

H.B. 47

INSURANCE LAW AMENDMENTS

Representative **James A. Dunnigan** proposes the following amendments:

1. *Page 1, Lines 25 through 26:*

- 25 ▶ amends provisions related to inducements;
 ▶ addresses powers of the board related to the Utah Comprehensive Health Insurance Pool Act;
26 ▶ addresses money deposited into the Insurance Fraud Investigation Restricted

2. *Page 2, Lines 48 through 49:*

- 48 31A-23a-402.5, as last amended by Laws of Utah 2012, Chapters 253 and 279
 31A-29-106, as last amended by Laws of Utah 2011, Chapter 284
49 31A-29-113, as last amended by Laws of Utah 2007, Chapter 40

3. *Page 52, Lines 1584 through 1585:*

- 1584 (9) ~~{Insurers}~~ Except as provided in Subsection 31A-22-618.5(3)(a), insurers are subject to
 [the provisions of] Sections 31A-22-613.5, 31A-22-614.5,
1585 and 31A-22-618.

4. *Page 65, Line 1987:*

- 1987 or exceed the fair market value of the item.

Section 13. Section 31A-29-106 is amended to read:

31A-29-106. Powers of board.

- (1) The board shall have the general powers and authority granted under the laws of this state to insurance companies licensed to transact health care insurance business. In addition, the board shall have the specific authority to:
- (a) enter into contracts to carry out the provisions and purposes of this chapter, including, with the approval of the commissioner, contracts with:
 - (i) similar pools of other states for the joint performance of common administrative functions; or
 - (ii) persons or other organizations for the performance of administrative functions;
 - (b) sue or be sued, including taking such legal action necessary to avoid the payment of improper claims against the pool or the coverage provided through the pool;
 - (c) establish appropriate rates, rate schedules, rate adjustments, expense allowances, agents' referral fees, claim reserve formulas, and any other actuarial function appropriate to the operation of the pool;
 - (d) issue policies of insurance in accordance with the requirements of this chapter;
 - (e) retain an executive director and appropriate legal, actuarial, and other personnel as necessary to

provide technical assistance in the operations of the pool;

(f) establish rules, conditions, and procedures for reinsuring risks under this chapter;

(g) cause the pool to have an annual audit of its operations by the state auditor;

(h) coordinate with the Department of Health in seeking to obtain from the Centers for Medicare and Medicaid Services, or other appropriate office or agency of government, all appropriate waivers, authority, and permission needed to coordinate the coverage available from the pool with coverage available under Medicaid, either before or after Medicaid coverage, or as a conversion option upon completion of Medicaid eligibility, without the necessity for requalification by the enrollee;

(i) provide for and employ cost containment measures and requirements including preadmission certification, concurrent inpatient review, and individual case management for the purpose of making the pool more cost-effective;

(j) offer pool coverage through contracts with health maintenance organizations, preferred provider organizations, and other managed care systems that will manage costs while maintaining quality care;

(k) establish annual limits on benefits payable under the pool to or on behalf of any enrollee;

(l) exclude from coverage under the pool specific benefits, medical conditions, and procedures for the purpose of protecting the financial viability of the pool;

(m) administer the Pool Fund;

(n) make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to implement this chapter; ~~{-and-}~~

(o) adopt, trademark, and copyright a trade name for the pool for use in marketing and publicizing the pool and its products ~~{-}~~ ; and

(p) transition health care coverage for all individuals covered under the pool as part of the conversion to health insurance coverage, regardless of pre-existing conditions, under PPACA.

(2) (a) The board shall prepare and submit an annual report to the Legislature which shall include:

(i) the net premiums anticipated;

(ii) actuarial projections of payments required of the pool;

(iii) the expenses of administration; and

(iv) the anticipated reserves or losses of the pool.

(b) The budget for operation of the pool is subject to the approval of the board.

(c) The administrative budget of the board and the commissioner under this chapter shall comply with the requirements of Title 63J, Chapter 1, Budgetary Procedures Act, and is subject to review and approval by the Legislature.

(3) (a) The board shall on or before September 1, 2004, require the plan administrator or an independent actuarial consultant retained by the plan administrator to redetermine the reasonable equivalent of the criteria for uninsurability required under Subsection 31A-30-106(1)(h) that is used by the board to determine eligibility for coverage in the pool.

(b) The board shall redetermine the criteria established in Subsection (3)(a) at least every five years thereafter.

5. Page 68, Lines 2093 through 2099:

2093 (1) There is created a restricted special revenue fund known as the "Insurance Fraud
2094 Victim Restitution Fund."
2095 (2) The Insurance Fraud Victim Restitution Fund shall consist of money ordered paid
2096 under Subsections 31A-31-109(1)(a)(i) and (2)(a).
2097 {~~(3) Interest on fund money shall be deposited into the General Fund.~~}
2098 {~~(4)~~} (3) The commissioner shall administer the Insurance Fraud Victim Restitution Fund for
2099 the sole benefit of insurance fraud victims.

Renumber remaining sections accordingly.