

PUBLIC EMPLOYEES' HEALTH PLAN AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Suzanne Harrison

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill amends the Public Employees' Health Program.

Highlighted Provisions:

This bill:

- ▶ authorizes the Public Employees' Health Program to establish an out-of-state provider network through requests for proposals;
- ▶ authorizes the Public Employees' Health Program to partner with public entities in other states in certain circumstances; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

49-20-401, as last amended by Laws of Utah 2019, Chapter 393

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

Section 1. Section **49-20-401** is amended to read:

49-20-401. Program -- Powers and duties.



- 28 (1) The program shall:
- 29 (a) act as a self-insurer of employee benefit plans and administer those plans;
- 30 (b) enter into contracts with private insurers or carriers to underwrite employee benefit
- 31 plans as considered appropriate by the program;
- 32 (c) indemnify employee benefit plans or purchase commercial reinsurance as
- 33 considered appropriate by the program;
- 34 (d) provide descriptions of all employee benefit plans under this chapter in cooperation
- 35 with covered employers;
- 36 (e) process claims for all employee benefit plans under this chapter or enter into
- 37 contracts, after competitive bids are taken, with other benefit administrators to provide for the
- 38 administration of the claims process;
- 39 (f) obtain an annual actuarial review of all health and dental benefit plans and a
- 40 periodic review of all other employee benefit plans;
- 41 (g) consult with the covered employers to evaluate employee benefit plans and develop
- 42 recommendations for benefit changes;
- 43 (h) annually submit a budget and audited financial statements to the governor and
- 44 Legislature which includes total projected benefit costs and administrative costs;
- 45 (i) maintain reserves sufficient to liquidate the unrevealed claims liability and other
- 46 liabilities of the employee benefit plans as certified by the program's consulting actuary;
- 47 (j) submit, in advance, its recommended benefit adjustments for state employees to:
- 48 (i) the Legislature; and
- 49 (ii) the executive director of the state Department of Human Resource Management;
- 50 (k) determine benefits and rates, upon approval of the board, for multi-employer risk
- 51 pools, retiree coverage, and conversion coverage;
- 52 (l) determine benefits and rates based on the total estimated costs and the employee
- 53 premium share established by the Legislature, upon approval of the board, for state employees;
- 54 (m) administer benefits and rates, upon ratification of the board, for single-employer
- 55 risk pools;
- 56 (n) request proposals for ~~[provider networks or health and dental benefit plans~~
- 57 ~~administered by third-party carriers]~~ one or more out-of-state provider networks, and a dental
- 58 health plan administered by a third-party carrier at least once every three years for the purposes

59 of:

60 (i) stimulating competition for the benefit of covered individuals;

61 (ii) establishing better geographical [~~distribution~~] coverage of medical care services;

62 and

63 (iii) providing coverage for both active and retired covered individuals;

64 (o) offer proposals which meet the criteria specified in a request for proposals and
65 accepted by the program to active and retired state covered individuals and which may be
66 offered to active and retired covered individuals of other covered employers at the option of the
67 covered employer;

68 (p) perform the same functions established in Subsections (1)(a), (b), (e), and (h) for
69 the Department of Health if the program provides program benefits to children enrolled in the
70 Utah Children's Health Insurance Program created in Title 26, Chapter 40, Utah Children's
71 Health Insurance Act;

72 (q) establish rules and procedures governing the admission of political subdivisions or
73 educational institutions and their employees to the program;

74 (r) contract directly with medical providers to provide services for covered individuals;

75 (s) take additional actions necessary or appropriate to carry out the purposes of this
76 chapter;

77 (t) (i) require state employees and their dependents to participate in the electronic
78 exchange of clinical health records in accordance with Section 26-1-37 unless the enrollee opts
79 out of participation; and

80 (ii) prior to enrolling the state employee, each time the state employee logs onto the
81 program's website, and each time the enrollee receives written enrollment information from the
82 program, provide notice to the enrollee of the enrollee's participation in the electronic exchange
83 of clinical health records and the option to opt out of participation at any time; and

84 (u) at the request of a procurement unit, as that term is defined in Section 63G-6a-103,
85 that administers benefits to program recipients who are not covered by Title 26, Utah Health
86 Code, provide services for:

87 (i) drugs;

88 (ii) medical devices; or

89 (iii) other types of medical care.

90 (2) (a) Funds budgeted and expended shall accrue from rates paid by the covered
91 employers and covered individuals.

92 (b) Administrative costs shall be approved by the board and reported to the governor
93 and the Legislature.

94 (3) The Department of Human Resource Management shall include the benefit
95 adjustments described in Subsection (1)(j) in the total compensation plan recommended to the
96 governor required under Subsection 67-19-12(5)(a).

97 (4) The program may establish a partnership with a public entity in a different state to
98 purchase or share services related to the administration of medical benefits if:

99 (a) the program receives approval for the partnership from the board; and

100 (b) the partnership:

101 (i) creates cost savings for Utah;

102 (ii) does not comingle state funds with funds of the public entity in the other state; and

103 (iii) does not pose a ~~financial~~ greater actuarial risk to Utah than the

103a program has already assumed .