

## INTRODUCTION TO WORKING DRAFT

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*The following working draft is an example of legislative changes that update statutory language requiring legislative review of certain health insurance mandates following current practices when possible. The working draft is developed only for purposes of the Business and Labor Interim Committee's discussion in its October 17 meeting and does not address all of the issues highlighted below.*

### **Is the required review by the reviewing interim committees effective?**

OPTIONS: Should the review requirement be repealed? Should the review requirement be replaced? Should the review requirement be modified? Should the review requirement continue as currently outlined in the statute?

### **If the required review is continued, what are examples of possible issues?**

"MANDATE": Determining what is a mandate is arguably subjective. Who should decide? (e.g., the Department of Insurance, the reviewing interim committees jointly or separately)

FEDERAL: Is a review required for a federal mandate? What if an obligation in addition to the federal mandate is imposed by Title 31A?

"JOINTLY": Should the statute clarify how the reviewing interim committees coordinate their efforts? Should Legislative Management Committee periodically review a plan?

RESOURCES: Estimating cost is time consuming and costly. Currently the Department of Insurance has committed to conduct studies, although the statute states that the Legislative Auditor General can assist the reviewing interim committees. Should the Department of Insurance continue to conduct the studies? Will the Department of Insurance require additional funding? Can the Department of Insurance conduct the studies within the time frames indicated in the statutes? Are there alternatives?

CRITERIA: Should there be criteria other than "cost," "purpose," and "effectiveness"?

REPORT: Should there be a reporting requirement to LMC or another body?

TIMING: The reviews contemplated by the five-year review scheduled arguably may not have been met. Should the clock for the five-year reviews be reset? Are there alternatives that the reviewing interim committees want to consider?



# WORKING DRAFT -- FOR DISCUSSION PURPOSES ONLY

## REVIEW OF HEALTH INSURANCE MANDATES

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### LONG TITLE

#### General Description:

This bill modifies provisions related to the Legislature to clarify review of health insurance mandates by interim committees.

#### Highlighted Provisions:

This bill:

- ▶ modifies the process by which the Health and Human Services Interim Committee and the Business and Labor Interim Committee review health insurance mandates; and
- ▶ makes technical and conforming amendments.

#### Monies Appropriated in this Bill:

None

#### Other Special Clauses:

None

#### List of sections affected:

#### AMENDS:

36-12-5

#### Statutory text:

#### **36-12-5. Duties of interim committees.**

(1) Except as otherwise provided by law, each interim committee shall:

(a) receive study assignments by resolution from the Legislature;

(b) receive study assignments from the Legislative Management Committee, created under Section 36-12-6;

(c) place matters on its study agenda after requesting approval of the study from the Legislative Management Committee, which request, if not disapproved by the Legislative Management Committee within 30 days of receipt of the request, the interim committee shall consider it approved and may proceed with the requested study;

(d) request research reports from the professional legislative staff pertaining to the committee's agenda of study;

(e) investigate and study possibilities for improvement in government services within its subject area;

(f) accept reports from the professional legislative staff and make recommendations for legislative action with respect to such reports; and

(g) prepare and recommend to the Legislature a legislative program in response to the committee's study agenda.

(2) (a) As used in this Subsection (2):

(i) "Health insurance" is as defined in Section 31A-1-301.

(ii) "Health insurance mandate" means a mandatory obligation with respect to a coverage, benefit, or provider that, but for Title 31A, Insurance Code, would not be required for a policy of health insurance.

(iii) "Reviewing interim committee" means the:

(A) Business and Labor Interim Committee; or

(B) Health and Human Services Interim Committee.

(b) In addition to the duties established pursuant to Subsection (1) and subject to Subsection

(2)(c), ~~[the Business and Labor Interim Committee and the Health and Human Services Interim Committee]~~ annually the reviewing interim committees shall jointly:

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- 1 (i) identify ~~[provisions in Title 31A, Insurance Code, that impose a mandatory obligation on~~  
2 ~~health insurers with respect to coverage, benefits, or providers that have been]~~ a health  
3 insurance mandate that:  
4 (A) is in effect for five or more years as of May 1; and ~~[have]~~ .  
5 (B) has not been reviewed during the previous ten years as of May 1 ; and  
6 (ii) subject to the direction of the Legislative Management Committee , which may divide the  
7 ~~[provisions]~~ the identified health insurance mandates between the reviewing interim  
8 committees, review ~~[the provisions]~~ one or more of the health insurance mandates identified  
9 under Subsection (2)(b) to determine whether the ~~[provisions]~~ health insurance mandate  
10 should be continued, modified, or repealed~~[, provided that:]~~ .  
11 ~~[(A) any provision in effect for five or more years as of July 1, 2000, shall be reviewed before~~  
12 ~~November 30, 2005; and~~  
13 ~~(B) any provision]~~ (c) A reviewing interim committee shall review a health insurance mandate  
14 enacted after ~~[July 1, 2000, shall be reviewed on]~~ May 1, 2008, during the fifth year after~~[~~  
15 ~~enactment.]~~ the day on which the health insurance mandate is enacted.  
16 ~~[(b)]~~ (d) The review under this Subsection (2) shall include:  
17 (i) the estimated fiscal impact of the ~~[provision]~~ health insurance mandate on state and  
18 private health insurance; and  
19 (ii) the purpose and effectiveness of the ~~[provision]~~ health insurance mandate.  
20 ~~[(c) The committee may request through, and with the approval of, the audit subcommittee that~~  
21 ~~the legislative auditor general perform, or otherwise assist in the performance of, the review~~  
22 ~~described in Subsection (2)(b).]~~  
23 (e) A reviewing interim committee, or the reviewing interim committees jointly, may request the  
24 Department of Insurance to assist in conducting a review under this Subsection (2).  
25 (3) Except as otherwise provided by law, reports and recommendations of the interim  
26 committees shall be completed and made public prior to any legislative session at which the  
27 reports and recommendations are submitted. A copy of the reports and recommendations shall  
28 be mailed to each member or member-elect of the Legislature, to each elective state officer,  
29 and to the state library.  
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