

## **Qualified Health Insurance Coverage**

In the 2009 legislative general session a law was passed requiring all consultants and subs who enter into a contract with UDOT over certain contract and subcontract values meet the Qualified Health Insurance Coverage requirements as outlined in Utah Code 72-6-107.5. In the 2016 legislative general session the law was revised to raise the threshold contract and subcontract thresholds. The prime contract value threshold is \$2,000,000 or greater and the subcontract value threshold is \$1,000,000 or greater.

Web link to qualified health care coverage limits:  
<http://www.health.utah.gov/chip/PDF/2016Benchmark.pdf>

Web link to Rule R916-5:  
<http://www.rules.utah.gov/publicat/code/r916/r916-005.htm>

**As required by Utah Code 72-6-107.5, effective July 1, 2009, UDOT will not enter into a contract with a Consultant (or subconsultant) without "demonstration" of compliance regarding the offering of "Qualified Health Insurance Coverage" to their employees. Prior to issuing Notice to Proceed or approval to sublet work, the consultant must demonstrate compliance following the provisions of Administrative Rule R-916-5. A Consultant's inability to adequately demonstrate compliance may be grounds for determining a proposal non-responsive or grounds for cancellation of award.**

To "demonstrate" compliance, two statements are needed. Statements need to be signed originals and on company letterhead. Separate letters for each subsidiary, contracting with UDOT, are required.

1. Provide a written statement of actuarial equivalency from:
  - a. an actuary selected by the consultant or the consultant's insurer; or
  - b. an underwriter who is responsible for developing the employer group's premium rates.

### Example

2. An original signed statement from the Consultant stating that they will "maintain an offer of Qualified Health Insurance coverage as required by Utah Code 72-6-107.5 for the duration of any contract between \_\_\_\_\_ (Consultant) and UDOT."

Consultants may take the necessary steps now to comply with this ruling or wait until selected as a prime or subconsultant on a contract that meets the threshold. Work with your insurance carrier or the ACEC to find an Actuary or underwriter, familiar with the new Qualified Health Plan. Statements can be mailed to the UDOT Consultant Services Division, P O Box No. 148490, Salt Lake City, UT 84114-8490. Statements submitted by consultants will be effective for one year.

Subconsultants entering into a contract valued at \$1,000,000.00 or greater will also be required to demonstrate compliance. As required by law, if a subconsultant enters into a contract with a consultant, the consultant shall demonstrate to UDOT that the subconsultant has and will maintain an offer of qualified health insurance coverage for the subconsultant's employees and the employees' dependents for the duration of the contract(s). Subconsultants may follow the same process as prime consultants.

**Example Only** (Consultant Firm, Insurance Company, (Actuarial Equivalency or Underwriter Statement) and Signature block information is required)

## **STATEMENT OF ACTUARIAL EQUIVALENCY**

As of **(Date)** \_\_\_\_\_, \_\_\_\_\_ **(Consultant)** has chosen to offer health insurance coverage to its employees through \_\_\_\_\_ **(Insurance Company)**.

(Actuary or Underwriter Representative) has compared the benefit plan for \_\_\_\_\_ **(Consultant)** to the minimum qualified health insurance coverage requirements listed in UCA Section 72-6-107.5, Health Insurance Coverage in State Contracts.

The coverage has been determined to exceed or be actuarially equivalent to the requirements of UCA Section 72-6-107.5.

\_\_\_\_\_  
**(Actuary's or Underwriter's Representative's  
Signature)**

Printed Name  
Credentials  
Company