

**NINETIETH GENERAL ASSEMBLY
2024 REGULAR SESSION
DAILY
HOUSE CLIP SHEET**

April 2, 2024

Clip Sheet Summary

Displays all amendments, fiscal notes, and conference committee reports for previous day.

Bill	Amendment	Action	Sponsor
HF 2618	H-8260	Filed	STECKMAN of Cerro Gordo

Fiscal Notes

[HF 2488](#) — [Insurance, Prior Authorizations](#) (LSB5718HV.1)

[HF 2674](#) — [Rural Development Tax Credit Program](#) (LSB6330HV)

HOUSE FILE 2618

H-8260

1 Amend the amendment, H-8253, to House File 2618, as follows:

2 1. Page 1, after line 21 by inserting:

3 <Sec. _____. Section 256.146, subsection 21, Code 2024, is
4 amended to read as follows:

5 21. a. By July 1, 2021, adopt rules pursuant to
6 chapter 17A, developed in collaboration with the Iowa
7 reading research center, establishing an advanced dyslexia
8 specialist endorsement. The endorsement shall require a
9 strong understanding of structured literacy instruction; the
10 neurobiological nature, cognitive-linguistic correlates,
11 developmental indicators, compensatory behaviors, potential
12 psychological factors, and co-occurring disorders of dyslexia;
13 demonstrated skill in administering informal and formal
14 assessments related to dyslexia; demonstrated skill in delivery
15 of explicit, systematic literacy intervention; demonstrated
16 skill in developing and supporting services for students
17 with characteristics of dyslexia including those who are
18 eligible for services under chapter 256B or section 504 of
19 the federal Rehabilitation Act of 1973, 29 U.S.C. §794, as
20 amended; demonstrated skill in the design and implementation
21 of accommodations and modifications; demonstrated competence
22 in creating a dyslexia-friendly learning environment; and
23 demonstrated skill in the use and integration of assistive
24 technology. ~~This endorsement shall, at a minimum, require
25 three years of prior teaching experience and completion of a
26 supervised practical experience.~~

27 b. The rules shall allow students participating in approved
28 practitioner preparation programs to apply for and, if
29 deemed qualified by the board, receive the advanced dyslexia
30 specialist endorsement.

31 c. The rules shall require the board to grant a reading
32 specialist endorsement to any individual who receives
33 an advanced dyslexia specialist endorsement under this
34 subsection.>

35 2. Page 2, after line 11 by inserting:

H-8260 (Continued)

1 <Sec. _____. APPLICABILITY. The following applies to
2 individuals admitted to an approved practitioner preparation
3 program on or after the effective date of this Act:

4 The portion of the section of this Act enacting section
5 256.146, subsection 21, paragraph "b".

6 Sec. _____. APPLICABILITY. The following applies to
7 individuals who apply to the board of educational examiners for
8 an advanced dyslexia specialist endorsement on or after the
9 effective date of this Act:

10 The portion of the section of this Act enacting section
11 256.146, subsection 21, paragraph "c".

12 _____. Title page, line 2, after <requirements> by inserting
13 <and provisions related to endorsements issued by the board of
14 educational examiners>

15 _____. Title page, line 5, after <level> by inserting <, and
16 including applicability provisions>>

17 3. By renumbering as necessary.

By STECKMAN of Cerro Gordo

H-8260 FILED APRIL 1, 2024



[HF 2488](#) – Insurance, Prior Authorizations (LSB5718HV.1)
Staff Contact: Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov
Fiscal Note Version – As amended by Senate amendment [H-8252](#)

[House File 2488](#) as amended by Senate amendment H-8252 relates to prior authorizations and exemptions by health benefit plans and utilization review organizations and certain cost controls for health care services.

Division I — Prior Authorizations and Exemptions

Description

Division I relates to prior authorizations and exemptions by health benefit plans and utilization review organizations. The Bill as amended does the following:

- Provides requirements for utilization review organizations in responding to requests for prior authorization from health care providers, in reviewing health care services, and in eliminating prior authorization requirements for health care services that meet conditions described in the Bill as amended.
- Requires all health carriers that deliver, issue for delivery, continue, or renew a health benefit plan on or after January 1, 2025, to implement a pilot program prior to January 16, 2025, that exempts a subset of participating health care providers from certain prior authorization requirements. Includes requirements for health carriers administering the pilot program.
- Requires each health carrier that implements the pilot program described in the Bill as amended to submit a report to the Commissioner of Insurance on or before January 15, 2026, containing the results of the exemption program, including an analysis of the costs and savings, the health benefit plan's recommendations regarding the program, feedback received regarding the program, and an assessment of the administrative costs incurred by the program.

Background

“Prior authorization” is defined in Iowa Code section [514F.8](#) as a determination by a utilization review organization that a specific health care service proposed by a health care provider for a covered person is medically necessary or medically appropriate, which determination is made prior to the provision of the health care service to the covered person, and, if applicable, includes a utilization review organization's requirement that a covered person or a health care provider notify the utilization review organization prior to receiving or providing a specific health care service.

Utilization review is defined in Iowa Code section [514F.4](#) as a program or process by which an evaluation is made of the necessity, appropriateness, and efficiency of the use of health care services, procedures, or facilities given or proposed to be given to an individual.

According to the Board of Regents (BOR), the turnaround time for prior authorization decisions required by the Bill as amended aligns with current practices. Administrative expenses make up a small portion of the State Insurance Plan and BOR Insurance Plans. The estimated total

spend for the State of Iowa Insurance Plan is approximately \$340.0 million and for the BOR Insurance Plans is approximately \$458.1 million.

Assumptions

- Administrative costs to the State of Iowa Insurance Plan and the BOR Insurance Plans may increase as a result of the Bill as amended, but the amount of the increase cannot be determined.
- Claims costs to the State of Iowa Insurance Plan may increase minimally.

Fiscal Impact

Division I may increase costs to the State of Iowa Insurance Plan and the BOR Insurance Plans beginning in CY 2025. Increased costs to the BOR Insurance Plans are estimated to be minimal. The increase in State of Iowa Insurance Plan costs is estimated to be minimal, but has the potential to reach 0.1%, which would reflect a \$340,000 increase. The duration of the pilot programs required by the Division is not known; therefore, the duration of potential costs cannot be determined at this time.

Sources

Iowa Insurance Division, Department of Insurance and Financial Services
Board of Regents
Wellmark
Legislative Services Agency analysis

Division II — Cost Controls for Health Care Services

Description

Division II relates to certain cost controls for health care services and does the following:

- Adds the improper denial of claims, as described in the Bill as amended, to the list of unfair methods of competition and unfair or deceptive acts or practices defined in Iowa Code section [507B.4](#).
- Provides requirements for health care providers (providers) to establish and disclose discounted cash prices the provider will accept for specific health care services (services). The Bill as amended prohibits a provider from entering into a contract that prevents the provider from offering or disclosing a cash price below the contracted rates the provider has with a health carrier.
- Establishes disclosure requirements regarding deductible credits and for covered persons' out-of-pocket pricing for prescription drugs that meet the conditions in the Bill as amended.
- Establishes disclosure and substitution requirements for health benefit plans regarding the average allowed amount for each health care service.
- Requires credit to be applied towards in-network cost-sharing for covered persons who receive service at a discounted cash price other than the average allowed amount at the lower of the two amounts if the service is provided by an in-network provider.
- Prohibits a health benefit plan from discriminating in the form of payment for an in-network covered service on the basis of the covered person's being referred for the service by an out-of-network provider.
- Establishes payment credit requirements for cost-sharing for a covered person who purchases generic covered prescription drugs for less than the average allowed amounts for the name-brand equivalent.
- Establishes requirements for health-denying claims pursuant to the Bill as amended, including an appeal process and a trigger for an investigation into claim denials by the Commissioner of Insurance (Commissioner).

- Requires health benefit carriers to provide covered persons with a program that rewards the covered person with a savings incentive for medically necessary services received from providers that offer a cash price below the average allowed amount.
- Provides requirements for a provider's initiation or pursuit of a collection action against a person for a debt owed for a service.
- Requires the Department of Administrative Services (DAS) to conduct an analysis of the cost-effectiveness of offering a savings incentive program and deductible credit for State employees and retirees before August 1, 2025.
- Requires the DAS to submit a report to the General Assembly on or before September 1, 2025, containing an explanation of the implementation decision regarding a savings incentive program or deductible credit program.
- The Bill as amended requires any such program to be implemented for the 2026 State employee health insurance open enrollment period.

Background

Iowa Code section 507B.4 establishes a list of unfair methods of competition and unfair or deceptive acts or practices with respect to the insurance trade, including but not limited to misrepresentation and false advertising of insurance policies, unfair discrimination, and unfair claim settlement practices.

Iowa Code section [507B.6](#) permits the Commissioner to issue and serve a statement of charges upon a person who the Commissioner believes has been engaged or is engaging in any unfair method of competition or any unfair or deceptive act or practice that would be in the public interest. At the hearing, the person has the opportunity to be heard and show cause why an order should not be made by the Commissioner to require the person to cease and desist from the acts, methods, or practices complained of.

The 2026 State employee health insurance open enrollment period begins October 2025.

Assumptions

- Providers will be required to establish and disclose the discounted cash price for health care services available to consumers.
- Insurers will be required to provide the minimum negotiated charge a provider has negotiated with the carrier.
- Health carriers offering prescription drug coverage will be required to make the out-of-pocket pricing for all formulary medications available.
- The Bill as amended may require operational and administrative changes to the insurance plans, which may increase expenses.
- According to the DAS, in order to conduct the analysis of the savings incentive program required by the Bill as amended, the DAS will need to hire an outside consultant with expertise in the subject matter. The outside consultant may cost up to \$495 per hour. The total cost cannot be estimated at this time. The DAS states that any associated fiscal impact is not currently included within its operating budget.

Fiscal Impact

Division II is estimated to increase operational and administrative expenses for the State of Iowa Insurance Plan and the BOR Insurance Plans. The fiscal impact cannot be estimated at this time but may be significant.

The fiscal impact to the DAS to conduct the analysis and complete the report required by the Bill as amended cannot be determined.

Sources

Iowa Insurance Division, Department of Insurance and Financial Services
Department of Administrative Services
Board of Regents
Wellmark
Legislative Services Agency analysis

/s/ Jennifer Acton

April 1, 2024

Doc ID 1447581

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[HF 2674](#) – Rural Development Tax Credit Program (LSB6330HV)
Staff Contact: Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2674](#) creates the Iowa Rural Development Tax Credit Program under the Iowa Economic Development Authority (IEDA). The Bill establishes guidelines for various areas of the Program related to applications, tax credit revocation and recapture, annual reports, exit requirements, and State reimbursements.

The Bill allows the IEDA to approve up to \$45.0 million in eligible investment authority and \$27.0 million in credit-eligible capital contributions under the Program. Tax credits issued under the Program may be claimed against the franchise tax, the insurance premium tax, or the moneys and credits tax. The tax credits are nonrefundable and may be carried forward until depleted.

Background

A “credit-eligible capital contribution” is defined as a cash investment in a rural business growth fund that receives a tax credit under the Bill. The investment may be used to purchase an equity interest in the growth fund or a debt instrument issued by the growth fund.

A “growth investment” is defined as any of the following:

- A capital or equity investment in a qualified business.
- A loan to a qualified business if certain conditions are met.
- A senior secured loan if certain conditions are met.

Assumptions

- The IEDA will begin accepting applications on January 7, 2025.
- Three rural business growth funds will be approved by the IEDA. One growth fund will be approved in each calendar year from 2025 to 2027 for \$15.0 million in investment authority and \$9.0 million in credit-eligible capital contributions.
- One applicant will be awarded tax credit certificates each year from FY 2026 to FY 2028.
- The three approved rural business growth funds will close in 2027, 2028, and 2029.
- Tax credit claims will be made at the maximum rate allowed and will begin in the fiscal year following the third, fourth, and fifth anniversaries of a growth fund’s closing date.
- All franchise, insurance premium, and moneys and credits taxpayers that have a credit-eligible capital contribution will be eligible for the tax credit. The tax liability for each taxpayer type was not estimated separately but is assumed to exceed the capital contribution. It is assumed that all tax types will be assessed taxes in the projected years at the current rate.
- All requirements of the Bill will be met by investors and growth funds. No revocation or recapture of awarded tax credits will be necessary, and no State reimbursements will be made.

Fiscal Impact

House File 2674 is estimated to decrease revenue to the General Fund by the following amounts each fiscal year:

- FY 2031 = \$3.0 million
- FY 2032 = \$6.0 million
- FY 2033 = \$9.0 million
- FY 2034 = \$6.0 million
- FY 2035 = \$3.0 million

Sources

Iowa Department of Revenue
Iowa Economic Development Authority

/s/ Jennifer Acton

April 1, 2024

Doc ID 1448550

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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