

1 **CONCURRENT RESOLUTION REGARDING THE PUBLIC**
2 **EMPLOYEES' HEALTH PLANS**

3 2019 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Daniel Hemmert**

6 House Sponsor: _____

8 **LONG TITLE**

9 **General Description:**

10 This concurrent resolution directs the Public Employees' Benefit and Insurance Program
11 to offer certain benefits with respect to employee health benefit packages.

12 **Highlighted Provisions:**

13 This resolution:

- 14 ▶ describes the state's philosophy on compensation and benefit design for state
15 employees;
- 16 ▶ emphasizes the need for greater flexibility with respect to overall compensation
17 design, including health benefit plans, offered to state employees; and
- 18 ▶ directs the Public Employees' Benefit and Insurance Program to:
- 19 • allow employees, under certain circumstances, to elect that up to half of the
20 amount that would otherwise go to the employee's HSA be forwarded to the
21 employee as cash;
- 22 • maintain plans, premiums, and premium share percentages for the 2019-2020
23 plan year; and
- 24 • cover certain preventative chronic disease medications before the deductible in
25 certain plans.

26 **Special Clauses:**

27 None



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Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:

WHEREAS, the state offers a competitive compensation package for employees that generally provides higher benefits than salary compared to other employers in the market;

WHEREAS, while many state employees prefer a higher level of benefits compared to salary, others may prefer more compensation in cash and less in benefits;

WHEREAS, the state desires to provide flexibility for employee compensation preferences as long as it does not alter the overall structure of compensation or result in higher costs to the state;

WHEREAS, the state currently offers state employees three health plan options, two of which are qualified high-deductible health plans for which the state provides a Health Savings Account (HSA) contribution to the employee as part of the benefit design;

WHEREAS, the state's HSA contribution to an employee is not subject to federal or state tax nor is it countable as income for retirement, workers' compensation, long-term disability, or other benefits;

WHEREAS, the combined amount of an employer HSA contribution and premium savings as compared to other available plan options should not exceed an employee's deductible from an actuarial standpoint;

WHEREAS, the state's HSA contribution and premium savings compared to the Traditional Plan exceed an employee's deductible on the STAR Plan, which has resulted in a cap on the state's HSA contribution and a reduction in the comparative value of the STAR Plan benefit; and

WHEREAS, data from the Public Employees' Benefit and Insurance Program (PEHP) supports cost offsets in medical complications from increased medication adherence by covering certain preventative chronic medications before the deductible:

NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the Governor concurring therein, directs PEHP to:

- (1) create a flexible spending account to allow a state employee participating in a qualified high-deductible health plan to elect up to half of the allocation sent to PEHP as an HSA contribution to be forwarded to the employee rather than deposited into the employee's HSA;

59 (2) require a state employee who requests any part of an HSA contribution in cash to
60 agree as a condition of receiving the sum that:

61 (a) the sum shall be treated as an employer benefit and thus not be counted toward
62 retirement, workers' compensation, long-term disability, or any other benefit; and

63 (b) the employee will be responsible for all taxes related to that sum, including any
64 employer-related taxes; and

65 (3) distribute any cash-elected sum to state employees at the same time that HSA
66 contributions are dispersed.

67 BE IT FURTHER RESOLVED that PEHP shall maintain the same plans, benefits, and
68 employee premium share percentages for the 2019-2020 plan year that were available during
69 the 2018-2019 plan year, except that PEHP shall identify and cover certain preventative
70 chronic disease medications before the deductible for HSA STAR Plan members, subject to
71 applicable cost sharing requirements that would otherwise apply.