

1 **CONCURRENT RESOLUTION FOR PUBLIC EMPLOYEES'**
2 **BENEFIT AND INSURANCE PROGRAM**

3 2017 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: James A. Dunnigan**

6 Senate Sponsor: Curtis S. Bramble

8 **LONG TITLE**

9 **General Description:**

10 This concurrent resolution directs the Public Employees' Benefit and Insurance Program
11 to modify benefit design and employee premium contributions for the health savings
12 account-qualified plans to ensure the state funds actuarially equivalent medical benefits
13 for its employees, and to refund excess dental reserves.

14 **Highlighted Provisions:**

15 This resolution:

- 16 ▶ directs the Public Employees' Benefit and Insurance Program to:
- 17 • modify benefit design and employee premium contributions for the STAR Plan
 - 18 and Utah Basic Plus Plan beginning FY 2017-18; and
 - 19 • refund excess reserves in the state's dental insurance pool.

20 **Special Clauses:**

21 None

23 *Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:*

24 WHEREAS, in accordance with Utah Code Section [49-20-201](#), the state participates in
25 the Public Employees' Benefit and Insurance Program;

26 WHEREAS, Utah Code Subsection [49-20-401\(1\)\(g\)](#), provides that the program must
27 "consult with the covered employers to evaluate employee benefit plans and develop



28 recommendations for benefit changes";

29 WHEREAS, Utah Code Subsection 49-20-401(1)(j), provides that the program "submit
30 in advance, its recommended benefit adjustments for state employees to... the Legislature and...
31 the executive director of the state Department of Human Resource Management";

32 WHEREAS, Utah Code Subsection 49-20-401(1)(l), provides that the program
33 "determine benefits and rates based on the total estimated costs and the employee premium
34 share established by the Legislature, upon approval of the board, for state employees";

35 WHEREAS, Utah Code Subsection 49-20-410(3)(b), provides that the state's annual
36 contribution to employee health savings accounts (HSA) reflect "the difference in the actuarial
37 value" between HSA-qualified plans and the traditional plan, "after taking into account any
38 difference in employee premium contribution";

39 WHEREAS, in contrast to original estimates, a recent actuarial analysis of state plan
40 relativities shows that the state's contribution for HSA-qualified plans (the "STAR Plan" and
41 "Utah Basic Plus Plan") needs to be reduced by approximately 10% to make the state's
42 contributions actuarially equivalent for all funded plans;

43 WHEREAS, the Legislature desires to fund an actuarially equivalent benefit for all
44 employees, regardless of plan choice;

45 WHEREAS, Utah Code Subsection 49-20-402(2), provides that substantial excess
46 reserves are to be refunded upon the determination of the Utah State Retirement Board; and

47 WHEREAS, the Utah State Retirement Board has determined that there should be a
48 refund of excess reserves in the risk pool established to pay dental claims for state employees:

49 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
50 Governor concurring therein, direct the Public Employees' Benefit and Insurance Program to:

51 (1) modify the HSA-qualified STAR Plan so that:

52 (a) the deductible is \$1,750 for single coverage and \$3,500 for double and family
53 coverage;

54 (b) the maximum out-of-pocket is \$3,000 for single coverage, \$6,000 for double
55 coverage, and \$9,000 for family coverage; and

56 (c) the HSA contribution is \$500 for single coverage and \$1,000 for double and family
57 coverage;

58 (2) establish an employee premium contribution for the HSA-qualified STAR Plan,

59 which for the FY 2017-18 plan year shall be \$100 for single coverage, \$201 for double
60 coverage, and \$437 for family coverage on the Summit and Advantage networks.

61 (3) modify the HSA-qualified Utah Basic Plus Plan so that:

62 (a) the deductible is \$3,500 for single coverage and \$7,000 for double and family
63 coverage;

64 (b) the maximum out-of-pocket is ~~H→ [\$6,500]~~ \$6,550 ~~←H~~ for single coverage, \$13,100
64a for double
65 coverage, and \$13,100 for family coverage; and

66 (c) the HSA contribution is \$1,375 for single coverage and \$2,750 for double and
67 family coverage;

68 (4) establish an employee premium contribution for the HSA-qualified Utah Basic Plus
69 Plan, which for the FY 2017-18 plan year shall be \$70 for single coverage, \$147 for double
70 coverage, and \$207 for family coverage on the Summit and Advantage networks; and

71 (5) return excess reserves in the state's dental risk pool on or before June 30, 2017, of
72 about ~~H→ [\$3.5]~~ \$3.8 ~~←H~~ million so that remaining pool reserves equal approximately 60 days of
72a premium.

73 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the Public
74 Employees' Benefit and Insurance Program.

Legislative Review Note
Office of Legislative Research and General Counsel