



UTAH STATE SENATE

UTAH STATE CAPITOL COMPLEX • 320 STATE CAPITOL
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February 21, 2008

Mr. President:

The Business and Labor Committee reports a favorable recommendation on **H.B. 342**, INSURANCE CODE AMENDMENTS, by Representative J. Dunnigan, with the following amendments and recommends it be considered read for the second time and placed on the Consent Calendar.

1. *Page 2, Lines 38 through 40:*

38 Insurance Act; and
39 { ~~addresses when individual carriers must accept individuals; and~~ }
40 ▶ makes additional technical amendments.

2. *Page 3, Line 70:*

70 { ~~31A-30-108, as last amended by Laws of Utah 2004, Chapters 2 and 329~~ }

3. *Page 12, Lines 341 through 354*

House Floor Amendments

2-12-2008:

Bill Number



HB0342

Action Class



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Action Code



SCRAMDCON

341 (50) (a) "Eligible employee" means:
342 (i) an employee who:
343 (A) works on a full-time basis; and
344 (B) has a normal work week of 30 or more hours; {+} or {+}
345 {+} (ii) a person described in Subsection (50) (b). {+}
346 {+} (b) "Eligible employee" includes, if the individual is included under a
health benefit
347 plan of a small employer: {+}
348 {+} (i) {+} ~~{(ii)}~~ a sole proprietor;
349 {+} (ii) {+} ~~{(iii)}~~ a partner in a partnership; or
350 {+} (iii) {+} ~~{(iv)}~~ an independent contractor.
351 {+} (c) {+} ~~{(b)}~~ "Eligible employee" does not include $\hat{H} \rightarrow [f]$,
unless eligible under Subsection
352 (50)(b): (i) $[f] \leftarrow \hat{H}$ an individual who works on a temporary or substitute basis for a
small
352a employer $\hat{H} \rightarrow [f]$; $[f]$ $[z]$
353 $[f]$ (ii) an employer's spouse; or $[f]$
354 $[f]$ (iii) a dependent of an employer. $[f] \leftarrow \hat{H}$

4. Page 64, Line 1980 through Page 65, Line 1983:

1980 (4) The Basic Health Care Plan adopted by the commissioner under this section shall
1981 provide for:
1982 (a) a lifetime maximum benefit per person not to exceed \$1,000,000;
1983 (b) an annual maximum benefit per person not {to exceed \$300,000} less
than \$250,000 ;

5. Page 103, Line 3166 through Page 106, Line 3269:

3166 {~~Section 26. Section 31A-30-108 is amended to read:~~
3167 ~~31A-30-108. Eligibility for small employer and individual market.~~
3168 ~~(1)(a) Small employer carriers shall accept residents for small group coverage~~
as set
3169 forth in the Health Insurance Portability and Accountability Act, P.L. 104-191, 110
Stat. 1962;
3170 Sec. 2701(f) and 2711(a).

3171 ~~—(b) Individual carriers shall accept residents for individual coverage pursuant:~~
3172 ~~—(i) to P.L. 104-191, 110 Stat. 1979, Sec. 2741(a)-(b); and~~
3173 ~~—(ii) Subsection (3):~~
3174 ~~—(2) (a) Small employer carriers shall offer to accept all eligible employees and~~
3175 ~~their~~
3176 ~~dependents at the same level of benefits under any health benefit plan provided to a~~
3177 ~~small~~
3178 ~~employer:~~
3179 ~~—(b) Small employer carriers may:~~
3180 ~~—(i) request a small employer to submit a copy of the small employer's quarterly~~
3181 ~~income~~
3182 ~~tax withholdings to determine whether the employees for whom coverage is provided~~
3183 ~~or~~
3184 ~~requested are bona fide employees of the small employer; and~~
3185 ~~—(ii) deny or terminate coverage if the small employer refuses to provide~~
3186 ~~documentation~~
3187 ~~requested under Subsection (2)(b)(i):~~
3188 ~~—(3) Except as provided in Subsections (5) and (6) and Section 31A-30-110,~~
3189 ~~individual~~
3190 ~~carriers shall accept for coverage individuals to whom all of the following conditions~~
3191 ~~apply:~~
3192 ~~—(a) the individual is not covered or eligible for coverage:~~
3193 ~~—(i) (A) as an employee of an employer;~~
3194 ~~—(B) as a member of an association; or~~
3195 ~~—(C) as a member of any other group; and~~
3196 ~~—(ii) under:~~
3197 ~~—(A) a health benefit plan; or~~
3198 ~~—(B) a self-insured arrangement that provides coverage similar to that provided~~
3199 ~~by a~~
3200 ~~health benefit plan as defined in Section 31A-1-301;~~
3201 ~~—(b) the individual is not covered and is not eligible for coverage under any public~~
3202 ~~health benefits arrangement including:~~
3203 ~~—(i) the Medicare program established under Title XVIII of the Social Security~~
3204 ~~Act;~~
3205 ~~—[(ii) the Medicaid program established under Title XIX of the Social Security~~
3206 ~~Act;]~~

3197 ~~—[(iii)] (ii) any act of Congress or law of this or any other state that provides~~
benefits

3198 comparable to the benefits provided under this chapter; or

3199 ~~—[(iv)] (iii) coverage under the Comprehensive Health Insurance Pool Act created~~
in

3200 Chapter 29, Comprehensive Health Insurance Pool Act;

3201 ~~—(c) unless the maximum benefit has been reached the individual is not covered or~~
3202 eligible for coverage under any:

3203 ~~—(i) Medicare supplement policy;~~

3204 ~~—(ii) conversion option;~~

3205 ~~—(iii) continuation or extension under COBRA; or~~

3206 ~~—(iv) state extension;~~

3207 ~~—(d) the individual has not terminated or declined coverage described in~~
Subsection

3208 ~~(3)(a), (b), or (c) within 93 days of application for coverage, unless the individual is~~
eligible for

3209 individual coverage under P.L. 104-191, 110 Stat. 1979, Sec. 2741(b), in which case,
the

3210 requirement of this Subsection ~~(3)(d) does not apply; and~~

3211 ~~—(e) the individual is certified as ineligible for the Health Insurance Pool if:~~

3212 ~~—(i) the individual applies for coverage with the Comprehensive Health Insurance~~
Pool

3213 within 30 days after being rejected or refused coverage by the covered carrier and
reapplies for

3214 coverage with that covered carrier within 30 days after the date of issuance of a
certificate

3215 under Subsection 31A-29-111(5)(c); or

3216 ~~—(ii) the individual applies for coverage with any individual carrier within 45~~
days after:

3217 ~~—(A) notice of cancellation of coverage under Subsection 31A-29-115(1); or~~

3218 ~~—(B) the date of issuance of a certificate under Subsection 31A-29-111(5)(c) if the~~
3219 individual applied first for coverage with the Comprehensive Health Insurance Pool.

3220 ~~—(4) (a) If coverage is obtained under Subsection (3)(e)(i) and the required~~
premium is

3221 paid, the effective date of coverage shall be the first day of the month following the
individual's

3222 ~~submission of a completed insurance application to that covered carrier:~~
3223 ~~——(b) If coverage is obtained under Subsection (3)(e)(ii) and the required premium~~
~~is~~
3224 ~~paid, the effective date of coverage shall be the day following the:~~
3225 ~~——(i) cancellation of coverage under Subsection 31A-29-115(1); or~~
3226 ~~——(ii) submission of a completed insurance application to the Comprehensive~~
~~Health~~
3227 ~~Insurance Pool:~~
3228 ~~——(5) (a) An individual carrier is not required to accept individuals for coverage~~
~~under~~
3229 ~~Subsection (3) if the carrier issues no new individual policies in the state after July 1,~~
~~1997.~~
3230 ~~——(b) A carrier described in Subsection (5)(a) may not issue new individual policies~~
~~in~~
3231 ~~the state for five years from July 1, 1997.~~
3232 ~~——(c) Notwithstanding Subsection (5)(b), a carrier may request permission to issue~~
~~new~~
3233 ~~policies after July 1, 1999, which may only be granted if:~~
3234 ~~——(i) the carrier accepts uninsurables as is required of a carrier entering the~~
~~market under~~
3235 ~~Subsection 31A-30-110; and~~
3236 ~~——(ii) the commissioner finds that the carrier's issuance of new individual policies:~~
3237 ~~——(A) is in the best interests of the state; and~~
3238 ~~——(B) does not provide an unfair advantage to the carrier.~~
3239 ~~——(6) (a) If the Comprehensive Health Insurance Pool as set forth under Title 31A,~~
3240 ~~Chapter 29, is dissolved or discontinued, or if enrollment is capped or suspended, an~~
~~individual~~
3241 ~~carrier may decline to accept individuals applying for individual enrollment, other~~
~~than~~
3242 ~~individuals applying for coverage as set forth in P.L. 104-191, 110 Stat. 1979, Sec.~~
~~2741~~
3243 ~~(a)-(b):~~
3244 ~~——(b) Within two calendar days of taking action under Subsection (6)(a), an~~
~~individual~~
3245 ~~carrier will provide written notice to the Utah Insurance Department.~~
3246 ~~——(7) (a) If a small employer carrier offers health benefit plans to small employers~~

3247 ~~through a network plan, the small employer carrier may:~~
3248 ~~—(i) limit the employers that may apply for the coverage to those employers with~~
~~eligible~~
3249 ~~employees who live, reside, or work in the service area for the network plan; and~~
3250 ~~—(ii) within the service area of the network plan, deny coverage to an employer if~~
~~the~~
3251 ~~small employer carrier has demonstrated to the commissioner that the small~~
~~employer carrier:~~
3252 ~~—(A) will not have the capacity to deliver services adequately to enrollees of any~~
3253 ~~additional groups because of the small employer carrier's obligations to existing~~
~~group contract~~
3254 ~~holders and enrollees; and~~
3255 ~~—(B) applies this section uniformly to all employers without regard to:~~
3256 ~~—(f) the claims experience of an employer, an employer's employee, or a~~
~~dependent of an~~
3257 ~~employee; or~~
3258 ~~—(H) any health status-related factor relating to an employee or dependent of an~~
3259 ~~employee.~~
3260 ~~—(b) (i) A small employer carrier that denies a health benefit product to an~~
~~employer in~~
3261 ~~any service area in accordance with this section may not offer coverage in the small~~
~~employer~~
3262 ~~market within the service area to any employer for a period of 180 days after the date~~
~~the~~
3263 ~~coverage is denied.~~
3264 ~~—(ii) This Subsection (7)(b) does not:~~
3265 ~~—(A) limit the small employer carrier's ability to renew coverage that is in force;~~
~~or~~
3266 ~~—(B) relieve the small employer carrier of the responsibility to renew coverage~~
~~that is in~~
3267 ~~force.~~
3268 ~~—(c) Coverage offered within a service area after the 180-day period specified in~~
3269 ~~Subsection (7)(b) is subject to the requirements of this section.~~

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Renumber remaining sections accordingly

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Respectfully,

Kevin T. VanTassell
Committee Chair

Voting: 3-0-4

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