

1 **GOVERNMENT EMPLOYEES INSURANCE OFFERINGS**

2 **AMENDMENTS**

3 2016 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Michael S. Kennedy**

6 Senate Sponsor: Alvin B. Jackson

8 **LONG TITLE**

9 **General Description:**

10 This bill amends the Utah State Retirement and Insurance Benefit Act related to high
11 deductible health insurance plans.

12 **Highlighted Provisions:**

13 This bill:

14 ▶ provides that an employee who is not eligible for a contribution to a health savings
15 account and is eligible for a contribution for a high deductible plan may receive that
16 contribution in a health reimbursement account or other qualified account the
17 employee is otherwise eligible for.

18 **Money Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 None

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **49-20-410**, as last amended by Laws of Utah 2013, Chapters 310 and 319

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

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

28 **49-20-410. High deductible health plan -- Health savings account --**

29 **Contributions.**

30 (1) (a) In addition to other employee benefit plans offered under Subsection
31 49-20-201(1), the office shall offer at least one federally qualified high deductible health plan
32 with a health savings account as an optional health plan.

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

34 (i) determined by the office in accordance with federal requirements and limitations;
35 and

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

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

42 (2) The office shall:

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

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

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

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

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

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

56 (b) The amount of the employer contributions under Subsection (3)(a) shall be
57 determined annually by the office, after consultation with the Department of Human Resource

58 Management and the Governor's Office of Management and Budget so that the annual
59 employer contribution amount reflects the difference in the actuarial value between the
60 program's health maintenance organization coverage and the federally qualified high deductible
61 health plan coverage, after taking into account any difference in employee premium
62 contribution.

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

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

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

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

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

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

76 (ii) may be completed online; and

77 (iii) shall be completed:

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

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