

PUBLIC EMPLOYEES' BENEFIT AND INSURANCE

PROGRAM AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel Hemmert

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies the Public Employees' Benefit and Insurance Program Act by amending provisions relating to the high deductible health plan.

Highlighted Provisions:

This bill:

- amends the requirements for the contributions made by an employer to the health savings account for a federally qualified high deductible health plan.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

49-20-410, as last amended by Laws of Utah 2016, Chapter 93

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

Section 1. Section **49-20-410** is amended to read:

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

Contributions.



28 (1) (a) In addition to other employee benefit plans offered under Subsection
29 49-20-201(1), the office shall offer at least one federally qualified high deductible health plan
30 with a health savings account as an optional health plan.

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

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

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

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

40 (2) The office shall:

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

43 (b) offer to all employees training regarding all health plans offered to employees;

44 (c) prepare online training as an option for the training required by Subsections (2)(b)
45 and (4);

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

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

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

54 (b) The amount of the employer contributions under Subsection (3)(a) shall be
55 determined annually by the office, after consultation with the Department of Human Resource
56 Management and the Governor's Office of Management and Budget so that the annual
57 employer contribution amount reflects the ~~[difference in the actuarial value]~~ forecasted cost
58 based on the historical cost experience between the program's health maintenance organization

59 coverage and the federally qualified high deductible health plan coverage, after taking into
60 account any difference in employee premium contribution.

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

64 (d) An employee may also make contributions to the health savings account.

65 (e) If an employee is ineligible for a contribution to a health savings account under
66 federal law and would otherwise be eligible for the contribution under Subsection (3)(a), the
67 contribution shall be distributed into a health reimbursement account or other tax-advantaged
68 arrangement authorized under the Internal Revenue Code for the benefit of the employee.

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

72 (b) The training required by Subsection (4)(a):

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

74 (ii) may be completed online; and

75 (iii) shall be completed:

76 (A) before the end of the 2012 open enrollment period for current enrollees in the
77 program; and

78 (B) for employees hired on or after July 1, 2011, before the employee's selection of a
79 plan in the program.