

**NOTICE OF
PROPOSED NEW RULE**

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

1. Agency: Insurance - Administration
 Room no.: 3110
 Building: STATE OFFICE BLDG
 Street address 1: 450 N MAIN ST
 Street address 2:
 City, state, zip: SALT LAKE CITY UT 84114-1201
 Mailing address 1: PO BOX 146901
 Mailing address 2:
 City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name:	Phone:	Fax:	E-mail:
Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 35202 Date filed: 08/31/2011 03:15 PM
 State Admin Rule Filing Key: 151486
 Utah Admin. Code ref. (R no.): R 590 - 263 -

Title

2. Title of rule or section (catchline):
 Commonly Selected Health Benefit Plans.

Notice Type

3. Type of notice: New Rule

Rule Purpose

4. Purpose of the rule or reason for the change:
 The purpose of this rule is to provide the standard for a carrier to determine the most commonly selected small employer group health benefit plans.

Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.
 No

Rule Summary

6. Summary of the rule or change:

The 2011 Legislature passed HB 128, Health Reform Amendments. It added subsection 31A-30-205(1)(d)(iii) requiring the department to set a standard by rule for the "most commonly selected plans." The law reduced the required number of most commonly selected health plans from 5 to 4 available to consumers to choose from at all times. The department has taken comments from the four largest health insurers doing business in Utah to create the

wording for this rule. Subsection R590-263-3(1) defines "most commonly selected plans," Subsection (2) clarifies that as soon as a carrier drops one of the four plans they are to "again determine the four most commonly selected ...plans currently marketed" by them. Subsection (3) requires insurers to maintain documentation to back up how they determined the four most commonly selected plans and make the documentation available for review by the department.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

The changes to this rule will not impact the department. No new filings will be required to be sent to the department. No additional workload will be required of the department. The rule just sets a standard for insurers issuing small employer group health insurance plans on the Utah Health Exchange to follow in offering four commonly selected health plans for the public to choose from. The rule will may make it easier for the department to verify that an insurer has selected their four most common plans.

B) Local government:

Affected: No

This rule will have no effect on local governments since it deals with state insurance law and the relationship between the department and their licensees.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

The only small businesses affected by this rule are small employer groups seeking to purchasing health insurance plans for their employees in the Utah Health Exchange. The rule emphasizes the code requirement that they always have four of the most selected health plans available for small employer groups to choose from. By always having four insurance health plans available to choose from gives small employer groups the broadest choice of commonly selected insurance coverage and cost available under the law.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

Insurers selling small employer health plans will need to re-assess their procedures for selecting the four health plans and making sure there are always four available. They will also need to make sure they retain their documentation of this selection process for three years. A minimal amount of filing space or computer space should be needed for such documentation. The major health insurers are already following this law.

Compliance Cost Information

8. Compliance costs for affected persons:

The only small businesses affected by this rule are small employer groups seeking to purchasing health insurance plans for their employees. The rule emphasizes the code requirement that they always have four of the most selected health plans available for small employer groups to choose from. By always having four insurance health plans available to choose from gives small employer groups the broadest choice of commonly selected insurance coverage and cost available under the law. Insurers selling small employer health plans will need to re-assess their procedures for selecting the four health plans and making sure there are always four available. They will also need to make sure they save their documentation of this selection process for three years. A minimal amount of filing space or computer space should be needed for such documentation. The major health insurers are already following this law.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

This new rule is primarily to define procedure for a health insurer in the offering of their small employer health insurance plans to the public. Most, if not all health insurers are already following the law and so would have no impact on them. The only area an insurer may be out of compliance in is that of keeping documentation so would have to reconstruct that for the four required plans. This would be considered a "cost of doing business."

B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch, insurance commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :
31A-30-205(1)(d)(iii)

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

	Official Title of Materials Incorporated (from title page):
	Publisher:
	Date Issued:
	Issue, or version:
	ISBN Number:
	ISSN Number:
	Cost of Incorporated Reference:
	Adds, updates, removes:

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

10/17/2011

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

10/24/2011

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After a minimum of seven days following the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):

insurance health benefit plans

File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title:

Jilene Whitby Information
Specialist

Date (mm/dd/yyyy): 08/31/2011