



HBXXXX Health Reform Amendments

Legislation proposed by Rep. J. Dunnigan

A Utah Health Policy Project Fact Sheet

January 21, 2011

The “Health Reform Amendments” draft bill sponsored by Rep. Jim Dunnigan is this session’s key legislation to move Utah’s reform process forward. The bill addresses some of the issues that have so far prevented [Utah’s Health Exchange](#) (“Exchange”) from serving to increase health insurance coverage in the state. The Exchange is a web-based portal where—once the issues that have hindered enrollment are resolved— Utah’s small business and, eventually, individuals will be able to shop for health insurance, pooling risk to bring down the price of premiums and increasing employee choice of insurance plans.ⁱ The issues that have to this point plagued the Exchange include:

- 1) a lack of clear, useful, and accurate information about policies offered on the Exchange— information that is absolutely vital for consumers to make informed choices about coverage
- 2) no “apples-to-apples” comparison tool for consumers to use when choosing from a dizzying array of options—most employees in the 11 small businesses that originally joined the Exchange chose their employer’s default plan
- 3) a long and bulky application that many early potential Exchange enrollees gave up on, and
- 4) the deal breaker: for many employers, premium prices were higher in the Exchange than in the outside market!

To address these issues, Rep. Dunnigan’s draft bill (version 10.0) will:

Increase transparency: making it easier for consumers to make informed decisions about their care.

- This legislation requires that insurers post price and value comparisons of their policies and clear, accurate information about benefit packages on the Utah Health Exchange.

Strengthen Utah’s Health Exchange (“Exchange”).

- The bill requires that insurers use a simple, uniform application form and process electronic applications in a timely manner on the Exchange.
- It improves the operations of the Exchange by clarifying the basic benefit package and facilitating apples-to-apples comparison of plans based on actuarial value.
- It verifies that insurers are pricing plans the same in and out of the Exchange and strengthens oversight for insurers and brokers using the Exchange.

Address governance + regulation issues.

- The draft legislation clarifies roles and duties in state health reform, strengthens oversight of the state’s payment and delivery system reform process, and renews the Task Force for another year.
- It authorizes the state to regulate the insurance market in accordance with the Affordable Care Act changes, including dependent coverage, pre-existing condition exclusion for children, essential benefits, premium rate reviews and appeals, first-dollar coverage for preventive care, and lifetime and annual limits.

Utah’s Exchange could be an important tool for covering Utah’s uninsured working people and stabilizing costs for employers. Pending changes recently submitted by UHPP (available on request), Rep. Dunnigan’s proposed legislationⁱⁱ will likely increase the effectiveness of the Exchange.

ⁱ T. S. Jost, Health Insurance Exchanges ...Key Policy Issues, The Commonwealth Fund, July 2010. <http://www.commonwealthfund.org/Content/Publications/Fund-Reports/2010/Jul/Health-Insurance-Exchanges-and-the-Affordable-Care-Act.aspx#citation>

ⁱⁱ UHPP, [Matrix of Key Issues Addressed in Proposed Legislation: Health Reform Amendments](#), 2011; UHPP, [Section by Section Index on Proposed Legislation: Health Reform Amendments](#), 2011.