

- 57 ▶ amends provisions regarding the licensing of administrators;
- 58 ▶ amends jurisdictional provisions under the Insurance Receivership Act;
- 59 ▶ amends provisions related to health care claims practices;
- 60 ▶ enacts provisions related to the designation of a third party to receive notification of
- 61 lapse or cancellation of a policyholder's policy for nonpayment of premium;
- 62 ▶ permits a captive insurance company to provide reinsurance by another insurer with
- 63 prior approval of the commissioner;
- 64 ▶ amends the issues regarding which the Health Reform Task Force is required to
- 65 review and make recommendations; and
- 66 ▶ makes technical and conforming changes.

67 **Money Appropriated in this Bill:**

68 None

69 **Other Special Clauses:**

70 **§→ [None] This bill provides a special effective date. ←§**

71 **Utah Code Sections Affected:**

72 AMENDS:

- 73 **17B-2a-818.5**, as last amended by Laws of Utah 2018, Chapter 319
- 74 **19-1-206**, as last amended by Laws of Utah 2018, Chapter 319
- 75 **26-40-115**, as last amended by Laws of Utah 2019, Chapter 393
- 76 **31A-1-103**, as last amended by Laws of Utah 2017, Chapter 27
- 77 **31A-1-301**, as last amended by Laws of Utah 2019, Chapter 193
- 78 **31A-2-104**, as last amended by Laws of Utah 2014, Chapters 290 and 300
- 79 **31A-2-110**, as last amended by Laws of Utah 1986, Chapter 204
- 80 **31A-2-212**, as last amended by Laws of Utah 2016, Chapter 138
- 81 **31A-2-218**, as last amended by Laws of Utah 2015, Chapter 283
- 82 **31A-2-309**, as last amended by Laws of Utah 2016, Chapter 138
- 83 **31A-2-403**, as last amended by Laws of Utah 2019, Chapter 193
- 84 **31A-6a-101**, as last amended by Laws of Utah 2018, Chapter 319
- 85 **31A-6a-103**, as last amended by Laws of Utah 2015, Chapter 244
- 86 **31A-6a-104**, as last amended by Laws of Utah 2018, Chapter 319
- 87 **31A-8-211**, as last amended by Laws of Utah 2002, Chapter 308

4986 [~~(iv) medical necessity; and~~
4987 [~~(v) any other reason that would justify an extension of the time to investigate a claim.~~]

4988 (a) ~~§→ ["Dentist" means an individual licensed under Title 58, Chapter 69, Dentist and~~
4989 ~~Dental Hygienist Practice Act.~~

4990 ~~(b)~~ ←§ "Health care provider" means a person licensed to provide health care under:
4991 (i) Title 26, Chapter 21, Health Care Facility Licensing and Inspection Act; or
4992 (ii) Title 58, Occupations and Professions.

4993 §→ ~~(c)~~ (b) ←§ "Insurer" means an admitted or authorized insurer, as defined in Section
4994 31A-1-301, and includes:

4995 (i) a health maintenance organization; and
4996 (ii) a third party administrator that is subject to this title, provided that nothing in this
4997 section may be construed as requiring a third party administrator to use its own funds to pay
4998 claims that have not been funded by the entity for which the third party administrator is paying
4999 claims.

5000 §→ ~~(d)~~ (c) ←§ "Provider" means a health care provider to whom an insurer is obligated to
5000a pay

5001 directly in connection with a claim by virtue of:

5002 (i) an agreement between the insurer and the provider;
5003 (ii) a health insurance policy or contract of the insurer; or
5004 (iii) state or federal law.

5005 (2) An insurer shall timely pay every valid insurance claim submitted by a provider in
5006 accordance with this section.

5007 (3) (a) Except as provided in Subsection (4), within 30 days of the day on which the
5008 insurer receives a written claim, an insurer shall:

5009 (i) pay the claim; or
5010 (ii) deny the claim and provide a written explanation for the denial.

5011 (b) (i) Subject to Subsection (3)(b)(ii), the time period described in Subsection (3)(a)
5012 may be extended by 15 days if the insurer:

5013 (A) determines that the extension is necessary due to matters beyond the control of the
5014 insurer; and

5015 (B) before the end of the 30-day period described in Subsection (3)(a), notifies the
5016 provider and insured in writing of:

5141 regarding the review process required by Subsection (9).

5142 (13) Nothing in this section may be construed as limiting the collection rights of a
5143 provider under Section [31A-26-301.5](#).

5144 (14) Nothing in this section may be construed as limiting the ability of an insurer to:

5145 (a) recover any amount improperly paid to a provider or an insured:

5146 (i) in accordance with Section [31A-31-103](#) or any other provision of state or federal
5147 law;

5148 (ii) within 24 months of the amount improperly paid for a coordination of benefits
5149 error;

5150 (iii) within 12 months of the amount improperly paid for any other reason not
5151 identified in Subsection (14)(a)(i) or (ii); or

5152 (iv) within 36 months of the amount improperly paid when the improper payment was
5153 due to a recovery by Medicaid, Medicare, the Children's Health Insurance Program, or any
5154 other state or federal health care program;

5155 (b) take any action against a provider that is permitted under the terms of the provider
5156 contract and not prohibited by this section;

5157 (c) report the provider to a state or federal agency with regulatory authority over the
5158 provider for unprofessional, unlawful, or fraudulent conduct; or

5159 (d) enter into a mutual agreement with a provider to resolve alleged violations of this
5160 section through mediation or binding arbitration.

5161 (15) A health care provider may only seek recovery from the insurer for an amount
5162 improperly paid by the insurer within the same time frames as Subsections (14)(a) and (b).

5163 (16) (a) ~~§→ [(i) An insurer shall remit in full the payment the insurer is obligated to pay to a~~
5164 ~~dentist or insured.~~

5165 ~~—— (ii) An insurer's payment under this Subsection (16)(a) may not be reduced for fees~~
5166 ~~incurred for the method of payment, regardless of the payment method.~~

5167 ~~—— (b) ←§ An insurer may offer the remittance of payment through a credit card or other~~
5168 ~~similar arrangement §→ [; if the dentist or insured is not charged a fee] ←§ .~~

5169 ~~§→ [(c)] (b) ←§ (i) A §→ [dentist] health care provider ←§ may elect not to receive~~
5169a ~~remittance through a credit card or other~~
5170 ~~similar arrangement.~~

5171 (ii) An insurer:

5172 (A) shall permit a ~~§~~ ~~→~~ [dentist's] health care provider's ~~←~~ ~~§~~ election described in
 5172a Subsection ~~§~~ ~~→~~ [(c)] (b) ~~←~~ ~~§~~ (i) to apply to the

5173 ~~§~~ ~~→~~ [dentist's] health care provider's ~~←~~ ~~§~~ entire practice; and

5174 (B) may not require a ~~§~~ ~~→~~ [dentist's] health care provider's ~~←~~ ~~§~~ election described in
 5174a Subsection ~~§~~ ~~→~~ [(c)] (b) ~~←~~ ~~§~~ (i) to be made on a
 5175 patient-by-patient basis.

5176 ~~§~~ ~~→~~ ~~[(d)]~~ ~~(c)~~ ~~←~~ ~~§~~ An insurer may not require a ~~§~~ ~~→~~ [dentist] health care provider ~~←~~ ~~§~~ or
 5176a insured to accept remittance through a credit
 5177 card or other similar arrangement.

5178 Section 47. Section 31A-27a-105 is amended to read:

5179 **31A-27a-105. Jurisdiction -- Venue.**

5180 (1) (a) A delinquency proceeding under this chapter may not be commenced by a
 5181 person other than the commissioner of this state.

5182 (b) No court has jurisdiction to entertain, hear, or determine a delinquency proceeding
 5183 commenced by any person other than the commissioner of this state.

5184 (2) Other than in accordance with this chapter, a court of this state has no jurisdiction
 5185 to entertain, hear, or determine any complaint:

5186 (a) requesting the liquidation, rehabilitation, seizure, sequestration, or receivership of
 5187 an insurer; or

5188 (b) requesting a stay, an injunction, a restraining order, or other relief preliminary to,
 5189 incidental to, or relating to a delinquency proceeding.

5190 (3) (a) The receivership court, as of the commencement of a delinquency proceeding
 5191 under this chapter, has exclusive jurisdiction of all property of the insurer, wherever located,
 5192 including property located outside the territorial limits of the state.

5193 (b) The receivership court has original but not exclusive jurisdiction of all civil
 5194 proceedings arising:

5195 (i) under this chapter; or

5196 (ii) in or related to a delinquency proceeding under this chapter.

5197 (4) In addition to other grounds for jurisdiction provided by the law of this state, a
 5198 court of this state having jurisdiction of the subject matter has jurisdiction over a person served
 5199 pursuant to the Utah Rules of Civil Procedure or other applicable provisions of law in an action
 5200 brought by the receiver if the person served:

5201 (a) in an action resulting from or incident to a relationship with the insurer described in
 5202 this Subsection (4)(a), is or has been an agent, broker, or other person who has at any time:

6224 (A) the employer relied in good faith on a written statement described in Subsection
6225 (5)(a) or (5)~~(b)~~(c)(ii); or

6226 (B) the department determines that compliance with this section is not required under
6227 the provisions of Subsection (3).

6228 (b) An employee has a private right of action only against the employee's employer to
6229 enforce the provisions of this Subsection (7).

6230 (8) Any penalties imposed and collected under this section shall be deposited into the
6231 Medicaid Restricted Account created in Section 26-18-402.

6232 (9) The failure of a contractor or subcontractor to provide qualified health [insurance]
6233 coverage as required by this section:

6234 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,
6235 or contractor under:

6236 (i) Section 63G-6a-1602; or

6237 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and

6238 (b) may not be used by the procurement entity or a prospective bidder, offeror, or
6239 contractor as a basis for any action or suit that would suspend, disrupt, or terminate the design
6240 or construction.

6241 (10) An administrator, including an administrator's actuary or underwriter, who
6242 provides a written statement under Subsection (5)(a) or (c) regarding the qualified health
6243 coverage of a contractor or subcontractor who provides a health benefit plan described in
6244 Subsection (1)(d)(ii):

6245 (a) subject to Subsection (10)(b), is not liable for an error in the written statement,
6246 unless the administrator commits gross negligence in preparing the written statement;

6247 (b) is not liable for any error in the written statement if the administrator relied in good
6248 faith on information from the contractor or subcontractor; and

6249 (c) may require as a condition of providing the written statement that a contractor or
6250 subcontractor hold the administrator harmless for an action arising under this section.

6250a **§→ Section 60. Effective date. ←§**

6250b **§→ This bill takes effect on May 12, 2020, except that Section 31A-17-404 takes effect on**

6250c **January 1, 2021. ←§**