

1 **JOINT RESOLUTION REGARDING PUBLIC EMPLOYEE**

2 **HEALTH PLAN**

3 2015 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: James A. Dunnigan**

6 Senate Sponsor: _____

7

LONG TITLE

8 **General Description:**

9 This joint resolution of the Legislature directs the Public Employees' Benefit and
10 Insurance Program to adjust cost sharing and reserves for the 2015-2016 benefit year.

11 **Highlighted Provisions:**

12 This joint resolution:

- 13 ▶ instructs the Public Employees' Benefit and Insurance Program to adjust
- 14 out-of-pocket costs; and
- 15 ▶ instructs the Public Employees' Benefit and Insurance Program to transfer excess
- 16 reserves.

17 **Special Clauses:**

18 None

19

Be it resolved by the Legislature of the state of Utah:

20 WHEREAS, in accordance with Utah Code Section 49-20-201, the state participates in
21 the Public Employees' Benefit and Insurance Program;

22 WHEREAS, Utah Code Subsection 49-20-401(1)(i) provides that the program
23 "maintain reserves sufficient to liquidate the unrevealed claims liability and other liabilities of
24 the employee benefit plans as certified by the program's consulting actuary";

25 WHEREAS, Utah Code Subsection 49-20-401(1)(j) provides that the program "submit,
26
27



28 in advance, its recommended benefit adjustments for state employees to . . . the Legislature;
29 and . . . the executive director of the state Department of Human Resource Management";

30 WHEREAS, Utah Code Subsection 49-20-401(1)(1) provides that the program
31 "determine benefits and rates based on the total estimated costs and the employee premium
32 share established by the Legislature, upon approval of the board, for state employees";

33 WHEREAS, the federal Affordable Care Act requires health benefit plans to adopt a
34 total maximum out-of-pocket cap that does not exceed the highest deductible permitted for a
35 health savings account qualified plan;

36 WHEREAS, the state's traditional, non-health savings account qualified health benefits
37 plan has multiple, separate maximum out-of-pocket limits that, when combined, exceed the cap
38 permitted under federal law; and

39 WHEREAS, the Public Employees' Benefit and Insurance Program's medical risk pool
40 for the state of Utah contains excess reserves:

41 NOW, THEREFORE, BE IT RESOLVED that the Legislature directs the Public
42 Employees' Benefit and Insurance Program to modify the traditional health benefit plan by
43 merging all deductibles into a single deductible and all maximum out-of-pockets into a single
44 maximum out-of-pocket within 1% of the plan's current actuarial value.

45 BE IT FURTHER RESOLVED that the Legislature directs the Public Employees'
46 Benefit and Insurance Program to transfer to the state and its employees based on relative
47 contribution shares \$18 million in excess reserves by July 1, 2015.

Legislative Review Note
as of 1-16-15 10:37 AM

Office of Legislative Research and General Counsel