

Representative Don L. Ipson proposes the following substitute bill:

**WORKERS' COMPENSATION COORDINATION OF
BENEFITS AMENDMENTS**

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Karen Mayne

House Sponsor: Don L. Ipson

LONG TITLE

General Description:

This bill amends the Insurance Code and the Utah Labor Code regarding payment of medical claims when an employee is injured.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ beginning July 1, 2014, requires a health benefit plan to pay for medical benefits otherwise covered by the health benefit plan if an application for hearing is filed with the Labor Commission and while a workers' compensation claim is being adjudicated;

H→ ▶ exempts an insurer with less than 2% market share in the state from the requirements of the bill; ←H

▶ includes the Public Employees' Benefit and Insurance Program as a health insurer subject to paying medical claims for an injured worker while a workers' compensation claim is being adjudicated;

- ▶ requires the Labor Commission to notify:
 - an injured employee of the employee's right to health insurance coverage while a workers' compensation claim is pending; and
 - a health insurer of an employee's application for hearing;

2nd Sub. S.B. 59



- 57 Employers' Fund;
- 58 ▶ makes technical changes; and
- 59 ▶ sunsets the coordination of benefits.

60 **Money Appropriated in this Bill:**

61 None

62 **Other Special Clauses:**

63 This bill takes effect on July 1, 2014.

64 **Utah Code Sections Affected:**

65 AMENDS:

66 **34A-2-704**, as last amended by Laws of Utah 2012, Chapter 369

67 **63I-1-231**, as last amended by Laws of Utah 2011, Chapters 199, 240, and 400

68 **63I-1-234**, as last amended by Laws of Utah 2011, Chapter 15

69 ENACTS:

70 **31A-22-619.6**, Utah Code Annotated 1953

71 **34A-2-213**, Utah Code Annotated 1953



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

74 Section 1. Section **31A-22-619.6** is enacted to read:

75 **31A-22-619.6. Coordination of benefits with workers' compensation claim --**

76 **Health insurer's duty to pay.**

77 (1) As used in this section:

78 (a) "Employee" means an employee, worker, or operative as defined in Section

79 34A-2-104.

80 (b) "Employer" is as enumerated and defined in Section 34A-2-103.

81 (c) "Health benefit plan":

82 (i) is as defined in Section 31A-1-301; ~~It~~ → [and] ← ~~It~~

83 (ii) includes:

84 (A) a health maintenance organization;

85 (B) a third party administrator that offers, sells, manages, or administers a health

86 benefit plan; and

87 (C) the Public Employees' Benefit and Insurance Program created in Section

88 49-20-103 H→ ; and

88a (iii) excludes a health benefit plan offered by an insurer that has a market share in the
88b state's fully insured market that is less than 2%, as determined in the department's annual
88c Market Share Report published by the department ←H .

89 (d) "Workers' compensation carrier" means any of the entities an employer may use to
90 provide workers' compensation benefits for its employees under Section 34A-2-201.

91 (e) "Workers' compensation claim" means a claim for compensation for medical
92 benefits under Title 34A, Chapter 2, Workers' Compensation Act, or Title 34A, Chapter 3,
93 Utah Occupational Disease Act.

94 (2) (a) For medical claims incurred on or after July 1, 2014, an employee's health
95 benefit plan may not delay or deny payment of benefits due to the employee under the terms of
96 a health benefit plan by claiming that treatment for the employee's injury or disease is the
97 responsibility of the employer's workers' compensation carrier if:

98 (i) the employee or a health care provider on behalf of an employee files an application
99 for hearing regarding the workers' compensation claim with the Division of Adjudication under
100 Section 34A-2-801; and

101 (ii) the health benefit plan received a notice from the Labor Commission that an
102 application for hearing was filed in accordance with Subsection (2)(a)(i).

103 (b) The Labor Commission shall provide the notice required by Subsection (2)(a)(ii) in
104 accordance with Subsection 34A-2-213(2).

105 (3) A health benefit plan that receives a medical claim from the employee or a health
106 care provider and a notice from the Labor Commission in accordance with Subsection (2):

107 (a) shall pay the medical claim directly to the health care provider in the dollar amount
108 paid under the limits, terms, and conditions of the employee's health benefit plan; and

109 (b) may send a notice to the Labor Commission or the attorney for the injured worker
110 informing the parties that the health benefit plan paid a claim under the provisions of this
111 section.

112 (4) If the claims for medical services paid pursuant to Subsection (3) are determined to
113 be compensable by the workers' compensation carrier in a final order or under the terms of a
114 settlement agreement under Section 34A-2-801, the workers' compensation carrier shall pay the
115 health benefit plan and employee in accordance with Subsection 34A-2-213(3)(b).

116 (5) (a) A health care provider who receives payment for a medical claim from a health
117 benefit plan under the provisions of Subsection (3) may not request additional payment for the
118 medical claim from the workers' compensation carrier if the final order or terms of the