

Utah

Utah Insurance Commission
110 State Office Building
Salt Lake City, UT 84118-1201
(801) 538-3827

Summary of Important Regulations

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|-----------------------------|-----|
| MEWA Regulations | No |
| TPA Regulations | Yes |
| Stop-Loss Regulations | No |
| UR Regulations | No |

NAIC Model Laws and Regulation

| <u>Name of Model Law/Regulation</u> | <u>Model/Similar</u> | <u>Related</u> |
|--|---|---|
| Health Insurance Reserves Model Regulation | None | None |
| Comprehensive Health Ins. Cost Containment Model Act | None | None |
| Standardized Health Claims Form Model Regulation | None | Utah Code Ann. § 31A-22-614.5 Utah Ins. R590-158 |
| Small Employer Health Insurance Availability Model Law | Utah Code Ann. §§ 31A-30-101 to 31A-30-112 | None |
| Model Regulation To Eliminate Unfair Sex Discrimination | Utah Ins. R590-83 | None |
| Health Information Privacy Model Law | None | None |
| Preferred Provider Arrangements Model Law | None | Utah Code Ann. §§ 31A-22-617 to 31A-22-618 |
| Utilization Review Model Law | None | None |
| Managed Care Plan Network Adequacy Model Law | None | None |
| Third Party Administrator Law | None | Utah Code Ann. §§ 31A-25-101 to 31A-25-402 |
| Stop-loss Insurance Model Law | None | None |

NAIC Model Laws and Regulation

| <u>Name of Model Law/Regulation</u> | <u>Model/Similar</u> | <u>Related</u> |
|---|--|--|
| Jurisdiction of Health Care Providers Model Law | None | Utah Ins. R590-88 |
| Standard Group Health Model Law | None | Utah Code Ann. §§ 31A-22-701, 31A-22-713 |
| Group Health Insurance Mandatory Conversion Law 22-712 | None | Utah Code Ann. §§ 31A-22-703 to 31A- |
| Group Coverage Discontinuance/ Replacement Model Regulation | None | None |
| Premium Rates and Renewability of Coverage-Small Groups | Utah Code Ann. §§ 31A-30-101 to 31A-30-113 | None |
| Group Coordination of Benefits Model Law | Utah Ins. R590-131 | Bulletin 89-4, Bulletin 91-1 |
| Model Regulation for Certification of Health Plans | None | None |
| Off-Label Drug Use Model Law | None | None |
| Group Health Mandatory Drug/ Alcohol Dependency Law | None | Utah Code Ann. § 31A-22-715 |
| Model Newborn Children's Law | None | Utah Code Ann. § 31A-22-610 |

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|---|------|------|
| Health Examination Benefits Availability Law | None | None |
|---|------|------|

NAIC Model Laws and Regulation

| <u>Name of Model Law/Regulation</u> | <u>Model/Similar</u> | <u>Related</u> |
|---|---|---|
| Accident and Sickness Insurance Minimum Standards Model Law | Utah Code Ann. §§ 31A-22-605 to 31A-22-606 | None |
| Agents and Brokers Licensing Model Law | None | Utah Code Ann. §§ 31A-23-101 to 31A-23-406 |
| MEWA Licensing Model Law | None | Utah Ins. Reg. R590-88 |
| Managing General Agents Law | Utah Code Ann. §§ 31A-23-501 to 31A-23-505 | Bulletin 1993-1 |
| Health Maintenance Organization Model Law | None | Utah Code Ann. §§ 31A-8-101 to 31A-8-408 |
| Insurance Information and Privacy Protection Law | None | None |
| Unfair Trade Practices Law | None | Utah Ins. Dept. R590-154 |
| Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment | Utah Ins. R590-129 | None |
| Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Total or Partial Blindness Utah | Utah Ins. R590-129 | None |

NAIC Model Laws and Regulation

| <u>Name of Model Law/Regulation</u> | <u>Model/Similar</u> | <u>Related</u> |
|--|--|---|
| Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law | None | Utah Code Ann. §§ 31a-21-50 to 31a-21-506 |
| Unfair Claims Settlement Practices Law | Utah Code Ann. §§ 31A-26-303 to 31A-26-310 | None |
| Improper Termination Practices Law | None | None |
| Employee Leasing Registration Model Law | None | Utah Code Ann. § 35-1-42; §§ 58-59-101 to 58-59-503 |
| Private Employer Workers' Compensation Group Self-Insurance Model Law | None | None |
| Public Employee Workers' Compensation Group Self-Insurance Model Law | None | None |
| Twenty Four Hour Coverage Pilot Project Model Law | None | None |

State-Mandates

Benefits That Must Be Covered

- Breast reconstruction
- Diabetic supplies, education
- Emergency services
- Formula for PKU
- Mental illness, serious
- Minimum maternity stays
- Well-child care

Benefits That Must Be Offered

- Substance abuse treatment

Persons Who Must Be Allowed Coverage

- Adopted children
- Continuation/dependents
- Continuation/employees
- Conversion to non-group
- Handicapped dependents
- Newborns
- Non-custodial children
- Unmarried children up to age 26

Providers Who Must Be Covered

- Acupuncturists
- Chiropractors
- Dentists
- Licensed Health Professionals
- Marriage/Family Therapists
- Naturopath
- Nurses
- Nurse Midwives
- Optometrists
- Osteopaths
- Physical Therapists
- Podiatrists

- Psychologists
- Social Workers
- Speech/Hearing Therapists

Coordination of Benefits

- | | |
|----------------------------|-----|
| • Birthday Rule? | Yes |
| • Divorced/Separated Rule? | Yes |
| • Joint Custody Rule? | Yes |
| • Active v. Inactive Rule? | Yes |
| • Longer v. Shorter Rule? | Yes |
| • Managed Care Rule? | No |
| • COBRA Rule? | No |
| • Preservation Rule? | Yes |

Patient's Bill of Rights Legislation

None

High Risk Health Pool

Yes – no cap

External Grievance System

Yes – all plans

Basis of Filing Grievance

Denial, modifications or reduction of claim, or termination of coverage

Status of Decision of Grievance Panel

Binding on both parties

Prompt Payment of Health Claim Requirement

Yes - 30 days

Miscellaneous

- Utah law requires medical insurance policies that require insured to select a primary care physician, to permit an insured to select a participating provider who is an obstetrician/gynecologist.

MEWA Regulation

Utah does not regulate MEWAs.

TPA Regulations

Utah enacted an administrator law in 1983.¹ No criminal penalties attach as a result of a violation.

- Fees and taxes – initial and renewal fee of \$20.
- Records – three-year retention
- Bond – usual fidelity bond in amount of 10% of funds expected to be handled, subject to a \$5,000-\$500,000 minimax
- Registration – usual papers must be submitted

The Insurance Commissioner may revoke or suspend the TPA's registration for these infractions:

- TPA found to be unqualified
- Any violation of any insurance department rule/order
- Financial unsoundness (of TPA)
- Practices or methods that are hazardous or injurious
- Failure to produce records or provide information
- Failure to pay any final judgment
- Failure to pay claims in good faith
- Interlocked with a TPA that is operating without a certificate of authority.

A fine in the range of \$25-\$125 may be levied. Also, the TPA may be placed on probation.

Stop-Loss Regulation

No regulation is reported.

Utilization Review Regulations

Not regulated.

Miscellaneous

Small Group Reform

Utah's Reform Act² applies to group insurance for employees of small employers. A small employer is any employer that employs between one and 50 eligible employees, the majority of whom must work in Utah. An *eligible employee* is one who works for an employer on a full-time basis at least 30 hours per week, including those who are sole proprietors, partners, and associates of limited liability.

With respect to small employer group health contracts, carriers issuing small employer coverage are subject to limitations on premium rating classifications; may not subject small employers with similar case characteristics for the same or similar coverage to premiums that exceed the index rate for that class of business by more than 25%; may not raise premiums with respect to a new rating period beyond statutory limits; and must guarantee renewability of the coverage at the option of the employer, except where coverage is canceled due to (1) non-payment of premiums, (2) fraud committed by the employer or by anyone insured under the policy, (3) failure to meet the carriers minimum requirements for employer contributions, and (4) repeated misuse of provider network provisions.

MSA Legislation

| | |
|-------------------|---|
| Who May Establish | ³ Individual or employer |
| Tax Treatment | Amount deposited in an MSA and any interest earned to the extent accepted by MSA and included in employer's taxable income. |
| Policy Deductible | \$1,000 - \$3,000 minimax, both individuals and family |

Continuation of Coverage and Conversion of Benefits

Utah requires group health policies to allow covered participants to choose conversion or continuation benefits upon termination of their participants' coverage for any reason except for gross misconduct. These rights apply only to participants who were covered for at least six months preceding the termination of coverage.⁴

Participants who lose their group disability coverage for any reason may elect to convert to individual coverage without evidence of insurability unless they lost their coverage for failing to pay their premiums; lost their coverage because the policy was terminated and then replaced within 30 days; or are eligible for Medicare.

Registration of Self-Funded Plans

A self-funded plan must register with the state Insurance Department. If the plan cannot show that it is subject to the jurisdiction of some other state or federal agency, it must meet certain solvency requirements and must comply with the insurance code.⁵

Endnotes

¹ Utah Code Ann. §§ 31a-25-101 to 31A-25-402.

² Utah Code Ann. § _____.

³ Utah Code Ann. § _____.

⁴ Utah Code Ann. § 31A-22-703.

⁵ Utah Code Ann. § 31-46-1.