

## HB0437S01 compared with HB0437

~~{deleted text}~~ shows text that was in HB0437 but was deleted in HB0437S01.

inserted text shows text that was not in HB0437 but was inserted into HB0437S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will not be completely accurate. Therefore, you need to read the actual bill. This automatically generated document could experience abnormalities caused by: limitations of the compare program; bad input data; the timing of the compare; and other potential causes.

Representative Bradley M. Daw proposes the following substitute bill:

### PUBLIC EMPLOYEE HEALTH CARE BENEFITS

2012 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Bradley M. Daw**

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

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#### LONG TITLE

##### General Description:

This bill modifies the Utah State Retirement and Insurance Benefit Act by amending high deductible health plan insurance program provisions.

##### Highlighted Provisions:

This bill:

- ▶ ~~{requires state employees to be enrolled in a high deductible health plan unless the employee chooses to enroll in a different health benefit plan during each open enrollment period}~~ clarifies that health insurance benefits provided to employees do not constitute a continuing obligation and may be changed by the Legislature at any time;
- ▶ requires the Public Employee Health Plan to provide training on changing coverages to the high deductible plan with a health savings account, including coordination of

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benefits with other insurances;

- ▶ requires PEHP to coordinate annual open enrollment with the Department of Human Resource Management;
- ▶ establishes minimum annual employer contribution amounts and payout provisions for the employer paid health savings account contributions;
- ▶ requires the state to offer continuing high deductible health plan coverage under certain circumstances after the employee has the exhausted Federal COBRA insurance; and
- ▶ makes technical changes.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

49-20-105, as renumbered and amended by Laws of Utah 2002, Chapter 250

49-20-410, as last amended by Laws of Utah 2011, Chapter 148

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

Section 1. Section 49-20-105 is amended to read:

**49-20-105. Purpose -- Benefits are not a continuing obligation.**

(1) The purpose of this chapter is to provide a mechanism for covered employers to provide covered individuals with group health, dental, medical, disability, life insurance, medicare supplement, conversion coverage, cafeteria, flex plan, and other programs requested by the state, its political subdivisions, or educational institutions in the most efficient and economical manner.

(2) The benefits provided to a covered individual under this chapter:

(a) do not constitute a continuing obligation of the state, its political subdivisions, or educational institutions; and

(b) may be changed by the Legislature at any time.

Section ~~49-20-410~~2. Section **49-20-410** is amended to read:

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### 49-20-410. High deductible health plan -- Health savings account --

#### Contributions.

(1) (a) In addition to other employee benefit plans offered under Subsection 49-20-201(1), the office shall offer at least one federally qualified high deductible health plan with a health savings account as an optional health plan.

(b) The provisions and limitations of the plan shall be:

(i) determined by the office in accordance with federal requirements and limitations; and

(ii) designed to promote appropriate health care utilization by consumers, including preventive health care services.

(c) A state employee ~~{}~~ hired on or after July 1, 2011, ~~{}~~ who is offered a plan under Subsection 49-20-202(1)(a), shall be enrolled in a federally qualified high deductible health plan unless the employee chooses a different health benefit plan during ~~{each of}~~ the employee's open enrollment ~~{}~~ period ~~{}~~ periods.

(2) The office shall:

(a) administer the high deductible health plan in coordination with a health savings account for medical expenses for each covered individual in the high deductible health plan; and

(b) offer to all employees training regarding health plans offered to employees, including, if offered, high deductible health plans and health savings accounts; ~~[and]~~

(c) prepare online training as an option for the training required by Subsections (2)(b) and (4)~~[-]~~; and

(d) ensure the training offered under Subsections (2)(b) and (c) shall include information on changing coverages to the high deductible plan with a health savings account, including coordination of benefits with other insurances, restrictions on other insurance coverages, and general tax implications.

(e) coordinate annual open enrollment with the Department of Human Resource Management to give state employees the opportunity to affirmatively select preferences from among insurance coverage options.

(3) (a) Contributions to the health savings account may be made by the employer.

(b) The amount of the employer contributions under Subsection (3)(a) shall be

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determined annually by the office, after consultation with the Department of Human Resource Management and the Governor's Office of Planning and Budget†.

~~— (c) [-]~~ but the annual employer contribution amount may not be less than \$750 for single coverage and \$1500 for double or family coverage.

(c) The office shall distribute the annual amount determined under Subsection (3)(b) to employees in two equal amounts with the first pay date in January and the first pay date in July of each plan year.

~~[(c)] (d)~~ An employee may also make contributions to the health savings account.

(4) The program shall offer a state employee and the employee's eligible dependents the option to continue coverage under the employee's high deductible health plan in place of a conversion policy under Section 31A-22-723 if:

(a) the employee was covered by the state employee's high deductible health plan for at least the four years before the date of termination of employment;

(b) the employee or the employee's eligible dependents have exhausted federal COBRA coverage with the same or similar state employee's high deductible health plan; and

(c) the employee pays the premium group rate determined by the office for the coverage.

~~[(4)] (5)~~ (a) An employer participating in a plan offered under Subsection 49-20-202(1)(a) shall require each employee to complete training on the health plan options available to the employee.

(b) The training required by Subsection ~~[(4)] (a)~~:

~~— (i) [-]~~ (5)(a):

(i) shall include materials prepared by the office under Subsection (2);

~~[(i)] (ii)~~ may be completed online; and

~~[(ii)] (iii)~~ shall be completed:

(A) before the end of the ~~[2011]~~ 2012 open enrollment period for current enrollees in the program; and

(B) for employees hired on or after July 1, 2011, ~~[prior to]~~ before the employee's selection of a plan in the program.

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**Legislative Review Note**

~~\_\_\_\_\_ as of 2-7-12 3:52 PM~~

~~\_\_\_\_\_ Office of Legislative Research and General Counsel}~~