



PEHP Response

Submitted 12/21/2021 12:54:08

HB0066 - Public Employees' Insurance Plan Amendments

Any Fiscal Impact - no

Updated 12/21/2021 12:54:06 by David Hansen

HB 66 directs PEHP to discontinue the Preferred Network for the state health insurance plan. Hospitals rates are largely dependent on the degree of choice given to enrollees. Because the Preferred Network provides enrollees with unlimited hospital choice in Utah, it reimburses hospitals at much higher rates in comparison to the Advantage Network (IHC & rural hospitals) and Summit Network (MountainStar, Steward, University, and rural hospitals). State employees pick up the difference in rates by paying significantly more in premium. However, the state also pays more than it otherwise would because state employees with greater healthcare needs gravitate to the Preferred Network. Accordingly, discontinuing the Preferred Network should result in savings for the state and those employees who are on it, with minimal member impact given design features added to the Advantage and Summit Networks.