

1 HEALTH INSURANCE MANDATE ACCOUNTABILITY

2 AMENDMENTS

3 2012 GENERAL SESSION

4 STATE OF UTAH

5 Chief Sponsor: Todd Weiler

6 House Sponsor: Evan J. Vickers

7

8 LONG TITLE

9 General Description:

10 This bill amends the Accident and Health Insurance Policy chapter of the Insurance
11 Code.

12 Highlighted Provisions:

13 This bill:

- 14 ▶ applies a health insurance mandate that is enacted by the state after January 1,
15 2012, to a public school district, charter school, or a state funded institution of
16 higher education;
- 17 ▶ requires the state to evaluate the cost of an insurance mandate enacted after January
18 1, 2012, for the state employees' risk pool, a public school district, a charter school,
19 and state funded institutions of higher education;
- 20 ▶ requires the state to appropriate the cost of implementing a health insurance
21 mandate enacted after January 1, 2012, to the participating employers in the state
22 employees' risk pools, public school districts, charter schools, and state funded
23 institutions of higher education; and
- 24 ▶ makes technical amendments.

25 Money Appropriated in this Bill:

26 None

27 Other Special Clauses:



28 This bill provides an immediate effective date.

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **31A-22-605.5**, as last amended by Laws of Utah 2008, Chapters 241 and 250

32 **49-20-407**, as last amended by Laws of Utah 2004, Chapter 229



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

35 Section 1. Section **31A-22-605.5** is amended to read:

36 **31A-22-605.5. Application.**

37 (1) For purposes of this section "insurance mandate":

38 (a) means a mandatory obligation with respect to coverage, benefits, or the number or
39 types of providers imposed on policies of accident and health insurance; and

40 (b) does not mean:

41 (i) an administrative rule imposing a mandatory obligation with respect to coverage,
42 benefits, or providers unless that mandatory obligation was specifically imposed on policies of
43 accident and health insurance by statute[-]; or

44 (ii) an insurance mandate in an essential health benefits package imposed pursuant to
45 the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, and the Health Care
46 Education Reconciliation Act of 2010, Pub. L. No. 111-152, and federal rules related to their
47 implementation.

48 (2) (a) Notwithstanding the provisions of Subsection 31A-1-103(3)(f), the following
49 shall apply to health coverage offered to the state employees' risk pool under Subsection
50 49-20-202(1)(a):

51 (i) any law [~~imposed~~] enacted under this title that becomes effective after January 1,
52 2002, which provides for an insurance mandate for policies of accident and health insurance;
53 and

54 (ii) in accordance with Section 31A-22-613.5, disclosure requirements for coverage
55 limitations.

56 (b) Notwithstanding the provisions of Subsection 31A-1-103(3)(f), a health insurance
57 mandate enacted under this title after January 1, 2012, shall apply to:

58 (i) health coverage offered to the state employees' risk pool under Subsection

59 49-20-202(1)(a); and

60 (ii) health coverage offered to public school districts, charter schools, and institutions
61 of higher education under Subsection 49-20-201(1)(b).

62 ~~[(b)]~~ (c) If health coverage offered to the state employees' risk pool under [Subsection]
63 Subsections 49-20-201(1)(b) and 49-20-202(1)(a) offers coverage in the same manner and to
64 the same extent as the coverage required by [the] an insurance mandate [imposed] enacted
65 under this title or coverage that is greater than the insurance mandate [imposed] enacted under
66 this title, the coverage offered to state employees under [Subsection] Subsections
67 49-20-201(1)(b) and 49-20-202(1)(a) will be considered in compliance with the insurance
68 mandate.

69 ~~[(e)]~~ (d) The [program] programs regulated under [Subsection] Subsections
70 49-20-201(1)(b) and 49-20-202(1)(a) shall report to the Retirement and Independent Entities
71 Committee created under Section 63E-1-201 by November 30 of each year in which a mandate
72 is [imposed] enacted under the provisions of this section. The report shall include the costs and
73 benefits of the particular mandatory obligation.

74 (3) (a) An insurance mandate for policies of accident and health insurance enacted
75 under this title after January 1, 2012, shall apply to policies of accident and health insurance
76 offered by a public school district, a charter school, or a state funded institution of higher
77 education that is not insured through the Public Employees' Benefit and Insurance Program.

78 (b) If an insurance mandate for policies of accident and health insurance is enacted
79 under this title after January 1, 2012, the state shall determine whether each entity described in
80 Subsections (2) and (3)(a) offers coverage in the same manner and to the same extent, or
81 greater than the insurance coverage required in the mandate enacted after January 1, 2012.

82 (c) Before enacting an insurance mandate, the state shall, for each entity that does not
83 offer coverage in accordance with Subsection (3)(b):

84 (i) determine the cost to the entity of implementing the insurance mandate; and

85 (ii) appropriate money necessary to fund the full cost to the entity of implementing the
86 insurance mandate.

87 Section 2. Section **49-20-407** is amended to read:

88 **49-20-407. Insurance mandates.**

89 Notwithstanding the provisions of Subsection 31A-1-103(3)(f)[;]:

90 (1) health coverage offered to the state employee risk pool under Subsection
91 49-20-202(1)(a) shall comply with the provisions of Sections 31A-8-501 and 31A-22-605.5;
92 and

93 (2) health coverage offered to public school districts, charter schools, and institutions
94 of higher education under Subsection 49-20-301(1)(b) shall comply with the provisions of
95 Section 31A-22-605.5.

96 Section 3. **Effective date.**

97 If approved by two-thirds of all the members elected to each house, this bill takes effect
98 upon approval by the governor, or the day following the constitutional time limit of Utah
99 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
100 the date of veto override.

Legislative Review Note
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Office of Legislative Research and General Counsel