

PUBLIC EMPLOYEES HEALTH PROGRAM AMENDMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Suzanne Harrison

Senate Sponsor: Michael S. Kennedy

LONG TITLE

General Description:

This bill amends provisions regarding 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 proposal;
- ▶ authorizes the Public Employees' Health Program to partner with public entities in other states under 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 at commercially competitive rates;

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

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

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

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

88 (i) drugs;

89 (ii) medical devices; or

90 (iii) other types of medical care.

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

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

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

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

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

101 (b) the partnership:

102 (i) creates cost savings for Utah;

103 (ii) does not commingle state funds with funds of the public entity in the other state;

104 and

105 (iii) does not pose a greater actuarial risk to Utah than the program has already
106 assumed.