

HEALTH SYSTEM REFORM AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

LONG TITLE**General Description:**

This bill amends provisions in the Insurance Code and in Governor's Programs related to health system reform.

Highlighted Provisions:

This bill:

- ▶ authorizes the Insurance Commissioner to regulate the state insurance market as it transitions to new rating practices and requirements of federal law;
- ▶ gives insurance producers and agents the authority to sell, solicit and negotiate health insurance on a federal health insurance exchange;
- ▶ establishes the requirements for a navigator license;
- ▶ amends provision related to establishing a separate class of business for the individual health insurance market and the small group health insurance market;
- ▶ gives the commissioner administrative rulemaking authority to facilitate the health insurance market transition to new federal requirements including:
 - rate restrictions; and
 - creating uniform open enrollment periods for the individual health insurance market offered on a federal exchange and the non-exchange individual market;
- ▶ removes the requirement that a carrier in the Defined Contribution Arrangement Market must offer certain health benefit products in the Defined Contribution Market;
- ▶ extends the sunset date for the Risk Adjuster Board for the Defined Contribution Arrangement Market;
- ▶ makes technical amendments; and
- ▶ re-authorizes the Health System Reform Task Force until December 30, 2015.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2013-14:

- 33 ▶ to the Legislature-Senate as a one time appropriation:
 34 • from the General Fund, One-time, \$30,000
 35 ▶ to the Legislature-House as a one time appropriation:
 36 • from the General Fund, One-time, \$52,000

37 **Other Special Clauses:**

38 This bill provides an immediate effective date.

39 **Utah Code Sections Affected:**

40 AMENDS:

- 41 **31A-2-212**, as last amended by Laws of Utah 2011, Chapters 284 and 400
 42 **31A-23a-204**, as last amended by Laws of Utah 2011, Chapters 284 and 342
 43 **31A-30-104**, as last amended by Laws of Utah 2011, Chapter 400
 44 **31A-30-105**, as last amended by Laws of Utah 2011, Chapter 284
 45 **31A-30-107.3**, as last amended by Laws of Utah 2011, Chapter 297
 46 **31A-30-115**, as last amended by Laws of Utah 2011, Second Special Session, Chapter 5
 47 **31A-30-202.5**, as last amended by Laws of Utah 2011, Second Special Session, Chapter
 48 5
 49 **31A-30-205**, as last amended by Laws of Utah 2011, Chapter 400
 50 **31A-30-208**, as last amended by Laws of Utah 2011, Chapter 400
 51 **63I-2-231 (Superseded 07/01/13)**, as last amended by Laws of Utah 2012, Chapter 279
 52 **63I-2-231 (Effective 07/01/13)**, as last amended by Laws of Utah 2012, Chapters 243
 53 and 279

54 ENACTS:

- 55 **31A-23a-208**, Utah Code Annotated 1953
 56 **31A-23b-101**, Utah Code Annotated 1953
 57 **31A-23b-102**, Utah Code Annotated 1953
 58 **31A-23b-201**, Utah Code Annotated 1953
 59 **31A-23b-202**, Utah Code Annotated 1953
 60 **31A-23b-203**, Utah Code Annotated 1953
 61 **31A-23b-204**, Utah Code Annotated 1953
 62 **31A-23b-205**, Utah Code Annotated 1953
 63 **31A-23b-206**, Utah Code Annotated 1953

- 64 **31A-23b-207**, Utah Code Annotated 1953
- 65 **31A-23b-208**, Utah Code Annotated 1953
- 66 **31A-23b-209**, Utah Code Annotated 1953
- 67 **31A-23b-210**, Utah Code Annotated 1953
- 68 **31A-23b-211**, Utah Code Annotated 1953
- 69 **31A-23b-301**, Utah Code Annotated 1953
- 70 **31A-23b-401**, Utah Code Annotated 1953
- 71 **31A-23b-402**, Utah Code Annotated 1953
- 72 **31A-23b-403**, Utah Code Annotated 1953
- 73 **31A-23b-404**, Utah Code Annotated 1953
- 74 **31A-30-117**, Utah Code Annotated 1953

75 **Uncodified Material Affected:**
 76 ENACTS UNCODIFIED MATERIAL



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

79 Section 1. Section **31A-2-212** is amended to read:

80 **31A-2-212. Miscellaneous duties.**

81 (1) Upon issuance of an order limiting, suspending, or revoking a person's authority to
 82 do business in Utah, and when the commissioner begins a proceeding against an insurer under
 83 Chapter 27a, Insurer Receivership Act, the commissioner:

84 (a) shall notify by mail the producers of the person or insurer of whom the
 85 commissioner has record; and

86 (b) may publish notice of the order or proceeding in any manner the commissioner
 87 considers necessary to protect the rights of the public.

88 (2) When required for evidence in a legal proceeding, the commissioner shall furnish a
 89 certificate of authority of a licensee to transact the business of insurance in Utah on any
 90 particular date. The court or other officer shall receive the certificate of authority in lieu of the
 91 commissioner's testimony.

92 (3) (a) On the request of an insurer authorized to do a surety business, the
 93 commissioner shall furnish a copy of the insurer's certificate of authority to a designated public

94 officer in this state who requires that certificate of authority before accepting a bond.

95 (b) The public officer described in Subsection (3)(a) shall file the certificate of
96 authority furnished under Subsection (3)(a).

97 (c) After a certified copy of a certificate of authority is furnished to a public officer, it
98 is not necessary, while the certificate of authority remains effective, to attach a copy of it to any
99 instrument of suretyship filed with that public officer.

100 (d) Whenever the commissioner revokes the certificate of authority or begins a
101 proceeding under Chapter 27a, Insurer Receivership Act, against an insurer authorized to do a
102 surety business, the commissioner shall immediately give notice of that action to each public
103 officer who is sent a certified copy under this Subsection (3).

104 (4) (a) The commissioner shall immediately notify every judge and clerk of the courts
105 of record in the state when:

106 (i) an authorized insurer doing a surety business:

107 (A) files a petition for receivership; or

108 (B) is in receivership; or

109 (ii) the commissioner has reason to believe that the authorized insurer doing surety
110 business:

111 (A) is in financial difficulty; or

112 (B) has unreasonably failed to carry out any of its contracts.

113 (b) Upon the receipt of the notice required by this Subsection (4), it is the duty of the
114 judges and clerks to notify and require a person that files with the court a bond on which the
115 authorized insurer doing surety business is surety to immediately file a new bond with a new
116 surety.

117 (5) (a) The commissioner shall, subject to the requirement to report to the Legislature
118 in Section 63M-1-2505.5, require an insurer that issues, sells, renews, or offers health
119 insurance coverage in this state to comply with ~~[(a) the Health Insurance Portability and~~
120 ~~Accountability Act, Pub. L. No. 104-191; and (b) subject to Section 63M-1-2505.5, and to the~~
121 ~~extent required or applicable under the provisions of the Patient Protection and Affordable~~
122 ~~Care Act, Pub. L. No. 111-148 and the Health Care Education Reconciliation Act of 2010, Pub.~~
123 ~~L. No. 111-152;]~~ the provisions of PPACA related to regulation of health benefit plans,
124 including:

- 125 (i) lifetime and annual limits;
 126 (ii) prohibition of rescissions;
 127 (iii) coverage of preventive health services;
 128 (iv) coverage for a child or dependent;
 129 (v) pre-existing condition coverage for children;
 130 (vi) insurer transparency of consumer information including plan disclosures, uniform
 131 coverage documents, and standard definitions;
 132 (vii) premium rate reviews;
 133 (viii) essential benefits and qualified health plans;
 134 (ix) provider choice;
 135 (x) waiting periods; [~~and~~]
 136 (xi) appeals processes[-];
 137 (xii) rating restrictions;
 138 (xiii) uniform applications and notice provisions; and
 139 (xiv) designation of qualified health plans offered in a PPACA exchange.
 140 (b) The commissioner, as permitted by state law and federal law:
 141 (i) shall preserve state control over:
 142 (A) the health insurance market in the state;
 143 (B) qualified health plans offered in the state; and
 144 (C) the conduct of navigators, producers, and in person assistors in a PPACA exchange
 145 operating in the state; and
 146 (ii) may enter into agreements with the federal government to preserve state control
 147 over the activities or conduct within the state by a health insurer, producer, navigator, or in
 148 person consumer assistant.

149 Section 2. Section **31A-23a-204** is amended to read:

150 **31A-23a-204. Special requirements for title insurance producers and agencies.**

151 A title insurance producer, including an agency, shall be licensed in accordance with
 152 this chapter, with the additional requirements listed in this section.

153 (1) (a) A person that receives a new license under this title as a title insurance agency,
 154 shall at the time of licensure be owned or managed by at least one individual who is licensed
 155 for at least three of the five years immediately preceding the date on which the title insurance

156 agency applies for a license with both:

157 (i) a search line of authority; and

158 (ii) an escrow line of authority.

159 (b) A title insurance agency subject to Subsection (1)(a) may comply with Subsection
160 (1)(a) by having the title insurance agency owned or managed by:

161 (i) one or more individuals who are licensed with the search line of authority for the
162 time period provided in Subsection (1)(a); and

163 (ii) one or more individuals who are licensed with the escrow line of authority for the
164 time period provided in Subsection (1)(a).

165 (c) A person licensed as a title insurance agency shall at all times during the term of
166 licensure be owned or managed by at least one individual who is licensed for at least three
167 years within the preceding five-year period with both:

168 (i) a search line of authority; and

169 (ii) an escrow line of authority.

170 (d) The Title and Escrow Commission may by rule, subject to Section 31A-2-404,
171 exempt an attorney with real estate experience from the experience requirements in Subsection
172 (1)(a).

173 (2) (a) A title insurance agency or producer appointed by an insurer shall maintain:

174 (i) a fidelity bond;

175 (ii) a professional liability insurance policy; or

176 (iii) a financial protection:

177 (A) equivalent to that described in Subsection (2)(a)(i) or (ii); and

178 (B) that the commissioner considers adequate.

179 (b) The bond, insurance, or financial protection required by this Subsection (2):

180 (i) shall be supplied under a contract approved by the commissioner to provide
181 protection against the improper performance of any service in conjunction with the issuance of
182 a contract or policy of title insurance; and

183 (ii) be in a face amount no less than \$50,000.

184 (c) The Title and Escrow Commission may by rule, subject to Section 31A-2-404,
185 exempt title insurance producers from the requirements of this Subsection (2) upon a finding
186 that, and only so long as, the required policy or bond is generally unavailable at reasonable

187 rates.

188 (3) A title insurance agency or producer appointed by an insurer may maintain a
189 reserve fund to the extent money was deposited before July 1, 2008, and not withdrawn to the
190 income of the title insurance producer.

191 (4) An examination for licensure shall include questions regarding the search and
192 examination of title to real property.

193 (5) A title insurance producer may not perform the functions of escrow unless the title
194 insurance producer has been examined on the fiduciary duties and procedures involved in those
195 functions.

196 (6) The Title and Escrow Commission shall adopt rules, subject to Section 31A-2-404,
197 after consulting with the department and the department's test administrator, establishing an
198 examination for a license that will satisfy this section.

199 (7) A license may be issued to a title insurance producer who has qualified:

200 (a) to perform only searches and examinations of title as specified in Subsection (4);

201 (b) to handle only escrow arrangements as specified in Subsection (5); or

202 (c) to act as a title marketing representative.

203 (8) (a) A person licensed to practice law in Utah is exempt from the requirements of
204 Subsections (2) and (3) if that person issues 12 or less policies in any 12-month period.

205 (b) In determining the number of policies issued by a person licensed to practice law in
206 Utah for purposes of Subsection (8)(a), if the person licensed to practice law in Utah issues a
207 policy to more than one party to the same closing, the person is considered to have issued only
208 one policy.

209 (9) A person licensed to practice law in Utah, whether exempt under Subsection (8) or
210 not, shall maintain a trust account separate from a law firm trust account for all title and real
211 estate escrow transactions.

212 Section 3. Section **31A-23a-208** is enacted to read:

213 **31A-23a-208. Producer and agency authority in health insurance exchange.**

214 A producer or agency licensed under this chapter, with a line of authority that permits
215 the producer or agency to sell negotiate or solicit accident and health insurance, is authorized to
216 sell, negotiate, or solicit accident and health insurance on a PPACA compliant health insurance
217 exchange operated in the state.

218 Section 4. Section **31A-23b-101** is enacted to read:

219 **CHAPTER 23b. NAVIGATOR AND IN-PERSON ASSISTOR LICENSE ACT**

220 **Part 1. General Provisions**

221 **31A-23b-101. Title.**

222 This chapter is known as the "Navigator License Act."

223 Section 5. Section **31A-23b-102** is enacted to read:

224 **31A-23b-102. Definitions.**

225 As used in this chapter:

226 (1) "Compensation" is as defined in:

227 (a) Subsections 31A-23a-501(1)(a),(b) and (d); and

228 (b) PPACA.

229 (2) "Enroll" and "enrollment" mean to:

230 (a) (i) obtain personally identifiable information about an individual; and

231 (ii) inform an individual about accident and health insurance plans or public programs

232 offered on an exchange;

233 (b) solicit insurance; or

234 (c) submit to the exchange:

235 (i) personally identifiable information about an individual; and

236 (ii) an individual's selection of a particular accident and health insurance plan or public

237 program offered on the exchange.

238 (3) "Exchange":

239 (a) is as defined in PPACA; and

240 (b) does not include a website that provides information about or enrollment in

241 accident and health insurance if that website is not operating as the PPACA exchange in the

242 state.

243 (4) "Navigator":

244 (a) means a person who facilitates enrollment in an exchange by offering to assist, or

245 advertises any services to assist an individual or small employer group with:

246 (i) the selection of and enrollment in an accident and health insurance plan or a public

247 program offered on the exchange; or

248 (ii) applying for premium subsidies through the exchange; and

249 (b) includes a person who is an in person assistor as described in:
 250 (i) federal regulations or guidance issued under PPACA; and
 251 (ii) the state exchange blueprint published by the Center for Consumer Information and
 252 Insurance Oversight within the Centers For Medicaid and Medicare Services in the United
 253 States Department of Health and Human Services.

254 (5) "Personally identifiable information" is as defined in Section 155.260 of the
 255 PPACA federal regulations.

256 (6) "Public programs" means the state Medicaid program in Title 26, Chapter 18,
 257 Medical Assistance Act and Chapter 40, Utah Children's Health Insurance Act.

258 (7) "Solicit" is as defined in 31A-23a-102.

259 Section 6. Section **31A-23b-201** is enacted to read:

260 **Part 2. Licensing**

261 **31A-23b-201. Requirement of license.**

262 (1) (a) Except as provided in Section 31A-23b-211, a person may not perform, offer to
 263 perform, or advertise any service as a navigator in the state, without:

264 (i) a valid navigator license issued under this chapter; or

265 (ii) a valid producer license under Subsection 31A-23a-106(2)(a) with a line of
 266 authority that permits the person to sell, negotiate, or solicit accident and health insurance.

267 (b) A person may not utilize the services of another as a navigator if that person knows
 268 or should know that the other does not have a license as required by law.

269 (2) An insurance contract is not invalid as a result of a violation of this section.

270 Section 7. Section **31A-23b-202** is enacted to read:

271 **31A-23b-202. Qualifications for a license.**

272 (1) (a) The commissioner shall issue or renew a license to a person described in
 273 Subsection (1)(b) to act as a navigator.

274 (b) The commissioner shall issue or renew a license under Subsection (1)(a) to a
 275 person who:

276 (i) satisfies the:

277 (A) application requirements under Section 31A-23b-203;

278 (B) character requirements under Section 31A-23b-204;

279 (C) examination and training requirements under Section 31A-23b-205; and

280 (D) continuing education requirements under Section 31A-23b-206; and
281 (ii) certifies that, to the extent applicable, the applicant:
282 (A) is in compliance with the surety bond requirements of Section 31A-23b-207; and
283 (B) will maintain compliance with Section 31A-23b-207 during the period for which
284 the license is issued or renewed; and
285 (iii) has not committed an act that is a ground for denial, suspension, or revocation as
286 provided in Section 31A-23b-401.
287 (2) (a) A person shall report to the commissioner:
288 (i) an administrative action taken against the person, including a denial of a new or
289 renewal license application:
290 (A) in another jurisdiction; or
291 (B) by another regulatory agency in this state; and
292 (ii) a criminal prosecution taken against the person in any jurisdiction.
293 (b) The report required by Subsection (2)(a) shall be filed:
294 (i) at the time the person files the application for an individual or agency license; and
295 (ii) for an action or prosecution that occurs on or after the day on which the person files
296 the application:
297 (A) for an administrative action, within 30 days of the final disposition of the
298 administrative action; or
299 (B) for a criminal prosecution, within 30 days of the initial appearance before a court.
300 (c) The report required by Subsection (2)(a) shall include a copy of the complaint or
301 other relevant legal documents related to the action or prosecution described in Subsection
302 (2)(a).
303 (3) (a) The department may require a person applying for a license to submit to a
304 criminal background check as a condition of receiving a license.
305 (b) A person, if required to submit to a criminal background check under Subsection
306 (3)(a), shall:
307 (i) submit a fingerprint card in a form acceptable to the department; and
308 (ii) consent to a fingerprint background check by:
309 (A) the Utah Bureau of Criminal Identification; and
310 (B) the Federal Bureau of Investigation.

311 (c) For a person who submits a fingerprint card and consents to a fingerprint
312 background check under Subsection (3)(b), the department may request:

313 (i) criminal background information maintained pursuant to Title 53, Chapter 10, Part
314 2, Bureau of Criminal Identification, from the Bureau of Criminal Identification; and

315 (ii) complete Federal Bureau of Investigation criminal background checks through the
316 national criminal history system.

317 (d) Information obtained by the department from the review of criminal history records
318 received under this Subsection (3) shall be used by the department for the purposes of:

319 (i) determining if a person satisfies the character requirements under Section
320 31A-23b-204 for issuance or renewal of a license;

321 (ii) determining if a person failed to maintain the character requirements under Section
322 31A-23b-204; and

323 (iii) preventing a person who violates the federal Violent Crime Control and Law
324 Enforcement Act of 1994, 18 U.S.C. Sec. 1033, from engaging in the business of a navigator or
325 in person assistor in the state.

326 (e) If the department requests the criminal background information, the department
327 shall:

328 (i) pay to the Department of Public Safety the costs incurred by the Department of
329 Public Safety in providing the department criminal background information under Subsection
330 (3)(c)(i);

331 (ii) pay to the Federal Bureau of Investigation the costs incurred by the Federal Bureau
332 of Investigation in providing the department criminal background information under
333 Subsection (3)(c)(ii); and

334 (iii) charge the person applying for a license or for consent to engage in the business of
335 a navigator or in person assistor a fee equal to the aggregate of Subsections (3)(e)(i) and (ii).

336 (4) The commissioner may deny a license application for a license under this chapter if
337 the person applying for the license:

338 (a) fails to satisfy the requirements as set forth in this section; or

339 (b) commits an act that is grounds for denial, suspension, or revocation as set forth in
340 Section 31A-23b-401.

341 Section 8. Section **31A-23b-203** is enacted to read:

342 **31A-23b-203. Application for individual license -- Application for agency license.**

343 (1) This section applies to an initial or renewal license as a navigator.

344 (2) (a) Subject to Subsection (2)(b), to obtain or renew an individual license, an
345 individual shall:

346 (i) file an application for an initial or renewal individual license with the commissioner
347 on forms and in a manner the commissioner prescribes; and

348 (ii) pay a license fee that is not refunded if the application:

349 (A) is denied; or

350 (B) is incomplete when filed and is never completed by the applicant.

351 (b) An application described in this Subsection (2) shall provide:

352 (i) information about the applicant's identity;

353 (ii) the applicant's Social Security number;

354 (iii) the applicant's personal history, experience, education, and business record;

355 (iv) whether the applicant is 18 years of age or older;

356 (v) whether the applicant has committed an act that is a ground for denial, suspension,
357 or revocation as set forth in Section 31A-23b-401 or 31A-23b-402;

358 (vi) that the applicant complies with the surety bond requirements of Section
359 31A-23b-207;

360 (vii) that the applicant completed the training requirements in Section 31A-23b-205;

361 and

362 (viii) any other information the commissioner reasonably requires.

363 (3) The commissioner may require a document reasonably necessary to verify the
364 information contained in an application filed under this section.

365 (4) An applicant's Social Security number contained in an application filed under this
366 section is a private record under Section 63G-2-302.

367 (5) (a) Subject to Subsection (5)(b), to obtain or renew a navigator agency license, a
368 person shall:

369 (i) file an application for an initial or renewal navigator agency license with the
370 commissioner on forms and in a manner the commissioner prescribes; and

371 (ii) pay a license fee that is not refunded if the application:

372 (A) is denied; or

- 373 (B) is incomplete when filed and is never completed by the applicant.
- 374 (b) An application described in Subsection (5)(a) shall provide:
- 375 (i) information about the applicant's identity;
- 376 (ii) the applicant's federal employer identification number;
- 377 (iii) the designated responsible licensed individual;
- 378 (iv) the identity of the owners, partners, officers, and directors;
- 379 (v) whether the applicant, or individual identified in Subsections (5)(b)(iii) and (iv) has
- 380 committed an act that is a ground for denial, suspension, or revocation as set forth in Section
- 381 31A-23b-401; and
- 382 (vi) any other information the commissioner reasonably requires.
- 383 Section 9. Section **31A-23b-204** is enacted to read:
- 384 **31A-23a-204. Character requirements.**
- 385 An applicant for a license under this chapter shall demonstrate to the commissioner
- 386 that:
- 387 (1) the applicant has the intent in good faith, to engage in the practice of a navigator as
- 388 the license would permit;
- 389 (2) (a) if a natural person, the applicant is competent and trustworthy; or
- 390 (b) if the applicant is an agency:
- 391 (i) the partners, directors, or principal officers or persons having comparable powers
- 392 are trustworthy; and
- 393 (ii) that it will transact business in such a way that the acts that may only be performed
- 394 by a licensed navigator are performed exclusively by natural persons who are licensed to
- 395 perform that type of business under this chapter, or Chapter 23a, Insurance
- 396 Marketing-Licensing Producers, Consultants, and Reinsurance Intermediaries;
- 397 (3) the applicant intends to comply with the errors and omissions requirements of
- 398 Section 31A-23b-207;
- 399 (4) if a natural person, the applicant is at least 18 years of age; and
- 400 (5) the applicant does not have a conflict of interest as required by PPACA.
- 401 Section 10. Section **31A-23b-205** is enacted to read:
- 402 **31A-23b-205. Examination and training requirements.**
- 403 (1) The commissioner may require applicants for a license to pass an examination and

404 complete a training program as a requirement for a license.

405 (2) The examination described in Subsection (1) shall reasonably relate to:

406 (a) the duties and functions of a navigator;

407 (b) requirements for navigators in an exchange as established by federal regulation

408 under PPACA; and

409 (c) other requirements that may be established by the commissioner by administrative
410 rule; and

411 (d) may be administered by the commissioner or as otherwise specified by

412 administrative rule.

413 (3) The training described in Subsection (1) shall be approved by the commissioner
414 and shall include:

415 (a) accident and health insurance plans;

416 (b) qualifications for and enrollment in public programs;

417 (c) qualifications for and enrollment in premium subsidies;

418 (d) cultural and linguistic appropriateness;

419 (e) conflict of interest standards;

420 (f) exchange functions; and

421 (g) other requirements that may be adopted by the commissioner by administrative
422 rule.

423 (4) This section's requirement may only be applied to applicants who are natural
424 persons.

425 Section 11. Section **31A-23b-206** is enacted to read:

426 **31A-23b-206. Continuing education requirements.**

427 (1) Pursuant to this section, the commissioner shall by rule prescribe the continuing
428 education requirements for a navigator.

429 (2) (a) The commissioner may not state a continuing education requirement in terms of
430 formal education.

431 (b) The commissioner may state a continuing education requirement in terms of hours
432 of instruction received in:

433 (i) accident and health insurance;

434 (ii) qualification for and enrollment in public programs;

435 (iii) qualification for and enrollment in premium subsidies;

436 (iv) cultural competency;

437 (v) conflict of interest standards; and

438 (iv) other exchange functions.

439 (3) (a) The commissioner shall impose continuing education requirements in
440 accordance with a two-year licensing period in which the licensee meets the requirements of
441 this Subsection (3).

442 (b) (i) Except as provided in this section, the continuing education requirements shall
443 require:

444 (A) that a licensee complete 24 credit hours of continuing education for every two-year
445 licensing period;

446 (B) that 3 of the 24 credit hours described in Subsection (3)(b)(i)(A) be ethics courses;
447 and

448 (C) that the licensee complete at least half of the required hours through classroom
449 hours of insurance and exchange related instruction.

450 (ii) An hour of continuing education in accordance with Subsection (3)(b)(i) may be
451 obtained through:

452 (A) classroom attendance;

453 (B) home study;

454 (C) watching a video recording;

455 (D) experience credit; or

456 (E) another method provided by rule.

457 (c) A licensee may obtain continuing education hours at any time during the two-year
458 licensing period.

459 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
460 commissioner shall, by rule:

461 (i) publish a list of insurance professional designations whose continuing education
462 requirements can be used to meet the requirements for continuing education under Subsection
463 (3)(b);

464 (ii) authorize a continuing education provider or a state or national professional
465 producer or consultant association to:

466 (A) offer a qualified program on a geographically accessible basis; and
467 (B) collect a reasonable fee for funding and administration of a continuing education
468 program, subject to the review and approval of the commissioner.

469 (4) The commissioner shall approve a continuing education provider or continuing
470 education course that satisfies the requirements of this section.

471 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
472 commissioner shall by rule set the processes and procedures for continuing education provider
473 registration and course approval.

474 (6) The requirements of this section apply only to a navigator who is an individual.

475 (7) A producer or consultant subject to this section shall keep documentation of
476 completing the continuing education requirements of this section for two years after the end of
477 the two-year licensing period to which the continuing education applies.

478 Section 12. Section **31A-23b-207** is enacted to read:

479 **31A-23b-207. Requirement to obtain surety bond.**

480 (1) (a) Except as provided in Subsection (4), and in accordance with this section, a
481 navigator shall ensure that the navigator has obtained a surety bond in an amount designated by
482 the commissioner by administrative rule to cover the legal liability of the navigator as the result
483 of an erroneous act or failure to act in the navigator's capacity as a navigator.

484 (b) The navigator shall keep the surety bond in accordance with Subsection (1)(a) at all
485 times during the term of the navigator's license.

486 (2) Notwithstanding Subsection (1), a navigator is exempt from the requirement to
487 obtain a surety bond during a period in which the navigator limits the navigator's scope of
488 practice to assisting individuals with:

489 (a) enrollment in public programs; and

490 (b) qualification for premium subsidies.

491 Section 13. Section **31A-23b-208** is enacted to read:

492 **31A-23b-208. Form and contents of license.**

493 (1) A license issued under this chapter shall be in the form the commissioner prescribes
494 and shall set forth:

495 (a) the name and address of the licensee;

496 (b) the date of license issuance; and

497 (c) any other information the commissioner considers necessary.

498 (2) A licensee under this chapter doing business under another name than the licensee's
499 legal name shall notify the commissioner before using the assumed name in this state.

500 Section 14. Section **31A-23b-209** is enacted to read:

501 **31A-23b-209. Agency designations.**

502 (1) An organization shall be licensed as a navigator agency if the organization acts as a
503 navigator.

504 (2) A navigator agency that does business in the state shall designate an individual who
505 is licensed under this chapter to act on the agency's behalf.

506 (3) A navigator agency shall report to the commissioner, at intervals and in the form
507 the commissioner establishes by rule:

508 (a) a new designation under Subsection (2); and

509 (b) a terminated designation under Subsection (2).

510 (4) (a) A navigator agency licensed under this chapter shall report to the commissioner
511 the cause of termination of a designation if:

512 (i) the reason for termination is a reason described in Subsection 31A-23b-401(4)(b);

513 or

514 (ii) the navigator agency has knowledge that the individual licensee engaged in an
515 activity described in Subsection 31A-23b-401(4)(b) by:

516 (A) a court;

517 (B) a government body; or

518 (C) a self-regulatory organization, which the commissioner may define by rule made in
519 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

520 (b) The information provided the commissioner under Subsection (4)(a) is a private
521 record under Title 63G, Chapter 2, Government Records Access and Management Act.

522 (c) A navigator agency is immune from civil action, civil penalty, or damages if the
523 agency complies in good faith with this Subsection (4) by reporting to the commissioner the
524 cause of termination of a designation.

525 (d) Notwithstanding any other provision in this section, a navigator agency is not
526 immune from an action or resulting penalty imposed on the reporting agency as a result of
527 proceedings brought by or on behalf of the department if the action is based on evidence other

528 than the report submitted in compliance with this Subsection (4).

529 (5) A navigator agency licensed under this chapter may act in a capacity for which it is
530 licensed only through an individual who is licensed under this chapter to act in the same
531 capacity.

532 (6) A navigator agency licensed under this chapter shall designate and report to the
533 commissioner in accordance with any rule made by the commissioner the name of the
534 designated responsible licensed individual who has authority to act on behalf of the navigator
535 agency in the matters pertaining to compliance with this title and orders of the commissioner.

536 (7) If a navigator agency designates a licensee in reports submitted under Subsection
537 (3) or (6), there is a rebuttable presumption that the designated licensee acts on behalf of the
538 navigator agency.

539 (8) (a) When a license is held by a navigator agency, both the navigator agency itself
540 and any individual designated under the navigator agency license is considered the holder of
541 the navigator agency license for purposes of this section.

542 (b) If an individual designated under the navigator agency license commits an act or
543 fails to perform a duty that is a ground for suspending, revoking, or limiting the navigator
544 agency license, the commissioner may suspend, revoke, or limit the license of:

545 (i) the individual;

546 (ii) the navigator agency, if the navigator agency:

547 (A) is reckless or negligent in its supervision of the individual; or

548 (B) knowingly participates in the act or failure to act that is the ground for suspending,
549 revoking, or limiting the license; or

550 (iii) (A) the individual; and

551 (B) the navigator agency, if the agency meets the requirements of Subsection (8)(b)(ii).

552 Section 15. Section **31A-23b-210** is enacted to read:

553 **31A-23b-210. Place of business and residence address -- Records.**

554 (1) (a) A licensee under this chapter shall register and maintain with the commissioner:

555 (i) the address and telephone numbers of the licensee's principal place of business; and

556 (ii) a valid business email address at which the commissioner may contact the licensee.

557 (b) If a licensee is an individual, in addition to complying with Subsection (1)(a), the

558 individual shall register and maintain with the commissioner the individual's residence address

559 and telephone number.

560 (c) A licensee shall notify the commissioner within 30 days of a change of any of the
561 following required to be registered with the commissioner under this section:

562 (i) an address;

563 (ii) a telephone number; or

564 (iii) a business email address.

565 (2) (a) Except as provided under Subsection (3), a licensee under this chapter shall
566 keep at the principal place of business address registered under Subsection (1), separate and
567 distinct books and records of the transactions consummated under the Utah license.

568 (3) Subsection (2) is satisfied if the books and records specified in Subsection (2) can
569 be obtained immediately from a central storage place or elsewhere by on-line computer
570 terminals located at the registered address.

571 (4) (a) The books and records maintained under Subsection (2) shall be available for
572 the inspection of the commissioner during the business hours for a period of time after the date
573 of the transaction as specified by the commissioner by rule, but in no case for less than the
574 current calendar year plus three years.

575 (b) Discarding books and records after the applicable record retention period has
576 expired does not place the licensee in violation of a later-adopted longer record retention
577 period.

578 Section 16. Section **31A-23b-211** is enacted to read:

579 **31A-23b-211. Exceptions to navigator licensing.**

580 (1) For purposes of this Section:

581 (a) "Sell" is as defined in Section 31A-23a-102.

582 (b) "Solicit" is as defined in Section 31A-23a-102; and

583 (c) "Negotiate" is as defined in Section 31A-23a-102.

584 (2) The commissioner may not require a license as a navigator of:

585 (a) a person who is employed by or contracts with:

586 (i) a health care facility that is licensed under Title 26, Chapter 22, Health Care Facility
587 Licensing Act, to assist an individual with enrollment in a public program; or

588 (ii) the state, a political subdivision of the state, an entity of a political subdivision of
589 the state, or a public school district to assist an individual with enrollment in a public program;

590 (b) a federally qualified health center as defined by Section 1905(1)(2)(B) of the Social
591 Security Act to assist an individual with enrollment in a public program;

592 (c) a person licensed under Chapter 23a, Insurance Marketing-Licensing, Consultants,
593 and Reinsurance Intermediaries, if the person is licensed in the appropriate line of authority to
594 sell, solicit or negotiate accident and health insurance plans;

595 (d) an officer, director, or employee of a navigator:

596 (i) who does not receive compensation or commission from an insurer issuing an
597 insurance contract, an agency administering a public program, or an exchange for:

598 (A) a policy written or sold to insure risk residing, located, or to be performed in the
599 state;

600 (B) enrollment in a public program offered through the exchange;

601 (C) enrolling an individual in a health benefit plan;

602 (D) issuing a certificate under a health benefit plan; or

603 (E) otherwise administering a plan; and

604 (ii) whose activities:

605 (A) are executive, administrative, managerial, clerical or a combination thereof;

606 (B) only indirectly relate to the sale, solicitation, or negotiation of insurance, or the
607 enrollment in a public program offered through the exchange;

608 (C) are in the capacity of a special agent or agency supervisor assisting an insurance
609 producer or navigator;

610 (D) are limited to providing technical advice and assistance to a licensed insurance
611 producer or navigator; or

612 (E) do not include the sale, solicitation, or negotiation of insurance, or the enrollment
613 in a public program; and

614 (f) a person who does not sell, solicit, or negotiate insurance and is not directly or
615 indirectly compensated by an insurer issuing an insurance contract, an agency administering a
616 public program, or the exchange, including:

617 (i) an employer, association, officer, director, employee, or trustee of an employee trust
618 plan who is engaged in the administration or operation of a program of employee benefits for:

619 (A) the employer's or association's own employees or the employees of a subsidiary or
620 affiliate of an employer or association; and

621 (B) the program involves the use of insurance issued by an insurer, or enrollment in a
622 public health plan on the exchange;

623 (ii) an employee of an insurer or organization employed by an insurer who is engaging
624 in the inspection, rating, or classification of risk, or the supervision of training of insurance
625 producers; or

626 (iii) an employee who counsels or advises the employee's employer related to the
627 insurance interests of the employer, or a subsidiary or business affiliate of the employer.

628 (3) The commissioner may by rule exempt a class of persons from the license
629 requirement of Subsection 31A-23b-201(1) if:

630 (a) the functions performed by the class of persons does not require:

631 (i) special competence;

632 (ii) special trustworthiness; or

633 (iii) regulatory surveillance made possible by licensing; or

634 (b) other existing safeguards make regulation unnecessary.

635 Section 17. Section **31A-23b-301** is enacted to read:

636 **Part 3. Unlawful Conduct and Limitation of Scope of Practice**

637 **31A-23b-301. Unfair practices -- Compensation -- Limit of scope of practice.**

638 (1) As used in this section, "false or misleading information" includes with intent to
639 deceive a person examining it:

640 (a) filing a report;

641 (b) making a false entry in a record; or

642 (c) wilfully refraining from making a proper entry in a record.

643 (2) (a) Any of the following may not make or cause to be made any communication
644 that contains false or misleading information, relating to enrollment in an insurance plan or a
645 public program including information that is false or misleading because it is incomplete:

646 (i) a person who is or should be licensed under this title;

647 (ii) an employee of a person described in Subsection (2)(a)(i);

648 (iii) a person whose primary interest is as a competitor of a person licensed under this
649 title; and

650 (iv) a person on behalf of any of the persons listed in this Subsection (2)(a)(i).

651 (b) A licensee under this title may not:

652 (i) use any business name, slogan, emblem, or related device that is misleading or
653 likely to cause the exchange, insurer, or other licensee to be mistaken for another governmental
654 agency, a PPACA exchange, insurer, or other licensee already in business; or

655 (ii) use any advertisement or other insurance promotional material that would cause a
656 reasonable person to mistakenly believe that a state or federal government agency, public
657 program, or insurer:

658 (A) is responsible for the insurance or public program enrollment assistance activities
659 of the person;

660 (B) stands behind the credit of the person; or

661 (C) is a source of payment of any insurance obligation of or sold by the person.

662 (c) A person who is not an insurer may not assume or use any name that deceptively
663 implies or suggests that person is an insurer.

664 (3) A person may not engage in an unfair method of competition or any other unfair or
665 deceptive act or practice in the business of insurance, as defined by the commissioner by rule,
666 after a finding that the method of competition, the act, or the practice:

667 (a) is misleading;

668 (b) is deceptive;

669 (c) is unfairly discriminatory;

670 (d) provides an unfair inducement; or

671 (e) unreasonably restrains competition.

672 (4) A navigator licensed under this chapter is subject to the inducement provisions of
673 Section 31A-23a-402.5.

674 (5) A person licensed under this chapter or who should be licensed under this chapter:

675 (a) may not receive direct or indirect compensation from an accident or health insurer
676 or from an individual who receives services from a navigator in accordance with:

677 (i) federal conflict of interest regulations established pursuant to PPACA; and

678 (ii) administrative rule adopted by the department;

679 (b) may be compensated by the exchange for performing the duties of a navigator;

680 (c) (i) may perform, offer to perform, or advertise a service as a navigator only for
681 individuals or small employer groups selecting accident and health insurance plans or public
682 programs on the exchange; and

683 (ii) may not perform, offer to perform, or advertise any services as a navigator for
684 individuals or small employer groups selecting accident and health insurance plans, public
685 programs, business, or services that are not offered on the exchange; and

686 (d) may not recommend a particular accident and health insurance plan.

687 Section 18. Section **31A-23b-401** is enacted to read:

688 **Part 4. License Denial and Discipline**

689 **31A-23b-401. Revocation, suspension, surrender, lapsing, limiting, or otherwise**
690 **terminating a license -- Rulemaking for renewal or reinstatement.**

691 (1) A license as a navigator under this chapter remains in force until:

692 (a) revoked or suspended under Subsection (4);

693 (b) surrendered to the commissioner and accepted by the commissioner in lieu of
694 administrative action;

695 (c) the licensee dies or is adjudicated incompetent as defined under:

696 (i) Title 75, Chapter 5, Part 3, Guardians of Incapacitated Persons; or

697 (ii) Title 75, Chapter 5, Part 4, Protection of Property of Persons Under Disability and
698 Minors;

699 (d) lapsed under this section; or

700 (e) voluntarily surrendered.

701 (2) The following may be reinstated within one year after the day on which the license
702 is no longer in force:

703 (a) a lapsed license; or

704 (b) a voluntarily surrendered license, except that a voluntarily surrendered license may
705 not be reinstated after the license period in which the license is voluntarily surrendered.

706 (3) Unless otherwise stated in a written agreement for the voluntary surrender of a
707 license, submission and acceptance of a voluntary surrender of a license does not prevent the
708 department from pursuing additional disciplinary or other action authorized under:

709 (a) this title; or

710 (b) rules made under this title in accordance with Title 63G, Chapter 3, Utah
711 Administrative Rulemaking Act.

712 (4) (a) If the commissioner makes a finding under Subsection (4)(b), as part of an
713 adjudicative proceeding under Title 63G, Chapter 4, Administrative Procedures Act, the

- 714 commissioner may:
- 715 (i) revoke a license; or
- 716 (ii) suspend a license for a specified period of 12 months or less;
- 717 (iii) limit a license in whole or in part; or
- 718 (iv) deny a license application.
- 719 (b) The commissioner may take an action described in Subsection (4)(a) if the
- 720 commissioner finds that the licensee:
- 721 (i) is unqualified for a license under Section 31A-23b-204, 31A-23b-205, or
- 722 31A-23b-206;
- 723 (ii) violates:
- 724 (A) an insurance statute;
- 725 (B) a rule that is valid under Subsection 31A-2-201(3); or
- 726 (C) an order that is valid under Subsection 31A-2-201(4);
- 727 (iii) is insolvent or the subject of receivership, conservatorship, rehabilitation, or other
- 728 delinquency proceedings in any state;
- 729 (iv) fails to pay a final judgment rendered against the person in this state within 60
- 730 days after the day on which the judgment became final;
- 731 (v) refuses:
- 732 (A) to be examined; or
- 733 (B) to produce its accounts, records, and files for examination;
- 734 (vi) has an officer who refuses to:
- 735 (A) give information with respect to the navigator's affairs; or
- 736 (B) perform any other legal obligation as to an examination;
- 737 (vii) provides information in the license application that is:
- 738 (A) incorrect;
- 739 (B) misleading;
- 740 (C) incomplete; or
- 741 (D) materially untrue;
- 742 (viii) violates an insurance law, valid rule, or valid order of another state's insurance
- 743 department;
- 744 (ix) obtains or attempts to obtain a license through misrepresentation or fraud;

- 745 (x) improperly withholds, misappropriates, or converts money or properties received in
746 the course of doing insurance business;
- 747 (xi) intentionally misrepresents the terms of an actual or proposed:
- 748 (A) insurance contract;
- 749 (B) application for insurance; or
- 750 (C) application for public program;
- 751 (xii) is convicted of a felony;
- 752 (xiii) admits or is found to have committed an insurance unfair trade practice or fraud;
- 753 (xiv) in the conduct of business in this state or elsewhere:
- 754 (A) uses fraudulent, coercive, or dishonest practices; or
- 755 (B) demonstrates incompetence, untrustworthiness, or financial irresponsibility;
- 756 (xv) has an insurance license, navigator license, or its equivalent, denied, suspended, or
757 revoked in another state, province, district, or territory;
- 758 (xvi) forges another's name to:
- 759 (A) an application for insurance;
- 760 (B) a document related to an insurance transaction;
- 761 (C) a document related to an application for a public program; or
- 762 (D) a document related to an application for premium subsidies;
- 763 (xvii) improperly uses notes or another reference material to complete an examination
764 for a license;
- 765 (xviii) knowingly accepts insurance business from an individual who is not licensed;
- 766 (xix) fails to comply with an administrative or court order imposing a child support
767 obligation;
- 768 (xx) fails to:
- 769 (A) pay state income tax; or
- 770 (B) comply with an administrative or court order directing payment of state income
771 tax;
- 772 (xxi) violates or permits others to violate the federal Violent Crime Control and Law
773 Enforcement Act of 1994, 18 U.S.C. Sec. 1033 and therefore under 18 U.S.C. Sec. 1033 is
774 prohibited from engaging in the business of insurance; or
- 775 (xxii) engages in a method or practice in the conduct of business that endangers the

776 legitimate interests of customers and the public.

777 (c) For purposes of this section, if a license is held by an agency, both the agency itself
778 and any individual designated under the license are considered to be the holders of the license.

779 (d) If an individual designated under the agency license commits an act or fails to
780 perform a duty that is a ground for suspending, revoking, or limiting the individual's license,
781 the commissioner may suspend, revoke, or limit the license of:

782 (i) the individual;

783 (ii) the agency, if the agency:

784 (A) is reckless or negligent in its supervision of the individual; or

785 (B) knowingly participates in the act or failure to act that is the ground for suspending,
786 revoking, or limiting the license; or

787 (iii) (A) the individual; and

788 (B) the agency if the agency meets the requirements of Subsection (4)(d)(ii).

789 (5) A licensee under this chapter is subject to the penalties for acting as a licensee
790 without a license if:

791 (a) the licensee's license is:

792 (i) revoked;

793 (ii) suspended;

794 (iii) surrendered in lieu of administrative action;

795 (iv) lapsed; or

796 (v) voluntarily surrendered; and

797 (b) the licensee:

798 (i) continues to act as a licensee; or

799 (ii) violates the terms of the license limitation.

800 (6) A licensee under this chapter shall immediately report to the commissioner:

801 (a) a revocation, suspension, or limitation of the person's license in another state, the
802 District of Columbia, or a territory of the United States;

803 (b) the imposition of a disciplinary sanction imposed on that person by another state,
804 the District of Columbia, or a territory of the United States; or

805 (c) a judgment or injunction entered against that person on the basis of conduct
806 involving:

807 (i) fraud;

808 (ii) deceit;

809 (iii) misrepresentation; or

810 (iv) a violation of an insurance law or rule.

811 (7) (a) An order revoking a license under Subsection (4) or an agreement to surrender a
812 license in lieu of administrative action may specify a time, not to exceed five years, within
813 which the former licensee may not apply for a new license.

814 (b) If no time is specified in an order or agreement described in Subsection (7)(a), the
815 former licensee may not apply for a new license for five years from the day on which the order
816 or agreement is made without the express approval by the commissioner.

817 (8) The commissioner shall promptly withhold, suspend, restrict, or reinstate the use of
818 a license issued under this part if so ordered by a court.

819 (9) The commissioner shall by rule prescribe the license renewal and reinstatement
820 procedures in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

821 Section 19. Section **31A-23b-402** is enacted to read:

822 **31A-23b-402. Probation -- Grounds for revocation.**

823 (1) The commissioner may place a licensee on probation for a period not to exceed 24
824 months as follows:

825 (a) after an adjudicative proceeding under Title 63G, Chapter 4, Administrative
826 Procedures Act, for any circumstances that would justify a suspension under this section; or

827 (b) at the issuance of a new license:

828 (i) with an admitted violation under 18 U.S.C. Sections 1033 and 1034; or

829 (ii) with a response to background information questions on a new license application
830 indicating that:

831 (A) the person has been convicted of a crime, that is listed by rule made in accordance
832 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, as a crime that is grounds for
833 probation;

834 (B) the person is currently charged with a crime, that is listed by rule made in
835 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, as a crime that is
836 grounds for probation regardless of whether adjudication is withheld;

837 (C) the person has been involved in an administrative proceeding regarding any

838 professional or occupational license; or

839 (D) any business in which the person is or was an owner, partner, officer, or director
840 has been involved in an administrative proceeding regarding any professional or occupational
841 license.

842 (2) The commissioner may place a licensee on probation for a specified period no
843 longer than 24 months if the licensee has admitted to a violation under 18 U.S.C. Sections 1033
844 and 1034.

845 (3) The probation order shall state the conditions for retention of the license, which
846 shall be reasonable.

847 (4) Any violation of the probation is grounds for revocation pursuant to any proceeding
848 authorized under Title 63G, Chapter 4, Administrative Procedures Act.

849 Section 20. Section **31A-23b-403** is enacted to read:

850 **31A-23b-403. License lapse and voluntary surrender.**

851 (1) (a) A license issued under this chapter shall lapse if the licensee fails to:

852 (i) pay when due a fee under Section 31A-3-103;

853 (ii) complete continuing education requirements under Section 31A-23b-206 before
854 submitting the license renewal application;

855 (iii) submit a completed renewal application as required by Section 31A-23b-203;

856 (iv) submit additional documentation required to complete the licensing process as
857 related to a specific license type or line of authority; or

858 (v) maintain an active license in a resident state if the licensee is a nonresident
859 licensee.

860 (b) (i) A licensee whose license lapses due to the following may request an action
861 described in Subsection (1)(b)(ii):

862 (A) military service;

863 (B) voluntary service for a period of time designated by the person for whom the
864 licensee provides voluntary service; or

865 (C) some other extenuating circumstances, such as long-term medical disability.

866 (ii) A licensee described in Subsection (1)(b)(i) may request:

867 (A) reinstatement of the license no later than one year after the day on which the
868 license lapses; and

869 (B) waiver of any of the following imposed for failure to comply with renewal
870 procedures:

871 (I) an examination requirement;

872 (II) reinstatement fees set under Section 31A-3-103;

873 (III) continuing education requirements; or

874 (IV) other sanction imposed for failure to comply with renewal procedures.

875 (2) If a license issued under this chapter is voluntarily surrendered, the license may be
876 reinstated:

877 (a) during the license period in which the license is voluntarily surrendered; and

878 (b) no later than one year after the day on which the license is voluntarily surrendered.

879 (3) A voluntarily surrendered license that is reinstated during the license period set
880 forth in Subsection (2) may not be reinstated until the person who voluntarily surrendered the
881 license complies with any applicable continuing education requirements for the period during
882 which the license was voluntarily surrendered.

883 Section 21. Section **31A-23b-404** is enacted to read:

884 **31A-23b-404. Penalties.**

885 (1) (a) If, after notice and opportunity to be heard, the commissioner finds that the
886 navigator or any other person has not materially complied with this part, or any rule made or
887 order issued under the part, the commissioner may order the navigator or other person to cease
888 doing business in the state.

889 (b) If the commissioner finds that because of the material noncompliance that an
890 insurer, any policyholder of an insurer, or a recipient of a public program who used the services
891 of the navigator or other person, has suffered any loss or damage due to the material
892 noncompliance, the commissioner may:

893 (i) maintain a civil action or may intervene in an action brought by or on behalf of the
894 insurer, policyholder, or the recipient of the public program, for recovery of compensatory
895 damages for the benefit of the insurer, policyholder, or recipient of a public program; or

896 (ii) seek other appropriate relief.

897 (2) Nothing in this section affects the right of the commissioner to impose any other
898 penalties provided for in this title, including the penalties provided in Section 31A-2-208.

899 (3) Nothing contained in this section is intended to or shall in any manner alter or

900 affect the rights of policyholders, claimants, creditors, or other third parties.

901 Section 22. Section **31A-30-104** is amended to read:

902 **31A-30-104. Applicability and scope.**

903 (1) This chapter applies to any:

904 (a) health benefit plan that provides coverage to:

905 (i) individuals;

906 (ii) small employers; or

907 (iii) both Subsections (1)(a)(i) and (ii); or

908 (b) individual conversion policy for purposes of Sections 31A-30-106.5 and
909 31A-30-107.5.

910 (2) This chapter applies to a health benefit plan that provides coverage to small
911 employers or individuals regardless of:

912 (a) whether the contract is issued to:

913 (i) an association;

914 (ii) a trust;

915 (iii) a discretionary group; or

916 (iv) other similar grouping; or

917 (b) the situs of delivery of the policy or contract.

918 (3) This chapter does not apply to:

919 (a) short-term limited duration health insurance; or

920 (b) federally funded or partially funded programs.

921 (4) (a) Except as provided in Subsection (4)(b), for the purposes of this chapter:

922 (i) carriers that are affiliated companies or that are eligible to file a consolidated tax
923 return shall be treated as one carrier; and

924 (ii) any restrictions or limitations imposed by this chapter shall apply as if all health
925 benefit plans delivered or issued for delivery to covered insureds in this state by the affiliated
926 carriers were issued by one carrier.

927 (b) Upon a finding of the commissioner, an affiliated carrier that is a health
928 maintenance organization having a certificate of authority under this title may be considered to
929 be a separate carrier for the purposes of this chapter.

930 (c) Unless otherwise authorized by the commissioner or by Chapter 42, Defined

931 Contribution Risk Adjuster Act, a covered carrier may not enter into one or more ceding
932 arrangements with respect to health benefit plans delivered or issued for delivery to covered
933 insureds in this state if the ceding arrangements would result in less than 50% of the insurance
934 obligation or risk for the health benefit plans being retained by the ceding carrier.

935 (d) Section 31A-22-1201 applies if a covered carrier cedes or assumes all of the
936 insurance obligation or risk with respect to one or more health benefit plans delivered or issued
937 for delivery to covered insureds in this state.

938 (5) (a) A Taft Hartley trust created in accordance with Section 302(c)(5) of the Federal
939 Labor Management Relations Act, or a carrier with the written authorization of such a trust,
940 may make a written request to the commissioner for a waiver from the application of any of the
941 provisions of Subsection 31A-30-106(1) with respect to a health benefit plan provided to the
942 trust.

943 (b) The commissioner may grant a trust or carrier described in Subsection (5)(a) a
944 waiver if the commissioner finds that application with respect to the trust would:

945 (i) have a substantial adverse effect on the participants and beneficiaries of the trust;
946 and

947 (ii) require significant modifications to one or more collective bargaining arrangements
948 under which the trust is established or maintained.

949 (c) A waiver granted under this Subsection (5) may not apply to an individual if the
950 person participates in a Taft Hartley trust as an associate member of any employee
951 organization.

952 (6) Sections 31A-30-106, 31A-30-106.5, 31A-30-106.7, 31A-30-107, 31A-30-108, and
953 31A-30-111 apply to:

954 (a) any insurer engaging in the business of insurance related to the risk of a small
955 employer for medical, surgical, hospital, or ancillary health care expenses of the small
956 employer's employees provided as an employee benefit; and

957 (b) any contract of an insurer, other than a workers' compensation policy, related to the
958 risk of a small employer for medical, surgical, hospital, or ancillary health care expenses of the
959 small employer's employees provided as an employee benefit.

960 (7) The commissioner may make rules requiring that the marketing practices be
961 consistent with this chapter for:

- 962 (a) a small employer carrier;
 963 (b) a small employer carrier's agent;
 964 (c) an insurance producer; ~~[and]~~
 965 (d) an insurance consultant; and
 966 (e) a navigator.

967 Section 23. Section **31A-30-105** is amended to read:

968 **31A-30-105. Establishment of classes of business.**

969 ~~[(1) For a policy that takes effect on or after January 1, 2011]~~ Effective January 1,
 970 2014, a covered carrier may ~~[not]~~ establish ~~[a separate class]~~ up to four separate classes of
 971 business ~~[unless]:~~

972 ~~[(a) the covered carrier submits an application to the commissioner to establish a~~
 973 ~~separate class of business;]~~

974 ~~[(b) the covered carrier demonstrates to the satisfaction of the commissioner that a~~
 975 ~~separate class of business is justified under the provisions of this section; and]~~

976 ~~[(c) the commissioner approves the carrier's application for the use of a separate class~~
 977 ~~of business.]~~

978 ~~[(2)(a) The commissioner shall have a presumption against the use of a separate class~~
 979 ~~of business by a covered insured, except when the covered carrier demonstrates that this~~
 980 ~~Subsection (2) applies.]~~

981 ~~[(b) The commissioner may approve the use of a separate class of business only if the~~
 982 ~~covered carrier can demonstrate that the use of a separate class of business is necessary due to~~
 983 ~~substantial differences in either expected claims experience or administrative costs related to~~
 984 ~~the following reasons:]~~

985 ~~[(i) the covered carrier uses more than one type of system for the marketing and sale of~~
 986 ~~health benefit plans to covered insureds;]~~

987 ~~[(ii) the covered carrier has acquired a class of business from another covered carrier;~~
 988 ~~or]~~

989 ~~[(iii) the covered carrier provides coverage to one or more association groups.]~~

990 ~~[(3) The commissioner may establish regulations to provide for a period of transition in~~
 991 ~~order for a covered carrier to come into compliance with Subsection (2) in the instance of~~
 992 ~~acquisition of an additional class of business from another covered carrier.]~~

993 ~~[(4) The commissioner may approve the establishment of up to five classes of business~~
 994 ~~per covered carrier upon application to the commissioner and a finding by the commissioner~~
 995 ~~that such action would substantially enhance the efficiency and fairness of the health insurance~~
 996 ~~marketplace subject to this chapter.]~~

997 ~~[(5) A covered carrier may not establish a class of business based solely on the~~
 998 ~~marketing or sale of a health benefit plan as a defined contribution arrangement health benefit~~
 999 ~~plan, or through the Health Insurance Exchange.]~~

1000 (1) one class of business for individual health benefit plans that are not grandfathered
 1001 under PPACA;

1002 (2) one class of business for small employer health benefit plans that are not
 1003 grandfathered under PPACA;

1004 (3) one class of business for individual health benefit plans that are grandfathered
 1005 under PPACA; and

1006 (4) one class of business for small employer health benefit plans that are grandfathered
 1007 under PPACA.

1008 Section 24. Section **31A-30-107.3** is amended to read:

1009 **31A-30-107.3. Discontinuance and nonrenewal limitations and conditions.**

1010 (1) (a) A carrier that elects to discontinue offering [a] all individual health benefit
 1011 ~~[plan] plans~~ under Subsection [~~31A-30-107(3)(e) or~~] 31A-30-107.1(3)(e) is prohibited from
 1012 writing new business [~~:(i) in the small employer and~~] in the individual market in this state [~~;- and~~
 1013 ~~(ii)]~~ for a period of five years beginning on the date of discontinuation of the last individual
 1014 health benefit plan coverage that is discontinued.

1015 (b) The prohibition described in Subsection (1)(a) may be waived if the commissioner
 1016 finds that waiver is in the public interest:

1017 (i) to promote competition; or
 1018 (ii) to resolve inequity in the marketplace.

1019 (2) (a) A carrier that elects to discontinue offering all small employer health benefit
 1020 plans under Subsection 31A-30-107(3)(e) is prohibited from writing new business in the small
 1021 group market in this state for a period of five years beginning on the date of discontinuation of
 1022 the last small employer coverage that is discontinued.

1023 (b) The prohibition described in Subsection (2)(a) may be waived if the commissioner

1024 finds that waiver is in the public interest:

1025 (i) to promote competition; or

1026 (ii) to resolve inequity in the marketplace.

1027 ~~(2)~~ (3) (a) If the Comprehensive Health Insurance Pool as set forth under Title 31A,
1028 Chapter 29, Comprehensive Health Insurance Pool Act, is dissolved or discontinued, or if
1029 enrollment is capped or suspended, an individual carrier:

1030 (i) may elect to discontinue offering new individual health benefit plans, except to
1031 HIPAA eligibles, but shall keep existing individual health benefit plans in effect, except those
1032 individual plans that are not renewed under the provisions of Subsection 31A-30-107(2) or
1033 31A-30-107.1(2);

1034 (ii) may elect to continue to offer new individual and small employer health benefit
1035 plans; or

1036 (iii) may elect to discontinue all of the covered carrier's health benefit plans in the
1037 individual or small group market under the provisions of Subsection 31A-30-107(3)(e) or
1038 31A-30-107.1(3)(e).

1039 (b) A carrier that makes an election under Subsection ~~(2)~~ (3)(a)(i):

1040 (i) is prohibited from writing new business:

1041 (A) in the individual market in this state; and

1042 (B) for a period of five years beginning on the date of discontinuation;

1043 (ii) may continue to write new business in the small employer market; and

1044 (iii) shall provide written notice of the election under Subsection ~~(2)~~ (3)(a)(i) within
1045 two calendar days of the election to the Utah Insurance Department.

1046 (c) The prohibition described in Subsection ~~(2)~~ (3)(b)(i) may be waived if the
1047 commissioner finds that waiver is in the public interest:

1048 (i) to promote competition; or

1049 (ii) to resolve inequity in the marketplace.

1050 (d) A carrier that makes an election under Subsection ~~(2)~~ (3)(a)(iii) is subject to the
1051 provisions of Subsection (1).

1052 ~~(3)~~ (4) If a carrier is doing business in one established geographic service area of the
1053 state, Sections 31A-30-107 and 31A-30-107.1 apply only to the carrier's operations in that
1054 geographic service area.

1055 ~~[(4)]~~ (5) If a small employer employs less than two eligible employees, a carrier may
 1056 not discontinue or not renew the health benefit plan until the first renewal date following the
 1057 beginning of a new plan year, even if the carrier knows as of the beginning of the plan year that
 1058 the employer no longer has at least two current employees.

1059 Section 25. Section **31A-30-115** is amended to read:

1060 **31A-30-115. Actuarial review of health benefit plans.**

1061 (1) (a) The department shall conduct an actuarial review of rates submitted by small
 1062 employer carriers~~[-(i)]~~ prior to the publication of the premium rates on the Health Insurance
 1063 Exchange~~[-];~~:

1064 ~~[(ii) except as permitted by Subsection 31A-30-207(2), to determine if the carrier is~~
 1065 ~~using the same rating and underwriting practices in both the defined contribution arrangement~~
 1066 ~~market in the Health Insurance Exchange and the defined benefit market offered outside the~~
 1067 ~~Health Insurance Exchange, in compliance with Subsection 31A-30-202.5(1)(b);]~~

1068 ~~[(iii)]~~ (i) to verify the validity of the rates, underwriting and risk factors, and premiums
 1069 of plans both in and outside of the Health Insurance Exchange;

1070 ~~[(iv)]~~ (ii) to verify that insurers are pricing similar health benefit plans and groups the
 1071 same in and out of the exchange, except as permitted by Subsection 31A-30-207(2); and

1072 ~~[(v)]~~ (iii) as the department determines is necessary to oversee market conduct.

1073 (b) The actuarial review by the department shall be funded from a fee:

1074 (i) established by the department in accordance with Section 63J-1-504; and

1075 (ii) paid by all small employer carriers participating in the defined contribution
 1076 arrangement market and small employer carriers offering health benefit plans under Part 1,
 1077 Individual and Small Employer Group.

1078 (c) The department shall:

1079 (i) report aggregate data from the actuarial review to the risk adjuster board created in
 1080 Section 31A-42-201; and

1081 (ii) contact carriers, if the department determines it is appropriate, to:

1082 (A) inform a carrier of the department's findings regarding the rates of a particular
 1083 carrier; and

1084 (B) request a carrier to recalculate or verify base rates, rating factors, and premiums.

1085 (d) A carrier shall comply with the department's request under Subsection (1)(c)(ii).

1086 (2) (a) There is created in the General Fund a restricted account known as the "Health
1087 Insurance Actuarial Review Restricted Account."

1088 (b) The Health Insurance Actuarial Review Restricted Account shall consist of money
1089 received by the commissioner under this section.

1090 (c) The commissioner shall administer the Health Insurance Actuarial Review
1091 Restricted Account. Subject to appropriations by the Legislature, the commissioner shall use
1092 money deposited into the Health Insurance Actuarial Review Restricted Account to pay for the
1093 actuarial review conducted by the department under this section.

1094 Section 26. Section **31A-30-117** is enacted to read:

1095 **31A-30-117. Patient Protection And Affordable Care Act- market transition.**

1096 (1) Notwithstanding other provisions of this title, and in accordance with Subsection
1097 (2), the commissioner shall adopt administrative rules to transition the insurance market from
1098 current state and federal requirements to new state and federal requirements under PPACA.

1099 (2) (a) Before adopting an administrative rule under this section, the commissioner
1100 shall comply with the reporting requirements of Section 63M-1-2505.5.

1101 (b) Administrative rules adopted by the commissioner under this section may include:

1102 (i) the regulation of health benefit plans as described in Subsections 31A-2-212(5)(a)
1103 and (b);

1104 (ii) disclosure of records and information required by PPACA and state law; and

1105 (iii) one standard, statewide open enrollment period for the individual insurance market
1106 in the state which:

1107 (A) may be shorter than, but may not be longer than the open enrollment period
1108 established for the individual insurance market offered on a PPACA exchange operated in the
1109 state; and

1110 (B) shall be within the dates of the annual open enrollment period established for the
1111 individual insurance market offered on a PPACA exchange operated in the state.

1112 Section 27. Section **31A-30-202.5** is amended to read:

1113 **31A-30-202.5. Insurer participation in defined contribution arrangement market.**

1114 ~~[(1) A small employer carrier who chooses to participate in the defined contribution~~
1115 ~~arrangement market:]~~

1116 ~~[(a) shall offer the defined contribution arrangement health benefit plans required by~~

1117 ~~Section 31A-30-205;~~

1118 ~~[(b) may:]~~

1119 ~~[(i) offer additional defined contribution arrangement health benefit plans in the Health~~
1120 ~~Insurance Exchange as permitted by Section 31A-30-205;]~~

1121 ~~[(ii) offer a defined benefit plan in the Health Insurance Exchange if the small~~
1122 ~~employer carrier offers a defined contribution arrangement health benefit plan that is actuarially~~
1123 ~~equivalent to the defined benefit plan that is offered in the Health Insurance Exchange; and]~~

1124 ~~[(iii)]~~ (1) A small employer carrier who offers a defined contribution arrangement in
1125 the state's defined contribution arrangement market may continue to offer defined benefit plans
1126 outside of the Health Insurance Exchange and the defined contribution arrangement market, if,
1127 except as provided in Subsection 31A-30-207(2), the carrier uses the same rating and
1128 underwriting practices in both the defined contribution arrangement market in the Health
1129 Insurance Exchange and the defined benefit market outside the Health Insurance Exchange.

1130 ~~[(2) A carrier that does not elect to participate in the defined contribution arrangement~~
1131 ~~market by January 1, 2011, may not participate in the defined contribution arrangement market~~
1132 ~~in the Health Insurance Exchange until January 1, 2013.]~~

1133 (2) (a) Beginning July 1, 2013, an insurer who offers a dental or vision plan may offer
1134 a dental or vision plan in the defined contribution arrangement market in accordance with
1135 Subsection (2)(b).

1136 (b) (i) A carrier who offers a dental or vision plan in the defined contribution
1137 arrangement market is not required to offer the same dental or vision plans outside the defined
1138 contribution arrangement market, and does not have to use the same rating and underwriting
1139 practices in and out of the defined contribution arrangement market.

1140 (ii) If a carrier offers a dental or vision plan in the defined contribution arrangement
1141 market, the carrier shall allow an employee of a small employer group to enroll in a dental and
1142 vision plan in accordance with Subsections (2)(b)(iii), (iv) and (v).

1143 (iii) A small employer group shall participate in a defined contribution arrangement
1144 and meet participation requirements for the defined contribution arrangement before the
1145 employer may elect to offer its employees dental or vision plans in the exchange.

1146 (iv) A small employer who meets the participation requirements of Subsection
1147 (2)(b)(iii) may elect to offer its employees:

- 1148 (A) a dental plan offered in the defined contribution arrangement market;
1149 (B) a vision plan offered in the defined contribution arrangement market; or
1150 (C) both a vision plan and a dental plan offered in the defined contribution
1151 arrangement market.
- 1152 (v) (A) An employee whose employer has offered a dental or vision plan under
1153 Subsection (2)(b)(iv) may elect to enroll, or not enroll, in the dental and vision plan selected by
1154 the employer; and
- 1155 (B) the employer's small group must meet participation requirements established by the
1156 commissioner by administrative rule for each plan selected by an employer under Subsection
1157 (2)(b)(iv).

1158 Section 28. Section **31A-30-205** is amended to read:

1159 **31A-30-205. Health benefit plans offered in the defined contribution market.**

1160 ~~[(1) An insurer who offers a defined contribution arrangement health benefit plan in~~
1161 ~~the small group market shall offer the following health benefit plans as defined contribution~~
1162 ~~arrangements:]~~

1163 ~~[(a) one health benefit plan that:]~~

1164 ~~[(i) is a federally qualified high deductible health plan;]~~

1165 ~~[(ii) has a deductible that is within \$250 of the lowest deductible that qualifies as a~~
1166 ~~federally qualified high deductible health plan as adjusted by federal law; and]~~

1167 ~~[(iii) has an annual out-of-pocket maximum that does not exceed three times the~~
1168 ~~amount of the deductible;]~~

1169 ~~[(b) one health benefit plan that:]~~

1170 ~~[(i) is a federally qualified high deductible health plan that is within \$250 of an~~
1171 ~~individual deductible of \$2,500 and a deductible of \$5,000 for coverage including two or more~~
1172 ~~individuals; and]~~

1173 ~~[(ii) does not exceed an annual out-of-pocket maximum equal to three times the~~
1174 ~~amount of the annual deductible;]~~

1175 ~~[(c) one health benefit plan that:]~~

1176 ~~[(i) is a federally qualified high deductible health plan;]~~

1177 ~~[(ii) has a deductible that is within \$1,000 of the highest deductible that qualifies as a~~
1178 ~~federally qualified high deductible health plan, as adjusted by federal law; and]~~

1179 ~~[(iii) has an out-of-pocket maximum that qualifies as a federally qualified high~~
1180 ~~deductible health plan;]~~

1181 ~~[(d) the insurer's four most commonly selected small group health benefit plans that:]~~
1182 ~~[(i) include:]~~

1183 ~~[(A) the provider panel;]~~
1184 ~~[(B) the deductible;]~~
1185 ~~[(C) co-payments;]~~
1186 ~~[(D) co-insurance; and]~~
1187 ~~[(E) pharmacy benefits;]~~
1188 ~~[(ii) are currently being marketed by the carrier to new groups for enrollment; and]~~
1189 ~~[(iii) meet the standard for most commonly selected plan as determined by~~
1190 ~~administrative rule adopted by the commissioner; and]~~

1191 ~~[(e) alternative coverage required by Section 31A-22-724.]~~

1192 ~~[(2)(a) The provisions of Subsection (1) do not limit the number of defined~~
1193 ~~contribution arrangement health benefit plans an insurer may offer in the defined contribution~~
1194 ~~arrangement market.]~~

1195 ~~[(b) An insurer who offers the health benefit plans required by Subsection (1) may also~~
1196 ~~offer any other health benefit plan as a defined contribution arrangement if the health benefit~~
1197 ~~plan provides benefits with an aggregate actuarial value that is no lower than the actuarial value~~
1198 ~~of the plan required in Subsection (1)(c).]~~

1199 ~~[(3)]~~ An employee in the defined contribution arrangement market who has the right to
1200 extend employer coverage under Subsection 31A-22-722(1) or federal COBRA, may:

1201 ~~[(a)]~~ (1) continue coverage under the employee's current plan under state mini-COBRA
1202 or federal COBRA; or

1203 ~~[(b)]~~ (2) enroll in alternative coverage under Section 31A-22-724.

1204 Section 29. Section **31A-30-208** is amended to read:

1205 **31A-30-208. Enrollment for defined contribution arrangements.**

1206 (1) An insurer offering a health benefit plan in the defined contribution arrangement
1207 market:

1208 (a) shall allow an employer to enroll in a small employer defined contribution
1209 arrangement plan; and

1210 ~~[(b) may not impose a surcharge under Section 31A-30-106.7 for a small employer~~
 1211 ~~group selecting a defined contribution arrangement health benefit plan on or before January 1,~~
 1212 ~~2012; and]~~

1213 ~~[(c)]~~ (b) shall otherwise comply with the requirements of this part, Chapter 42, Defined
 1214 Contribution Risk Adjuster Act, and Title 63M, Chapter 1, Part 25, Health System Reform Act.

1215 (2) (a) ~~[Except as provided in Subsection 31A-30-202.5(2), in accordance with~~
 1216 ~~Subsection (2)(b), on January 1 of each year, an]~~ An insurer may enter or exit the defined
 1217 contribution arrangement market on January 1 of each year.

1218 (b) An insurer may offer new or modify existing products in the defined contribution
 1219 arrangement market:

1220 (i) on January 1 of each year;

1221 (ii) when required by changes in other law; and

1222 (iii) at other times as established by the risk adjuster board created in Section
 1223 31A-42-201.

1224 (c) ~~[(f)]~~ An insurer shall give the department, the Health Insurance Exchange, and the
 1225 risk adjuster board 90 days' advance written notice of any event described in Subsection (2)(a)
 1226 or (b).

1227 ~~[(ii) When an insurer elects to participate in the defined contribution arrangement~~
 1228 ~~market, the insurer shall participate in the defined contribution arrangement market for no less~~
 1229 ~~than two years.]~~

1230 Section 30. Section **63I-2-231 (Superseded 07/01/13)** is amended to read:

1231 **63I-2-231 (Superseded 07/01/13). Repeal dates, Title 31A.**

1232 Title 31A, Chapter 42, Defined Contribution Risk Adjuster Act, is repealed July 1,
 1233 ~~[2013]~~ 2015.

1234 Section 31. Section **63I-2-231 (Effective 07/01/13)** is amended to read:

1235 **63I-2-231 (Effective 07/01/13). Repeal dates, Title 31A.**

1236 (1) Section 31A-22-315.5 is repealed July 1, 2016.

1237 (2) Title 31A, Chapter 42, Defined Contribution Risk Adjuster Act, is repealed July 1,
 1238 ~~[2013]~~ 2015.

1239 Section 32. **Health System Reform Task Force--Creation--Membership--Interim**
 1240 **rules followed--Compensation--Staff.**

1241 (1) There is created the Health System Reform Task Force consisting of the following
1242 11 members:

1243 (a) four members of the Senate appointed by the president of the Senate, no more than
1244 three of whom may be from the same political party; and

1245 (b) seven members of the House of Representatives appointed by the speaker of the
1246 House of Representatives, no more than five of whom may be from the same political party.

1247 (2) (a) The president of the Senate shall designate a member of the Senate appointed
1248 under Subsection (1)(a) as a cochair of the committee.

1249 (b) The speaker of the House of Representatives shall designate a member of the House
1250 of Representatives appointed under Subsection (1)(b) as a cochair of the committee.

1251 (3) In conducting its business, the committee shall comply with the rules of legislative
1252 interim committees.

1253 (4) Salaries and expenses of the members of the committee shall be paid in accordance
1254 with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Expense and Mileage
1255 Reimbursement for Authorized Legislative Meetings, Special Sessions, and Veto Override
1256 Sessions.

1257 (5) The Office of Legislative Research and General Counsel shall provide staff support
1258 to the committee.

1259 **Section 33. Duties -- Interim report.**

1260 (1) The committee shall review and make recommendations on the following issues:

1261 (a) the impact of implementation of the federal health reform law and federal
1262 regulations on the state;

1263 (b) options for the state regarding Medicaid expansion and reform;

1264 (c) health care cost containment strategies;

1265 (d) the role of the state defined contribution arrangement market and federal
1266 exchanges;

1267 (e) governing structure for the state's defined contribution arrangement market
1268 exchange; and

1269 (f) Medicaid behavioral health delivery and payment reform models within Medicaid
1270 accountable care organizations and other county provided delivery settings including:

1271 (i) the development of a system to encourage, track, evaluate, share, and disseminate

1272 results from existing pilot projects; and
 1273 (ii) payment reform models that promote performance based reimbursement.
 1274 (2) A final report, including any proposed legislation shall be presented to the Business
 1275 and Labor Interim Committee before November 30, 2013 and before November 30, 2014.

1276 **Section 34. Appropriation.**

1277 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for
 1278 the fiscal year beginning July 1, 2013 and ending June 30, 2014, the following sums of money
 1279 are appropriated from resources not otherwise appropriated, or reduced from amounts
 1280 previously appropriated, out of the funds or accounts indicated. These sums of money are in
 1281 addition to any amounts previously appropriated for fiscal year 2014.

1282 To Legislature - Senate

1283 From General Fund, One-time \$30,000

1284 Schedule of Programs:

1285 Administration \$30,000

1286 To Legislature - House of Representatives \$52,000

1287 From General Fund, One-time

1288 Schedule of Programs:

1289 Administration \$52,000

1290 **Section 35. Effective date.**

1291 If approved by two-thirds of all the members elected to each house, this bill takes effect
 1292 upon approval by the governor, or the day following the constitutional time limit of Utah
 1293 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
 1294 the date of veto override.