 26 U.S.C. Sec. 4001 [~~and~~], adjusted annually  
89 for inflation.

90 (b) "Passenger vehicle" does not include:  
91 (i) a commercial vehicle, as defined in Section 41-1a-102;  
92 (ii) an off-highway vehicle, as defined in Section 41-1a-102; or  
93 (iii) a motor home, as defined in Section 13-14-102.  
94 [~~7~~] (8) "Recipient" means a person who has received medical or hospital assistance  
95 under the Medicaid program or the Utah Medical Assistance Program established under  
96 Section 26-18-10.

97 Section 2. Section **26-18-12** is enacted to read:

98 **26-18-12. Promoting enrollment of children.**

99 (1) The department shall develop processes to:

100 (a) identify whether each child enrolled in the public school system is covered by  
101 health insurance;

102 (b) identify whether each child enrolled in the public school system who is not covered  
103 by health insurance qualifies for free or reduced price school lunch; and

104 (c) facilitate and promote the enrollment of each child in the public school system who  
105 is not covered by health insurance in the Medicaid program or the Children's Health Insurance  
106 Program.

107 (2) (a) The State Board of Education and the Department of Workforce Services,  
108 including the Office of Child Care, shall assist the department in the development of the  
109 processes described in Subsection (1).

110 (b) The processes described in Subsection (1) shall be developed in a manner that  
111 minimizes costs and maximizes the use of existing data collection processes, including  
112 processes to collect certificates of immunization required under Title 53A, Chapter 11, Part 3,  
113 Immunization of Students.

114 (3) The department shall report to the Legislature on the development of the processes  
115 under Subsection (1) no later than November 19, 2008.

116 (4) The department shall implement the processes developed under Subsection (1) no  
117 later than the 2009-10 school year.

118 (5) The department shall annually report to the Legislature the number of children  
119 enrolled in the public school system not covered by health insurance who qualify for free or  
120 reduced price school lunch.

121 Section 3. Section **26-18-13** is enacted to read:

122 **26-18-13. Term of enrollment.**

123 A child enrolled in the Medicaid program remains eligible for enrollment in the  
124 program for one year from the date of enrollment.

125 Section 4. Section **26-18-14** is enacted to read:

126 **26-18-14. Promoting uninterrupted enrollment and reenrollment of children.**

127 (1) (a) If a child ceases to be enrolled in the Medicaid program or the Children's Health  
128 Insurance Program, the department shall contact the child's family as soon as possible and offer  
129 to the family assistance in determining whether the child is eligible for enrollment in either of  
130 the programs.

131 (b) Any application for enrollment resulting from the assistance in Subsection (1)(a)  
132 shall be processed by the department within 15 days of receipt of the application.

133 (2) The department shall:

134 (a) seek to develop methods other than those under Subsection (1) to promote the  
135 uninterrupted enrollment and reenrollment of children eligible for the Medicaid program and  
136 the Children's Health Insurance Program; and

137 (b) report to the Legislature on the implementation of the methods developed under  
138 Subsection (2)(a) no later than November 19, 2008.

139 Section 5. Section **26-18-405** is enacted to read:

140 **26-18-405. Utah's Premium Partnership for Health Insurance waiver.**

141 (1) The division shall seek federal approval for an amendment to the waiver  
142 authorizing Utah's Premium Partnership for Health Insurance Program that would increase the  
143 program's income eligibility limit to 200% of the federal poverty level.

144 (2) Beginning no later than September 1, 2008, the division shall disburse premium  
145 assistance payments under the Utah's Premium Partnership for Health Insurance Program  
146 directly to the employer of the client participating in the program.

147 (3) The division shall process an application for participation in the Utah's Premium  
148 Partnership for Health Insurance Program within 30 days of receipt of the application.

149 Section 6. Section **26-40-105** is amended to read:

150 **26-40-105. Eligibility.**

151 (1) To be eligible to enroll in the program, a child must:

- 152 (a) be a bona fide Utah resident;
- 153 (b) be a citizen or legal resident of the United States;
- 154 (c) be under 19 years of age;
- 155 (d) not have access to or coverage under other health insurance, including any coverage
- 156 available through a parent or legal guardian's employer;
- 157 (e) be ineligible for Medicaid benefits;
- 158 (f) reside in a household whose gross family income, as defined by rule, is at or below
- 159 200% of the federal poverty level; and
- 160 (g) not be an inmate of a public institution or a patient in an institution for mental
- 161 diseases.

162 (2) A child may not be determined to be ineligible to enroll in the program based on

163 diagnosis or pre-existing condition.

164 (3) The department shall determine eligibility and send notification of the decision

165 within 30 days after receiving the application for coverage. If the department cannot reach a

166 decision because the applicant fails to take a required action or there is an administrative or

167 other emergency beyond the department's control, the department shall:

- 168 (a) document the reason for the delay in the applicant's case record; and
- 169 (b) inform the applicant of the status of the application and time frame for completion.

170 (4) A child enrolled in the program remains eligible for enrollment in the program for

171 one year from the date of enrollment.

172 Section 7. Section **31A-22-610.6** is enacted to read:

173 **31A-22-610.6. Special enrollment for individuals receiving premium assistance.**

174 (1) As used in this section:

175 (a) "Premium assistance" means assistance under Title 26, Chapter 18, Medical

176 Assistance Act, in the payment of premium.

177 (b) "Qualified beneficiary" means an individual who is approved to receive premium

178 assistance.

179 (2) Subject to the other provisions in this section, an individual may enroll under this

180 section at a time outside of an employer health benefit plan open enrollment period, regardless

181 of previously waiving coverage, if the individual is:

182 (a) a qualified beneficiary who is eligible for coverage as an employee under the

183 employer health benefit plan; or

184 (b) a dependent of the qualified beneficiary who is eligible for coverage under the  
185 employer health benefit plan.

186 (3) To be eligible to enroll outside of an open enrollment period, an individual  
187 described in Subsection (2) shall enroll in the employer health benefit plan by no later than 30  
188 days from the day on which the qualified beneficiary receives written notification that the  
189 qualified beneficiary is eligible to receive premium assistance.

190 (4) An individual described in Subsection (2) may enroll under this section only in an  
191 employer's health benefit plan that is available at the time of enrollment to similarly situated  
192 eligible employees or dependents of eligible employees.

193 (5) Coverage under an employer health benefit plan for an individual described in  
194 Subsection (2) may begin as soon as the first day of the month immediately following  
195 enrollment of the individual in accordance with this section.

196 (6) This section does not modify any requirement related to premiums that applies  
197 under an employer health benefit plan to a similarly situated eligible employee or dependent of  
198 an eligible employee under the employer health benefit plan.

199 (7) An employer health benefit plan may require an individual described in Subsection  
200 (2) to satisfy a preexisting condition waiting period that:

201 (a) is allowed under the Health Insurance Portability and Accountability Act of 1996,  
202 Pub. L. 104-191, 110 Stat. 1936; and

203 (b) is not longer than 12 months.

204 Section 8. Section **62A-4a-902** is amended to read:

205 **62A-4a-902. Definitions.**

206 (1) (a) "Adoption assistance" means direct financial subsidies and support to adoptive  
207 parents of a child with special needs or whose need or condition has created a barrier that  
208 would prevent a successful adoption.

209 (b) "Adoption assistance" may include state medical assistance, reimbursement of  
210 nonrecurring adoption expenses, or monthly subsidies.

211 (2) "Child who has a special need" means a child who cannot or should not be returned  
212 to the home of his biological parents and who meets at least one of the following conditions:

213 (a) the child is five years of age or older;

214 (b) the child is under the age of 18 with a physical, emotional, or mental disability; or

215 (c) the child is a member of a sibling group placed together for adoption.

216 (3) "Monthly subsidy" means financial support to assist with the costs of adopting and  
217 caring for a child who has a special need.

218 (4) "Nonrecurring adoption expenses" means reasonably necessary adoption fees, court  
219 costs, ~~attorney's~~ attorney fees, and other expenses which are directly related to the legal  
220 adoption of a child who has a special need.

221 (5) "State medical assistance" means the Medicaid program and medical assistance, as  
222 defined in ~~[Subsections 26-18-2(4) and (5)]~~ Section 26-18-2.

223 (6) "Supplemental adoption assistance" means financial support for extraordinary,  
224 infrequent, or uncommon documented needs not otherwise covered by a monthly subsidy, state  
225 medical assistance, or other public benefits for which a child who has a special need is eligible.

226 Section 9. **Appropriation.**

227 As an ongoing appropriation subject to future budget constraints, there is appropriated  
228 from the General Fund for fiscal year 2008-09, \$100,000 to the Division of Health Care  
229 Financing within the Department of Health to promote awareness of and facilitate enrollment  
230 in the Utah's Premium Partnership for Health Insurance Program.

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**Legislative Review Note**

**as of 1-30-08 10:41 AM**

**Office of Legislative Research and General Counsel**